APPENDIX

A GLOSSARY OF INSURANCE-RELATED TERMS

(AS OF SEPTEMBER 2007)

A

Accelerated death benefit Benefit paid, under clearly defined health-related circumstances, to a policyholder prior to his or her death. Accelerated dealth benefits are also known as *living benefits.*

Accidental death benefit A provision added to a life insurance policy for payment of an additional benefit if death is caused by an accident. Also known as *double indemnity.*

Actuary A person professionally trained in the technical aspects of insurance and related fields, particularly in the mathematics of insurance such as the calculation of premiums, reserves, and other values.

Adjustable life insurance A type of life insurance that allows the policyholder to change the plan of insurance, raise or lower the policy's face amount, increase or decrease the premium, and lengthen or shorten the protection period.

Adjuster A person, usually employed by a property/casualty insurer, who evaluates losses and settles claims. Independent adjusters are independent contractors who adjust claims for the insurance companies.

Agent A representative of an insurance company who is authorized to sell and service insurance contracts. Life insurance agents are also known as *life underwriters* or *producers.*

Annuitant The person whose life expectancy is used to determine the payout of an annuity.

Annuity A financial contract issued by a life insurance company that offers tax-deferred savings and a choice of payout options to meet an owner's needs in retirement: income for life, income for a certain period of time, or a lump sum.

Annuity certain A contract that provides an income for a specified number of years, regardless of life or death.

Annuity consideration The payment, or one of regular periodic payments, that a policyholder makes to an annuity.

Application A statement of information made by a prospective purchaser that helps the insurer assess the acceptability of risk.

Assets Property owned by an insurance company—including stocks, bonds and real estate. Insurance accounting focuses on solvency and the ability to pay claims, therefore a conservative valuation of assets is required. This prohibits companies from listing assets on their balance sheets when values are uncertain.

Asset valuation reserve (AVR) A reserve that makes provisions for credit-related losses on fixed-income assets (default component) as well as all types of equity investments (equity component).

Assignment The legal transfer of one person's interest in an insurance policy to another person.

Assume To accept the risk of potential loss from another insurer.

Assumption reinsurance A reinsurance agreement in which one company permanently transfers full responsibility for a block of policies to another company. After the transfer, the ceding company is no longer a party to the insurance agreement.

Automatic premium loan A loan provision in a life insurance policy allowing any premium not paid by the end of the grace period (usually 30 or 31 days) to be paid automatically through a policy loan if cash value is sufficient.

B

Balance sheet Information on a company's financial condition at a single point in time showing assets, investments, and liabilities. the balance sheet also reveals a company's equity, known as policyholder surplus. Changes in the surplus are one indicator of a company's financial standing.

Bank holding company A company that owns or controls one or more banks. The Federal Reserve regulates and supervises bank holding company activities such as approving mergers and acquisitions. The authority of the Reserve applies even though a bank owned by a holding company may be under the primary supervision of the Comptroller of the Currency or the FDIC.

Beneficiary The person or financial entity (for instance, a trust fund) named in a life insurance policy or annuity contract as the recipient of policy proceeds in the event of the policyholder's death.

Benefit The amount payable by the insurance company to a claimant, assignee, or beneficiary when the insured suffers a loss covered by the policy.

Bond A security obligating the issuer to pay interest at specified intervals and to repay the principal at maturity. Bonds are a form of suretyship: Various types guarantee a payment or reimbursement for financial losses resulting from dishonesty, failure to perform, and other failures.

Bond rating An evaluation of a bond's financial strength by an established rating agency such as Standard & Poor's or Moody's Investor Services.

Broker A sales and service representative who handles insurance for clients and generally sells insurance of various kinds from one company or several.

Business disability insurance Disability insurance purchased by a business on a member of a firm. This insurance is often used to protect business partners against loss caused by a partner's disability and to reimburse corporations for loss caused by the disability of a key employee.

Business life insurance Insurance purchased by a business on the life of a member of the firm. This insurance protects surviving business partners against loss caused by the death of a partner and reimburses corporations for loss caused by the death of a key employee.

C

Capacity The amount of insurance available to meet demand. Availability depends on the industry's capacity for risk. For an individual insurer, it is the maximum amount of risk it can underwrite based on its financial condition. An insurer's capital relative to its exposure to loss is an important measure of its solvency.

Captive agent A person who represents only one insurance company and is restricted by agreement from submitting business to any other company unless rejected first by the captive agent's company.

Capital stock The initial book value of stock sold by a company to start its operations.

Cash balance plan A defined benefit plan that strongly resembles a defined contribution plan. Benefits accrue through employer contributions to employee accounts and interest credits to balances in those accounts. The accounts serve as bookkeeping devices to track benefit accruals.

Cash value The amount available in cash upon surrender of a permanent life insurance policy. Also known as *cash surrender value.*

Cede To transfer the risk of potential loss to another insurer.

Certificate A statement issued to persons insured under a group policy that defines the essential provisions of their coverage.

Claim Notification to an insurance company that payment of an amount is due under the terms of a policy.

COBRA (Consolidated Omnibus Budget Reconciliation Act) A federal law under which group health plans sponsored by employers with twenty or more employees must offer continuation of insurance coverage to employees and their dependents after they leave their employment. Under COBRA, coverage can be continued for up to 18 months; the employee pays the entire premium.

Codification A process undertaken by NAIC to redefine life company statutory accounting to ensure consistency in how companies present their accounts in their annual statements. This process culminated in the 2001 annual statements, the structure of which was noticeably different from the previous years.

Convertible term insurance Term insurance that can be exchanged, at the option of the policyholder and without evidence of insurability, for another plan of insurance.

Credit disability insurance Disability insurance issued through a lender or lending agency to cover payment of a loan, an installment purchase, or other obligation in case of disability.

Credit life insurance Term life insurance issued through a lender or lending agency to cover payment of a loan, an installment purchase, or other obligation in case of death.

D

Declination Rejection of an application for insurance coverage by an insurance company, usually due to the applicant's health or occupation.

Deductible The amount of loss paid by the policyholder. Either a specified dollar amount, a percentage of the claim amount, or a specified amount of time that must elapse before benefits are paid. The larger the deductible, the lower the premium charged for the same coverage.

Deferred annuity A contract in which annuity payouts begin at a future date.

Deferred group annuity A type of group annuity providing for the purchase each year of a paid-up deferred annuity for each group member. The total amount received by a member at retirement is the sum of these deferred annuities.

Defined benefit plan A pension plan that specifies the benefits an employee will receive after retirement. Benefits typically are based on length of service and salary, and are usually funded by the employer on behalf of each plan participant.

Defined contribution plan A pension plan that specifies the contributions made by employees, and in many cases the employer, on behalf of each plan participant. These funds accumulate for each participant until retirement, when they are distributed as a lump sum or monthly annuity. Benefits are based on the amount of contributions plus earnings.

Deposit administration group annuity A type of group annuity that allows contributions to accumulate in an undivided fund, out of which annuities are purchased as each member of the group retires.

Deposit term insurance A form of term insurance in which the first-year premium is larger than subsequent premiums. A partial endowment typically is paid at the end of the term period. In many cases, the partial endowment can be applied toward the purchase of a new term or whole life policy.

Deposit-type contracts Contracts that do not include mortality or morbidity risks.

Disability A physical or mental condition that makes an insured person incapable of working.

Disability benefit The benefit paid under a disability income insurance policy; also a feature added to some life insurance policies providing for waiver of premium, and sometimes payment of monthly income, if the policyholder becomes totally and permanently disabled.

Disability income insurance Insurance that provides periodic payments, or in some cases a lump-sum payment, based on the insured's income replacement needs, when the insured is unable to work due to illness or injury.

Dividend An amount of money returned to the holder of a participating life insurance policy. The money results from actual mortality, interest, and expenses that were more favorable than expected when the premiums were set. The amount of any dividend is set by the insurer based on the insurer's standards.

Dividend addition An amount of paid-up insurance purchased with a policy dividend and added to the policy's face amount.

E

Earned premium The portion of premium that applies to the expired part of the policy period. Insurance premiums are payable in advance but the insurance company does not fully earn them until the policy period expires.

Endowment Life insurance payable to the policyholder on the policy's maturity date, or to a beneficiary if the insured dies prior to that date.

Equity in investments The ownership interest of shareholders. In a corporation, stocks as opposed to bonds.

Evidence of insurability The common requirement by life insurance companies that potential policyholders undergo a physical examination or medical tests, such as blood pressure or cholesterol screening, before the applicant can purchase an individual life insurance policy.

Extended term insurance A form of insurance available as a non-forfeiture option providing the original amount of insurance for a limited time.

Extra risk A person possessing a greater-than-average likelihood of loss.

F

Face amount The amount stated on the face of a life insurance policy that will be paid upon death or policy maturity. The amount excludes dividend additions or additional amounts payable under accidental death or other special provisions.

Family policy A life insurance policy providing insurance on all or several family members in one contract. It generally provides whole life insurance on the principal breadwinner and small amounts of term insurance on the spouse and children, including those born after the policy is issued.

Fiduciary A person or organization authorized to control or manage pension assets to administer a pension plan. Fiduciaries are legally obligated to discharge their duties solely in the interest of plan participants and beneficiaries, and are accountable for any actions that may be construed by courts as breaching that trust.

Fixed annuity A deferred annuity contract in which the life insurance company credits a fixed rate of return on premiums paid or an immediate annuity in which the periodic amount is fixed.

Flexible premium policy or annuity A life insurance policy or annuity contract that allows the amount and frequency of premium payments to be varied.

401(k) plan An employment-based retirement savings plan that allows employees to make tax-deferred contributions from current earnings.

403(b) plan A retirement savings plan, similar to a 401(k), for employees of charitable and educational organizations.

457 plan A retirement savings plan, similar to a 401(k), for employees of state and municipal governments.

Fraternal life insurance Life insurance provided by fraternal orders or societies to their members.

Fraud Intentional lying or concealment by policyholders to obtain payment of an insurance claim that would otherwise not be paid, or lying or misrepresentation by the insurance company managers, employees, agents, and brokers for financial gain.

G

General account An undivided account in which life insurers record all incoming funds. A general account is usually an insurer's largest, although separate accounts can also be used to fund specific liabilities as well.

Grace period A period of usually a number of days following each insurance premium due date except the first, during which an overdue premium may be paid and the policy be maintained. All policy provisions remain in force during this period.

Group annuity A pension plan providing annuities at retirement to a group of people under a master contract, usually issued to an employer for the benefit of employees. Each group member holds a certificate as evidence of his or her annuity.

Group life insurance Life insurance on a group of people, usually issued to an employer for the benefit of employees. Each group member holds a certificate as evidence of his or her insurance.

Guaranteed interest contract (GIC) A contract offered by an insurance company guaranteeing a rate of return on assets for a fixed period, and payment of principal and accumulated interest at the end of the period. GICs sometimes are used to fund the fixed-income option in defined contribution plans, such as 401(k)s.

I

Immediate annuity An annuity contract in which periodic payments begin immediately or within one year of the policy's issue.

Indemnity reinsurance A form of reinsurance in which the risk is passed to a reinsurer, which reimburses the ceding company for covered losses. The ceding company retains its liability to and contractual relationship with the insured.

Individual life insurance Life insurance on a person with premiums payable annually, semiannually, quarterly, or monthly.

Individual policy pension trust A type of pension plan frequently used for small groups and administered by trustees authorized to purchase individual level-premium policies or annuity contracts for each plan member. The policies usually provide both life insurance and retirement benefits.

Individual retirement account (IRA) An account to which a person can make annual contributions of earnings up to a specified dollar limit. These contributions are tax-deductible for workers who are not covered by an employment-based retirement plan, regardless of income, or whose income does not exceed certain taxable income levels.

Insolvency Insurer's legal inability to pay its future policyholder obligations. Insurance insolvency standards and the regulatory actions taken vary from state to state. Typically, the first indications of an insurer's financial stress is its inability to pass the financial tests regulators routinely administer.

Institutional investor An organization such as a bank or insurance company that buys and sells large quantities of securities.

Insurable risk Risks for which it is relatively easy to get insurance. Such risks meet certain criteria including being definable, accidental in nature, and part of a group of similar risks large enough to make losses predictable. Such conditions make it possible for an insurer to offer insurance at a reasonable rate.

Insurance A system to make coverage of large financial losses affordable by pooling the risks of many individuals or business entities and transferring them to an insurance company in return for a premium.

Insurance examiner The state insurance department representative assigned to conduct the official audit and examination of an insurance company's operations.

Insured The person on whose life an insurance policy is issued. Also known as *insured life.*

Interest maintenance reserve (IMR) A reserve that captures all realized, interest-related capital gains and losses on fixed-income assets. These gains and losses are amortized into income over the remaining life of the investment sold.

J

Joint and survivor annuity An annuity in which payments are made to the owner for life and, after the owner's death, to the designated beneficiary for life.

K

Keogh (H.R. 10) account A retirement savings account to which a self-employed person can make annual tax-deductible contributions, subject to limitations.

L

Lapsed policy An insurance policy terminated at the end of the grace period because of nonpayment of premiums. See non-forfeiture value.

Legal reserve life insurance company A life insurer operating under state insurance laws that specify the minimum basis for reserves that the company must maintain on its policies.

Level premium life insurance Life insurance for which the premium remains the same from year to year. The premium is more than the actual cost of protection during earlier years of the policy and less than the actual cost in later years. The initial overpayments build a reserve which, together with interest to be earned, balances the underpayments of later years.

Life annuity An annuity contract that provides periodic income payments for life.

Life expectancy The average years of life remaining for a group of persons of a given age, according to a mortality table.

Life insurance in force The sum of face amounts and dividend additions of life insurance policies outstanding at a given time. Additional amounts payable under accidental death or other special provisions are excluded.

Limited payment life insurance Whole life insurance on which premiums are payable for a specified number of years, or until death if it occurs before the end of the specified period.

Long-term care insurance Insurance that provides financial protection for persons who become unable to care for themselves because of chronic illness, disability, or cognitive impairment such as Alzheimer's disease.

Lump-sum distribution The non-periodic withdrawal of money invested in an annuity.

M

Malpractice insurance Professional liability coverage for physicians, lawyers, and other specialists against lawsuits alleging negligence or errors and omissions that have harmed their clients.

Managed care An arrangement between an employer or insurer and selected providers to provide comprehensive health care at a discount to members of the insured group and coordinate the financing and delivery of health care. Managed care uses medical protocols and procedures agreed on by the medical profession to be cost effective. These protocols are also known as *medical practice guidelines.*

Master policy A policy issued to an employer or trustee establishing a group insurance plan for designated members of an eligible group.

Mediation Legal procedure in which a third party or parties attempts to resolve a conflict between two other parties. Mediation can be binding or non-binding.

Medicaid A federal and state public assistance program created in 1965 and administered by the states for people whose income and resources are insufficient to pay for health care.

Medicare Federal program for people sixty-five years or older that pays part of the costs associated with their health care such as hospital stays, surgery, home care and nursing care.

Mortality and expense charge The fee for a guarantee that annuity payments will continue for life.

Mortality table A statistical table showing the death rate at each age, usually expressed per thousand.

Mutual life insurance company A life insurance company without stockholders whose management is directed by a board elected by the policyholders. Mutual companies generally issue participating insurance.

N

Non-forfeiture value The value of an insurance policy if it is cancelled or required premium payments are not paid. The value is available to the policyholder either as cash or reduced paid-up insurance.

Non-medical limit The maximum face value of a policy that a given company will issue without a medical examination of the applicant.

Nonparticipating policy A life insurance policy under which the company does not distribute to policyholders any part of its surplus. Premiums usually are lower than for comparable participating policies. Some nonparticipating policies have both a maximum premium and a current lower premium, which reflects anticipated experience more favorable than the company is willing to guarantee. The current premium may change from time to time for the entire block of business to which the policy belongs. See *participating policy.*

Nonproportional reinsurance A form of reinsurance in which the reinsurer's liability depends on the number or amount of claims incurred in a given period.

O

Operating expenses The cost of maintaining a business, including property, insurance, taxes, utilities and rent, but excludes income tax, depreciation, and other financing expenses.

Options Contracts that allow, but do not oblige, the buying or selling of assets at a certain date at a set price.

Ordinary life insurance A life insurance policy that remains in force for the insured's lifetime, usually for a level premium. Also referred to as *whole life insurance.* In contrast, term life insurance only lasts for a specified number of years (but may be renewable).

P

Paid-up insurance Insurance on which all required premiums have been paid; frequently refers to the reduced paid-up insurance available as a nonforfeiture option.

Partial disability benefit A benefit sometimes found in disability income policies providing payment of reduced monthly income if the insured cannot work full time or is unable to earn a specified percentage of predisability earnings due to a disability.

Participating policy A life insurance policy under which the company distributes to policyholders the part of its surplus that its board of directors determines is not needed at the end of the business year. Such a distribution reduces the premium that the policyholder had paid. See policy dividend and nonparticipating policy.

Pensions Programs to provide employees with retirement income after they meet minimum age and service requirements. Life insurers hold some of these funds. Over the last 25 years, the responsibility of funding these retirement accounts has shifted from the employers (who offered defined benefit plans promising a specific retirement income) to employees (who now have defined contribution plans that are financed by their own contributions and not always matched by employers).

Permanent life insurance Generally, insurance that can stay in force for the life of the insured and accrues cash value, such as whole life or endowment. May also be referred to as *ordinary life insurance.*

Policy The printed document that a company issues to the policyholder, which states the terms of the insurance contract.

Policy dividend A refund of part of the premium on a participating life insurance policy, reflecting the difference between the premium charged and actual experience.

Policyholder/Policy owner The owner of an insurance policy, who may be the insured, a relative of the insured such as a spouse, or a nonnatural person such as a partnership or corporation.

Policy illustration A depiction of how a life insurance policy will work, showing premiums, death benefits, cash values, and information about other factors that may affect policy costs.

Policy loan The amount a policyholder can borrow at a specified rate of interest from the issuing company, using the insurance policy's value as collateral. If the policyholder dies with the debt partially or fully unpaid, the insurance company deducts the amount borrowed, plus accumulated interest, from the amount payable to beneficiaries.

Policy reserves The funds that a life insurance company holds specifically for fulfilling its policy obligations. Reserves are required by law to be calculated so that, together with future premium payments and anticipated interest earnings, they enable the company to pay all future claims.

Preferred risk A person considered less of a risk than the standard risk.

Premium The payment, or one of the periodic payments, that a policyholder makes to own an insurance policy or annuity.

Premium loan A policy loan for paying premiums.

Proportional reinsurance A form of reinsurance in which the amount ceded is defined at the point the risk is transferred, not at the point of claim. The amount of risk may vary with time by formula.

Q

Qualified plan An employee benefit plan that meets Internal Revenue Code requirements. Employer contributions to such plans are immediately deductible. Contributions to and earnings in such plans are not included in the employee's income until distributed to the employee. Also known as *tax-qualified plan.*

R

Rated policy An insurance policy issued at a higher-than-standard premium rate to cover extra risk, as when the insured has impaired health or a hazardous occupation. Also known as *extra-risk policy.*

Reduced paid-up insurance A form of insurance available as a nonforfeiture option providing for continuation of the original insurance plan at a reduced amount.

Reinstatement The restoration of a lapsed insurance policy. The company requires evidence of insurability and payment of past-due premiums plus interest.

Reinsurance The transfer of some or all of an insurance risk to another insurer. The company transferring the risk is called the *ceding company;* the company receiving the risk is called the *assuming company* or *reinsurer.*

Reinsure To transfer the risk of potential loss from one insurer to another insurer.

Renewable term insurance Term insurance that can be renewed at the end of the term, at the policyholder's option and without evidence of insurability, for a limited number of successive terms. Rates increase at each renewal as the insured ages.

Reserve The amount required to be carried as a liability on an insurer's financial statement to provide for future commitments under policies outstanding.

Retrocede To cede insurance risk from one reinsurer to another reinsurer.

Retrocessionaire A reinsurer that contractually accepts from another reinsurer a portion of the ceding company's underlying risk. The transfer is known as a *retrocession.*

Return-to-work program A program that helps persons with activity limitations return to work. Assistance may involve maximizing medical improvement to diminish the effect of limitations, or facilitating job or job-site accommodations, retraining, or other means of taking activity limitations into account.

Rider An amendment to an insurance policy that expands or restricts the policy's benefits or excludes certain conditions from coverage. See *accelerated death benefit* and *accidental death benefit.*

Risk-based capital (RBC) Method developed by the National Association of Insurance Commissioners to measure the minimum amount of capital that an insurance company needs to support its overall business operations. RBC sets capital requirements that consider the size and degree of risk taken by the insurer and presumes that stakeholders will still receive limited payment should insolvency occur. RBC has four components:

> **Asset risk** Determines an asset's default of principal or interest, or fluctuation in market value, as a result of market changes.
>
> **Credit risk** Measures the default risk on amounts due from policyholders, reinsurers, or creditors.
>
> **Underwriting risk** Calculates the risk from underestimating liabilities from business already written, or inadequately pricing current or prospective business.
>
> **Off-balance-sheet risk** Measures the risk from excessive growth rates, contingent liabilities, or other items not reflected on the balance sheet.

Risk classification The process by which a company decides how its premium rates for life insurance should differ according to the risk characteristics of persons insured—their age, occupation, gender, and health status, for example—and how the resulting rules are applied to individual applications. See *underwriting.*

Roth IRA An individual retirement account (IRA) in which earnings on contributions are not taxed at distribution, as long as the contributions have been in the account for five years and the account holder is at least age 59 1/2, disabled, or deceased. Contributions to a Roth IRA are not tax-deductible.

S

Self-insured plan A retirement plan funded through a fiduciary—generally a bank but sometimes a group of people—which directly invests the accumulated funds. Retirement payments are made from these funds as they fall due. Also known as *trusteed plan* or *directly invested plan.*

Separate account An asset account maintained independently from the insurer's general investment account and used primarily for retirement plans and variable life products. This arrangement permits wider latitude in the choice of investments, particularly in equities.

Settlement options The several ways, other than immediate payment in cash, that a policyholder or beneficiary may choose to have policy benefits paid. See *supplementary contract.*

Standard risk A person possessing an average likelihood of loss.

Stock life insurance company A life insurance company owned by stockholders who elect a board to direct the company's management. Stock companies generally issue nonparticipating insurance.

Straight life annuity An annuity whose periodic payouts stop when the annuitant dies.

Straight life insurance Whole life insurance on which premiums are payable for life.

Structured settlement An agreement allowing a person who is responsible for making payments to a claimant to assign to a third party the obligation of making those payments. An annuity contract is often used to make structural settlement payments.

Substandard risk A person who cannot meet the normal health requirements of a standard insurance policy. Protection is provided under a waiver, special policy form, or higher premium charge. Also known as *impaired risk.*

Supplementary contract An agreement between a life insurance company and a policyholder or beneficiary in which the company retains the cash sum payable under an insurance policy and makes payments according to the settlement option chosen.

Surplus The remainder after an insurer's liabilities are subtracted from it's assets. The financial cushion that protects policyholders in case of unexpectedly high claims.

T

Term-certain annuity An annuity which makes periodic payments over a fixed number of years. See *annuity certain.*

Terminal funded group plans The reserves under an annuity contract for benefits accumulated outside of the contract, such as under a defined benefit retirement plan that has been terminated.

Term insurance Insurance that covers the insured for a certain period of time, known as the *term.* The policy pays death benefits only if the insured dies during the term, which can be one, five, ten or even twenty years.

Third-party administrator Outside group that performs administrative functions for an insurance company.

Title insurance Insurance that indemnifies real estate owners in case clear ownership of the property is challenged by the discovery of faults in the title.

Tort A legal term denoting a wrongful act resulting in injury or damage on which a civil court action or legal proceeding may be based.

Total disability The inability of a person to perform all essential functions of his or her occupation, or in some cases any occupation, due to a physical or mental impairment.

U

Umbrella policy Coverage for losses beyond the limits of underlying property-casualty, homeowners, or auto insurance policies. While the umbrella applies to losses over the dollar amount in underlying policies, coverage terms are sometimes broader than those specified in the underlying policies.

Unallocated contract A contract under which premiums and contributions are deposited to a fund, rather than used immediately, to purchase annuities for benefit plan participants.

Underwriting The process of classifying applicants for insurance by identifying such characteristics as age, gender, health, occupation, and hobbies. People with similar characteristics are grouped together and charged a premium based on the group's level of risk.

Uninsurable risk Risks for which insurance coverage may not be available.

Universal life insurance A type of permanent life insurance that allows the insured, after the initial payment, to pay premiums at various times and in varying amounts, subject to certain minimums and maximums. To increase the death benefit, the insurance company usually requires the policyholder to furnish satisfactory evidence of continued good health. Also known as *adjustable life insurance.*

V

Variable annuity A contract in which the premiums paid are invested in separate accounts which holds funds, including bond and stock funds. The selection of funds is guided by the level of risk assumed. The account value reflects the performance of the funds that the owner has chosen for investment.

Variable life insurance A type of permanent insurance providing death benefits and cash values that vary with the performance of a portfolio of investments. The policyholder may allocate premiums among investments offering varying degrees of risk, including stocks, bonds, combinations of both, and accounts that guarantee interest and principal.

Variable-universal life insurance A type of permanent insurance that combines the premium flexibility of universal life insurance with a death benefit that varies as in variable life insurance. Excess interest credited to the cash value depends on the investment results of separate accounts investing in equities, bonds, real estate, and others. The policyholder selects the accounts to which premium payments are made.

Vesting The right of an employee to all or a portion of the benefits he or she has accrued, even if employment terminates. Employee contributions, as in a 401(k) plan, always are fully vested. Employer contributions vest according to a schedule defined by the plan and are usually based on years of service.

Viatical settlement companies Life insurance companies that purchase life insurance policies at a discounted value from a policyholder who is elderly or terminally ill. The companies then assume the premium payments and collect the face value of the policy upon the death of the person originally insured.

Void When an insurance policy is freed from legal obligations for reasons specified in the policy contract (ie., a policy could be voided by an insurer if information given by a policyholder is proven untrue).

W

Waiver of premium A provision that sets conditions under which an insurance company would keep a policy in full force without the payment of premiums. The waiver is used most frequently for policyholders who become totally and permanently disabled.

Whole life insurance The most common type of permanent life insurance, in which premiums generally remain constant over the life of the policy and must be paid periodically in the amount specified in the policy. Also known as *ordinary life insurance.*

Workers compensation Insurance that pays for medical care related to on-the-job injuries and physical rehabilitation. Workers compensation helps cover lost wages while an injured worker is unable to work. State laws vary widely on benefit amounts paid and other compensation provisions.

HISTORIC DATES
(AS OF SEPTEMBER 2007)

1759 The first life insurance company in the United States—The Corporation for Relief of Poor and Distressed Presbyterian Ministers and of the Poor and Distressed Widows and Children of Presbyterian Ministers—is established in Philadelphia by the Synod of the Presbyterian Church.

1789 Professor Edward Wigglesworth of Harvard prepares a modified table of mortality based on Massachusetts experience, the first computation of premiums and reserves on a scientific basis in the United States.

1794 The Insurance Company of North America is chartered as the first general insurance company to sell life insurance in America. In five years, only six policies are issued, and the company discontinues its life insurance business in 1804.

1812 The Pennsylvania Company for Insurance on Lives and Granting Annuities is incorporated, the first corporation to be organized in America solely for issuing life insurance policies and annuities. The first policy is issued in 1813. The company discontinues issuing life policies in 1872.

1830 New York Life Insurance and Trust Company, the first American life insurance company to employ agents, is started. The company later discontinues its life insurance business and subsequently is merged with the Bank of New York.

1835 A charter is granted to New England Mutual Life Insurance Company of Boston—the first to a mutual company in America. The company begins operating in December 1843.

1836 The Girard Life Insurance, Annuity and Trust Company of Philadelphia is established on the new principle of granting policyholders participation in profits. The first policy dividends are allotted in 1844 as additions of insurance to policies in force three or more years. Initially a stock company, the insurer later becomes a trust company.

1840 The New York Legislature passes a bill providing that the proceeds of a policy made out to a widow as beneficiary must be paid to her, exempt from creditors' claims. Enacted into law, this measure strengthens the protective power of life insurance policies.

1842 The Mutual Life Insurance Company of New York is chartered. The company's first policy is issued February 1, 1843, marking the beginning of mutual life insurance as it is known today.

1848 The first policy loans are granted.

1849 New York passes the first general insurance law.

1851 New Hampshire establishes the first regulatory body to examine the affairs of insurance companies.

1853 Policy valuation tables, which Elizur Wright developed over nine years, are published.

1857 New York City establishes a pension fund for its policemen, the first pension plan covering state or local government employees.

1859 New York establishes the first state insurance department.

1861 Massachusetts is the first state to require nonforfeiture values as part of life policies.

The first war risk insurance is written by life insurance companies during the Civil War.

1864 The Manhattan Life Insurance Company is the first U.S. company to write an incontestable clause into a policy.

1868 The American Experience Table of Mortality is published as part of a New York law. Covering experience from 1843 to 1858, it remains the table most widely used by American companies until the 1940s.

1869 The U.S. Supreme Court holds insurance not to be a transaction in commerce, and affirms the validity of state regulation of insurance.

The earliest organization of life insurance agents is recorded in Chicago.

1871 The first convention of state insurance commissioners is held in New York City.

1873 The first weekly premium policy is issued in the United States.

1875 The industrial insurance agency system is introduced in the United States.

The first pension plan in U.S. industry is established by the American Express Company, financed solely by the employer.

1880 The first formal pension plan supported jointly by employer and employee contributions is established by the Baltimore & Ohio Railroad Company.

Cash surrender values are first established by law in Massachusetts.

1892 Columbia University adopts a pension plan for its professors, the first private college retirement plan, effective at age 65 with a minimum of 15 years' service.

1893 The first pension plan for public school teachers is established in Chicago.

1901 Carnegie Steel Company establishes the first enduring pension plan in a manufacturing company. This plan, with some modifications, is taken over by the United States Steel Company in 1911.

1905 The first functioning trade union pension plan is established by the Granite Cutters. Earlier trade union plans, set up by the Pattern Makers (1900) and National Association of Letter Carriers (1902), never paid benefits before dissolution.

The Armstrong investigation of life insurance by the New York Legislature results in many changes in insurance laws.

1911 The first group life insurance for employees is introduced.

1917 Government-sponsored life insurance for World War I servicemen is offered under the War Risk Insurance Act. This program subsequently becomes known as U.S. Government Life Insurance.

1920 Congress creates the Federal Civil Service Retirement and Disability Fund.

1921 Metropolitan Life Insurance Company issues the first group annuity contract in the United States.

The Revenue Act makes employer contributions to profit-sharing trusts tax-exempt. Its provisions are extended to pension trusts in 1926.

1928 The first examinations are held for chartered life underwriters.

1935 The Social Security Act is enacted.

The Railroad Retirement System is established. It is amended in 1937 to create a unified system for the industry.

1939 The temporary National Economic Committee begins an investigation of the life insurance business.

1940 Congress adopts the National Service Life Insurance Act, providing insurance for men and women in service in World War II.

1941 New York forms the first state guaranty association mechanism for life and health insurance companies.

1944 The U.S. Supreme Court holds that insurance is commerce, and that when conducted across state lines, it is interstate commerce and subject to federal laws.

1945 The McCarran-Ferguson Act declares that state regulation of insurance is in the public interest and grants an exemption from antitrust laws to the extent that the business is regulated by state law.

1949 The U.S. Supreme Court rules that employers are required to bargain on pensions.

1952 The College Retirement Equities Fund is established as the first variable annuity fund.

1954 The Participating Annuity Life Insurance Company offers the first variable annuity contracts to the general public.

The Federal Employees' Group Life Insurance Act is introduced, providing group life insurance and accidental death and dismemberment insurance to civilian officers and employees of the U.S. government through private insurance companies.

1959 Arkansas is the first state to pass laws permitting life insurance companies to issue variable annuities and authorizing the establishment of separate accounts.

Early 1960s Most states now have laws specifically allowing life insurance companies to maintain separate accounts, freeing pension fund investments from some of the limitations applied to companies' general accounts.

1962 H.R. 10 (Keogh Act), officially known as the Self-Employed Individual Retirement Act, is adopted.

1963–64 The Securities and Exchange Commission rules that separate account acquisitions are an issuance of securities subject to regulation under the Securities Act, but tax-qualified group pension plans, including variable annuities, are exempted from the act's registration and prospectus requirements.

1965 The Servicemen's Group Life Insurance Act is introduced, providing members on active duty in the uniformed services with group life insurance underwritten by private insurers through a contract with the Veterans Administration.

1974 The Employee Retirement Income Security Act (ERISA) is signed into law. ERISA primarily protects the benefits of participants in private plans, assures reasonable vesting provisions, and broadens the opportunity to set up plans for the self-employed and workers who have no private retirement plans.

1976 The first individual variable life insurance policy is issued in the United States.

1977 The first universal life insurance policy is issued in the United States.

1978 The Age Discrimination in Employment Act Amendments raise the mandatory retirement age from 65 to 70 for most private-sector and state and local government employees, and eliminate it for federal employees.

1981 The Economic Recovery Tax Act is signed into law. It allows all workers to claim tax deductions, within limits, for retirement savings; liberalizes tax deductions for retirement savings, interest, and dividend exclusions; and reduces or eliminates estate and gift taxes for most individuals.

1982 The Tax Equity and Fiscal Responsibility Act revises the life insurance company taxation formula and repeals the use of modified coinsurance in tax calculations; imposes a penalty tax on certain annuity withdrawals; places limitations on pension plan benefits; and imposes additional restrictions on certain plans.

1983 The U.S. Supreme Court decides in *Arizona Governing Committee for Tax-Deferred Annuity and Deferred Compensation Plans v. Norris* that employee retirement benefits based on contributions made after August 1, 1983, must be calculated without regard to the employee's gender.

The Social Security Amendments increase Social Security taxes and make a portion of Social Security benefits taxable for high-income retirees; limit cost-of-living adjustments under some circumstances; make new federal employees, members of Congress, the president, and other federal officials subject to Social Security taxes; and gradually increase the retirement age to 67 by 2027.

1984 The Retirement Equity Act lowers the minimum age for vesting and participation in retirement plans; requires the spouse's written consent before joint and survivor coverage may be waived under pension plans; and requires payment of a survivor annuity if a vested participant dies before the annuity's starting date.

The Tax Reform Act significantly changes the basis on which life insurance companies are taxed and includes universal life insurance within the definition of life insurance, preserving its positive tax treatment.

1985 Montana becomes the first state to forbid gender discrimination in the setting of premium rates for all types of insurance, effective October 1.

1986 The Tax Reform Act eliminates the tax deductibility of individual retirement account (IRA) contributions for highly paid persons covered by pension plans; reduces the maximum contribution to salary reduction [401(k)] plans; and limits the deductibility of interest paid on loans against corporate-owned life insurance policies.

1987 The Revenue Act establishes faster funding requirements for underfunded pension plans, a variable-rate Pension Benefit Guaranty Corp. premium, and a lower full-funding limitation for qualified plans.

1988 The Technical and Miscellaneous Revenue Act creates a new class of life insurance contract—in which policy loans and surrender payments are subject to taxation similar to that of deferred annuities—and increases the excise tax on excess pension assets upon termination of qualified plans.

1990 A significant federal tax is imposed on life insurers' deferred acquisition costs. It becomes known as the DAC tax.

1991 All 50 states and Puerto Rico now have life and health insurance company guaranty association mechanisms.

1993 The Omnibus Budget Reconciliation Act reduces the amount of annual compensation for calculating retirement benefits to $150,000 from $235,840.

In *John Hancock v. Harris Trust and Savings Bank,* the U.S. Supreme Court rules that certain assets in John Hancock Life Insurance Company's general account are "plan assets" and that the company's actions regarding their management and disposition must be judged against ERISA's fiduciary standards.

1995 In *NationsBank v. Variable Annuity Life Insurance Company,* the U.S. Supreme Court rules that annuities are not a form of insurance under the National Bank Act, effectively allowing national banks to sell annuities without limitation.

The Internal Revenue Service states in proposed regulations that bank-issued, hybrid CD-annuities are taxable to purchasers.

1996 The Small Business Job Protection Act (SBA) amends ERISA to clarify the U.S. Supreme Court's decision in John Hancock v. Harris Trust and Savings Bank and protect insurers from lawsuits brought for past actions taken in good-faith reliance on government rules. SBA also contains a wide variety of pension simplification provisions and creates a new SIMPLE plan for small employers.

The Health Insurance Portability and Accountability Act (HIPAA) clarifies the tax treatment of long-term care and accelerated death benefits. HIPAA permits qualified long-term care insurance and services to be treated like accident and health insurance for tax purposes, and treats accelerated death benefits paid to terminally and chronically ill individuals as amounts paid by reason of the death of the insured under a life insurance contract.

1997 The Financial Services Agreement of the General Agreement on Trade in Services locks in liberalization measures in crucial world markets. Its framework reduces or eliminates government barriers that either prevent financial services from being freely provided across national borders or discriminate against firms with foreign ownership.

The Savings Are Vital to Everyone's Retirement Act directs the U.S. Department of Labor to maintain an ongoing program of public information and outreach to promote retirement savings.

Section 408A of the Taxpayer Relief Act, beginning January 1, 1998, creates the Roth IRA, in which contributions are not deductible but qualified distributions are excluded from gross income.

The mutual insurance holding company becomes an increasingly popular option to total demutualization. It allows mutual insurers to reorganize into a holding company and a wholly owned stock subsidiary or an intermediate stock holding company, and more easily obtain capital through an initial public offering.

1998 The Insurance Marketplace Standards Association (IMSA) is launched. The voluntary membership organization promotes high ethical standards in the sale of individual life insurance and individual annuity products through IMSA's Principles and Code of Ethical Market Conduct.

1999 The Gramm-Leach-Bliley Financial Services Modernization Act eliminates laws enacted during the Depression to restrict affiliations among insurers, banks, and securities firms. The act clarifies that insurance regulators oversee the insurance activities of all financial institutions and prohibits insurance underwriting in bank operating subsidiaries. The new law also prevents banking regulators from unilaterally broadening banks' insurance powers or circumventing the state insurance regulatory system; requires federal courts to grant equal deference to federal and state regulators in resolving insurance disputes; and permits a mutual life insurer to relocate if its state fails to enact a mutual holding company law.

The National Association of Insurance Commissioners (NAIC) amends life risk-based capital requirements for modified coinsurance reinsurance transactions, allowing life insurers and reinsurers to more accurately reflect risk exposure. ACLI and state regulators also complete years of negotiations over the content and application of informal guiding principles for regulators evaluating reinsurance transactions.

The Internal Revenue Service issues an updated mortality table that lowers the tax rate for group term life insurance. New IRS rules also permit the conversion of traditional IRA annuities to Roth annuities without the insurer issuing a new contract, reducing policyholder costs and administrative burdens.

2000 The Long-Term Care Security Act is signed into law, allowing current and retired federal employees and active and retired military personnel, as well as their families, to obtain long-term care insurance as a self-funded benefit.

The Electronic Signatures in Global and National Commerce Act ensures that life insurers and their customers can transact business over the Internet by setting national standards and making electronic signatures and records legally binding.

Legislation granting permanent normal trade relations to China is enacted, setting the stage for China's accession to the World Trade Organization.

2001 The Economic Growth and Tax Relief Reconciliation Act, containing pension reform measures and retirement saving incentives, is signed into law. The act raises the limits on contributions to 401(k)-type retirement plans and IRAs, and indexes the limits for inflation; allows those 50 and older to make additional catch-up contributions to 401(k)-type plans and IRAs annually; shortens vesting schedules for 401(k) plans; eases rules on rolling over retirement savings among private-sector, public-sector, and nonprofits' plans; and reduces administrative requirements for small businesses that set up and maintain retirement plans.

The USA Patriot Act is signed into law, requiring life insurers and other financial institutions to establish anti-money-laundering programs with internal procedures and controls, a designated compliance officer, ongoing employee training, and independent audits.

2002 The Victims of Terrorism Tax Relief Act is enacted, protecting life insurers that issue structured settlement annuities from adverse tax treatment when a beneficiary transfers the stream of income from such an annuity to a third party.

Tax deferral for investment income of foreign life insurance subsidiaries (Subpart F) is extended for five years and Section 809 of the Internal Revenue Code (the mutual company add-on tax) is suspended for three years as part of an economic stimulus package that is signed into law.

Congress approves trade promotion authority for the president, helping to expand international markets for life insurers by authorizing negotiation of trade deals that Congress can approve or reject but not amend.

NAIC adopts updated mortality tables on which life insurance valuation is based, reflecting Americans' greater longevity and reducing insurers' reserve requirements. Upon adoption in the states, the 2001 CSO tables will replace a version in effect since 1980.

2003 NAIC revises the Standard Nonforfeiture Law for Individual Deferred Annuities to permit use of an indexed interest rate during low-interest-rate economic periods, eliminating the need for state legislatures to reactively approve rate modifications each year. The law replaces the fixed 3 percent minimum nonforfeiture interest rate with one based on the five-year Constant Maturity Treasury Rate and capped at 3 percent.

Congress passes and the President signs into law H.R. 2738, the U.S.-Chile Free Trade Agreement, and H.R. 2739, the U.S.-Singapore Free Trade Agreement. The agreements, set to take effect January 1, 2004, establish free trade accords with both countries for the first time. They provide access to these markets for U.S. insurance, pension, and retirement security providers.

NAIC adopts the Senior Protection in Annuity Transactions Model Law.

Congress approves legislation that makes permanent a number of preemptions in the Fair Credit Reporting Act (FCRA). These include provisions on information sharing among affiliates, prescreening, and access and correction. The bill also contains measures protecting insurance-related uses of medical information.

2004 IRS issues Notice 2004-15, which provides guidance regarding distributions from nonqualified annuities. Under the new guidance, policyholders of nonqualified annuities will have more flexibility in taking distributions without incurring additional taxes.

Congress passes and the President signs the Pension Funding Equity Act of 2004. The bill establishes a two-year temporary replacement for the 30-year Treasury interest rate and becomes effective January 1, 2005. Included in the bill is a permanent repeal of section 809 of the tax code, which affects mutual life insurance companies.

2005 Commissioners' 2001 Standard Ordinary Mortality Tables, (2001 CSO Tables), which had been previously adopted by the NAIC, were adopted by a majority of the states, thus putting them in effect for state regulatory purposes. These new tables replace the 1980 CSO Tables.

2006 Interstate Insurance Product Regulation Compact Commission was created to develop uniform standards for insurance products, to provide a central clearing house for regulatory review and to enhance cooperation and coordinate efforts between state insurance departments.

Pension Protection Act of 2006 was signed into law by President Bush, strengthening the federal pension insurance system and expanding opportunities for Americans to achieve a secure retirement. The legislation makes permanent increased contribution limits to 401(k)s and IRAS; establishes defined-contribution auto-enrollment; encourages annuities as payout options in employer-sponsored retirement plans; and permits the combination of long-term care insurance and annuities.

National Insurance Act of 2006, creating an "optional federal charter regulatory system" for insurers, was introduced in the Senate. This legislation would allow insurers and insurance producers, agents and brokers to elect federal or state regulation, charters and licenses.

2007 National Insurance Act of 2007 was reintroduced in the Senate and HR 3200, a companion bill was introduced in the House. This legislation allows for an "optional federal charter" for insurers.

LIFE INSURANCE RELATED ORGANIZATIONS

(AS OF SEPTEMBER 2007)

- **America's Health Insurance Plans (AHIP)**
  601 Pennsylvania Avenue, NW
  South Building, Suite 500
  Washington, DC 20004
  (202) 778–3200
  www.ahip.org
  Chairman: George C. Halvorson
  President & CEO: Karen Ignagni

  AHIP is a trade association representing companies that finance and deliver health care and provide other health insurance products and services.

- **American Academy of Actuaries**
  1100 17th Street NW, 7th Floor
  Washington, DC 20036
  (202) 223–8196
  www.actuary.org
  President: William F. Bluhm
  Executive Director: Kevin Cronin

  The academy is a public policy and communications organization representing actuaries in all practice specialties. Provides liaison with federal and state governments, relations with other professions, dissemination of public information, and development of standards of professional conduct. Develops standards of practice through the Actuarial Standards Board, an independent body within the academy. Consists largely of members of the Casualty Actuarial Society, Conference of Consulting Actuaries, Society of Actuaries, and actuaries enrolled under ERISA. Membership criteria include experience and education standards.

The American College

270 S. Bryn Mawr Avenue
Bryn Mawr, PA 19010
(610) 526–1000
www.theamericancollege.edu
President and Chief Executive Officer: Laurence Barton

The College offers professional certification and graduate degree distance-education to those seeking career growth in financial services. Offers studies through the S.S. Huebner School leading to the award of Chartered Life Underwriter (CLU), Chartered Financial Consultant (ChFC), Registered Health Underwriter (RHU), and Registered Employee Benefits Consultant (REBC) diplomas and professional designations. Grants a Master of Science in Financial Services degree through the Graduate School of Financial Sciences, and a Master of Management degree through the Richard D. Irwin Graduate School of Management. Accredited by the Middle States Association of Colleges and Schools' Commission on Higher Education.

American Council of Life Insurers (ACLI)

101 Constitution Avenue, NW, Suite 700
Washington, DC 20001–2133
(202) 624–2000
www.acli.com
Chairman: Thomas M. Marra (thru October 2007)
Chairman-Elect: Dennis R. Glass
President and Chief Executive Officer: Frank Keating

ACLI represents the life insurance industry in legislative and regulatory areas at the federal and state levels of government. Provides information about the purpose and uses of life insurance, maintains research facilities to record the performance of the business, and measures attitudes on issues relevant to the industry.

American Risk and Insurance Association (ARIA)

716 Providence Road
Malvern, PA 19355–3402
(610) 640–1997
www.aria.org
President: Mary A. Weiss
President-Elect: Terri Vaughan

ARIA is a society of insurance educators and others interested in risk and insurance education and research.

American Society of Pension Professionals & Actuaries (ASPPA)

4245 N. Fairfax Drive, Suite 750
Arlington, VA 22203
(703) 516–9300
www.asppa.org
President: Chris L. Stroud
President-Elect: Sal L. Tripodi

ASPA educates pension actuaries, consultants, administrators, and other benefits professionals, and preserves and enhances the private pension system in developing a cohesive and coherent national retirement income policy. Offers an examination program for employee benefits professionals and represents the interests of its members before appropriate forums.

Association of Home Office Underwriters (AHOU)

2300 Windy Ridge Parkway, Suite 600
Atlanta, GA 30339
(770) 984–3715
www.ahou.org
President: Nazir Damji
Executive Vice President: Lynn E. Patterson

The mission of the AHOU is to advance the knowledge of sound underwriting of life and disability insurance risks, toward which end it holds meetings, publishes papers and discussions, and promotes educational programs. The association also provides valuable information sharing and networking opportunities to its members.

Conference of Consulting Actuaries

3880 Salem Lake Drive, Suite H
Long Grove, IL 60047–5292
(847) 719–6500
www.ccactuaries.org
President: Thomas S. Terry
President-Elect: Kenneth F. Hohman

The conference advances the quality of consulting practice, supports the needs of consulting actuaries, and represents their interests. Comprises consulting actuaries in all disciplines.

Consumer Credit Insurance Association (CCIA)

542 S. Dearborn Street, Suite 400
Chicago, IL 60605
(312) 939–2242
www.cciaonline.com
Chairman: Barbara Hollonquest
President: Jim Pangburn

CCIA is a national trade organization for insurers that underwrite consumer credit insurance in the areas of life, accident and health, property, and involuntary unemployment insurance. Acts to preserve, promote and enhance the availability, utility, and integrity of insurance and related products and services delivered in connection with financial transactions.

Financial Services Roundtable

1001 Pennsylvania Avenue, NW, Suite 500 South
Washington, DC 20004
(202) 289–4322
www.fsround.org
President and CEO: Steve Bartlett

The roundtable is a forum for financial industry leaders to share information and inform public policy with matters relating to the financial services industry.

The Griffith Foundation for Insurance Education

623 High Street
Worthington, Ohio 43085
(614) 880–9870
www.griffithfoundation.org
Chairman: David Washburn
President: Donald J. Rebele

The foundation was founded at a major mid-western university to develop and support an insurance and risk management program. It promotes the teaching of risk management and insurance by colleges, universities, and other institutions of higher learning, and student participation in these programs, and offers education programs for public policy-makers on managing risks through insurance mechanisms.

Health Insurance Association of America (HIAA)

See America's Health Insurance Plans (AHIP).

Insurance and Financial Communicators Association (IFCA)

P.O. Box 27018
75 Dundas Street
Cambridge, Ontario, CN N1R 8H1
(647) 588–IFCA (4322)
www.ifcaonline.com
President: Cheryl Clemans
Vice President: Kathy Bruer

IFCA is an international organization dedicated to the ongoing professional development of its members in life insurance and related financial services communications. The association operates on a volunteer basis and offers programs and activities for its members. IFCA's primary objective is to encourage and promote the exchange of experience and ideas through an extensive program of formal schools, workshops, seminars, newsletters, research studies, networking, international awards competition, and meetings.

Insurance Accounting and Systems Association (IASA)

IASA International Office
3511 Shannon Road, Suite 160
Durham, NC 27707
(919) 489–0991
www.iasa.org
Chair: J. Stephen Meziere
President: John Bauer

IASA works to enhance individual, organizational, and industry effectiveness by facilitating the exchange of information and ideas among insurance-related professionals.

Insurance Information Institute (III)

110 William Street
New York, NY 10038
(212) 346–5500
www.iii.org
President: Robert P. Hartwig

The mission of III is to improve public understanding of insurance. III provides definitive insurance information and statistics for government, media, educational institutions, and the public.

International Claim Association (ICA)

1155 15th Street, NW, Suite 500
Washington, DC 20005
Phone: (202) 452–0143
www.claim.org
President: Rebecca L. Huerta
President-Elect: Jack L. Price

ICA is composed of life and health insurance company officers and employees who handle their companies' claims function.

Life Communicators Association

See Insurance and Financial Communicators Association (IFCA).

Life Insurers Council (LIC)

2300 Windy Ridge Parkway, Suite 600
Atlanta, GA 30339
(770) 984–3724 or (770) 951–1770
www.loma.org
Executive Director: Michael H. Sims

A council of LOMA, LIC is an association of insurance companies that serve the basic insurance needs of the general public, including the underserved market, through various distribution methods by promoting standards of business conduct which are in the best interests of policyholders; representing its members by addressing legislative, regulatory and consumer issues; and promoting the interchange of experience and ideas for the betterment of the public and the insurance industry.

LIMRA International, Inc.

300 Day Hill Road
Windsor, CT 06095–4761
Headquarters: (860) 688–3358
Customer Service: (800) 235–4672 (North America)
www.limra.com
President and Chief Executive Officer: Robert Kerzner

LIMRA is a member-owned organization dedicated to meeting the marketing information needs of companies involved in marketing annuity, disability, health, life, mutual fund, and retirement savings products. LIMRA works to improve the efficiency of life insurance distribution through scientific management methods, serves as the principal source of industry sales and marketing statistics, conducts research, provides consulting and management educational services, and prepares a wide range of publications.

LOMA (Life Office Management Association)

2300 Windy Ridge Parkway, Suite 600
Atlanta, GA 30339–8443
(770) 951–1770
www.loma.org
President and Chief Executive Officer: Thomas P. Donaldson

An international association through which more than 1,200 insurance and financial services companies from over 80 countries engage in research and educational activities to improve company operations. Members are involved in life and health insurance, managed care, annuities, pensions, banking, securities, and other financial services areas. LOMA is committed to working as partners with members worldwide to improve management and operations through quality employee development, research, information sharing, and related products and services.

MIB Group, Inc.

160 University Avenue
Westwood, MA 02090–2307
(781) 329–4500
www.mib.com
Chairman: Thomas M. West
President & Ceo: James F. Cook

Formerly the Medical Information Bureau, MIB is a nonprofit association founded by medical directors to provide a central information exchange for more than 600 member life insurance companies.

MDRT

325 W. Touhy Avenue
Park Ridge, IL 60068–4265
(847) 692–6378
www.mdrt.org
President: James E. Rogers
First Vice President: Walton W. Rogers

MDRT (formerly Million Dollar Round Table) is composed of life insurance agents who consistently sell a predetermined amount of life insurance annually and maintain membership in the National Association of Insurance and Financial Advisors.

National Association of Insurance Commissioners (NAIC)

2301 McGee Street, Suite 800
Kansas City, MO 64108–2662
(816) 842–3600
www.naic.org
President: Walter Bell

NAIC is an organization of state insurance regulators from the 50 states, the District of Columbia and the four U.S. territories. NAIC functions as a regulatory support organization and serves the public interest by promoting uniformity of legislation and regulation, facilitating the fair and equitable treatment of insurance consumers, promoting the reliability, solvency and financial solidity of insurance institutions, and supporting and improving state regulation of insurance.

National Association of Insurance and Financial Advisors (NAIFA)

2901 Telestar Court
P.O. Box 12012
Falls Church, VA 22042–1205
(877) 866–2432
www.naifa.org
President: Jeffrey J. Taggart
Chief Executive Officer: John J. Healy

NAIFA is a national nonprofit organization representing the interests of more than 70,000 insurance and financial advisors nationwide, through its federation of over 900 state and local associations. NAIFA is the nation's largest financial services membership association. Promotes high ethical standards, supports legislation in the interest of policyholders and agents, participates in community service, and provides agent education seminars and sales congresses.

National Association for Variable Annuities (NAVA)

11710 Plaza America Drive, Suite 100
Reston, VA 20190
(703) 707–8830
www.navanet.org or www.retireonyourterms.com
President: Mark Mackey

With over 350 members, NAVA represents all segments of the annuity and variable life industry. It serves as a forum for the exchange of information, and provides the public, media, and industry with information on the benefits of annuities and related products.

National Fraternal Congress of America (NFCA)

1315 West 22nd Street, Suite 400
Oak Brook, IL 60523
(630) 522–6322
www.nfcanet.org
Chairman: Katharine E. Rounthwaite
Vice-Chair: Barbara A. Cheaney

NFCA is the association and voice of fraternal benefit societies, which provides education, guidance, standards, and information on best practices and governance.

National Organization of Life and Health Insurance Guaranty Associations (NOLHGA)

13873 Park Center Road, Suite 329
Herndon, VA 20171
(703) 481–5206
www.nolhga.com
Chairman: Christopher L. Chandler
Vice-Chair: Eugene Choate

NOLHGA is a voluntary association comprised of the life and health insurance guaranty associations of all 50 states, the District of Columbia, and Puerto Rico. This nonprofit organization assists its members in handling multi-state insolvencies, coordinates their resolution, and provides a forum for resolving issues and problems related to the operation of state life and health insurance guaranty associations.

Society of Actuaries (SOA)

475 N. Martingale Road, Suite 600
Schaumburg, IL 60173
(847) 706–3500
www.soa.org
President: Bruce Schobel

SOA is an organization of skilled professionals applying mathematical and economic probabilities to financial security programs. Educates and qualifies candidates to become members, provides continuing education and professional development programs, promotes and publishes actuarial research, and maintains and enforces a professional conduct code for its members. Determines membership by successful completion of a rigorous set of examinations leading to the designation of Associate or Fellow in the society.

Society of Financial Service Professionals (SFSP)

17 Campus Boulevard, Suite 201
Newtown Square, PA 19073–3230
(610) 526–2500
www.financialpro.org
President: James J. Tyrpak
President-Elect: Roderick P. Hansen

SFSP is an organization of professionals who have earned designations in the fields of insurance and financial services. Comprises agents, company executives, insurance regulators, educators, attorneys, certified public accountants, and bank trust officers, who participate in local chapters.

S.S. Huebner Foundation for Insurance Education

Wharton School of the University of Pennsylvania
3000 Steinberg-Dietrich Hall
3620 Locust Walk
Philadelphia, PA 19104–6302
(215) 898–9631
www.huebnergeneva.org
Executive Director: J. David Cummins

The foundation's mission is to strengthen insurance education at the university level by increasing the number of professors specializing in insurance. The foundation makes fellowship grants for doctoral study and publishes research studies in the field of insurance.

STATE INSURANCE OFFICIALS
(AS OF SEPTEMBER 2007)

Alabama
Walter A. Bell
Commissioner of Insurance
P.O. Box 303351
Montgomery, AL 36130–3551
(334) 269–3550
www.aldoi.org

Alaska
Linda S. Hall
Director of Insurance
9th Floor State Office Building
333 Willoughby Avenue
Juneau, AK 99801
(907) 465–2515
www.dced.state.ak.us/insurance

Arizona
Christina Urias
Director of Insurance
Arizona Department of Insurance
2910 N. 44th Street, Suite 210
Phoenix, AZ 85018–7269
(602) 364–2499
www.id.state.az.us

Arkansas
Julie Benafield Bowman
Insurance Commissioner
Arkansas Insurance Department
1200 West Third Street
Little Rock, AR 72201
(501) 371–2600
http://insurance.arkansas.gov

California
Steve Poizner
Insurance Commissioner
California Department of Insurance
300 S. Spring Street, South Tower
Los Angeles, CA 90013
(213) 897–8921
www.insurance.ca.gov

Colorado
Marcy Morrison
Insurance Commissioner
Colorado Division of Insurance
1560 Broadway, Suite 850
Denver, CO 80202
(303) 894–7499
www.dora.state.co.us/insurance

Connecticut
Thomas R. Sullivan
Insurance Commissioner
State of Connecticut Insurance Department
153 Market Street, 7th Floor
Hartford, CT 06103
(860) 297–3800
www.ct.gov/cid

Delaware
Matthew Denn
Insurance Commissioner
Delaware Insurance Department
841 Silver Lake Boulevard
Dover, DE 19904
(302) 674–7300
www.delewareinsurance.gov

District of Columbia
Thomas E. Hampton
Commissioner
District of Columbia Department of Insurance, Securities and Banking
810 First Street, NE, Suite 701
Washington, DC, 20002
(202) 727–8000
www.disb.dc.gov

Florida
Alex Sink
Chief Financial Officer
Florida Department of Financial Services
200 East Gaines Street
Tallahassee, FL 32399–0300
(850) 413–3100
www.fldfs.com

Georgia
John W. Oxendine
Insurance Commissioner
Insurance and Safety Fire Commissioner's Office
Two Martin Luther King, Jr. Drive
West Tower, Suite 620
Atlanta, GA 30334
(404) 656–2064 or (800) 656–2298
www.gainsurance.org

Hawaii
Jeffrey P. Schmidt
Insurance Commissioner
Hawaii Insurance Division
King Kalakaua Building
335 Merchant Street, Room 213
Honolulu, HI 96813
(808) 586–2790
www.hawaii.gov/dcca/areas/ins

Idaho
William W. Deal
Director of Insurance
Idaho Department of Insurance
700 West State Street
P.O. Box 83720
Boise, ID 83720–0043
(208) 334–4250
www.doi.state.id.us

Illinois
Michael T. McRaith
Director of Insurance
Illinois Department of Financial and Professional Regulation;
Division of Insurance
320 W. Washington Street
Springfield, IL 62767–0001
(217) 782–4515
www.idfpr.com

Indiana
James Atterholt
Commissioner of Insurance
Indiana Department of Insurance
311 W. Washington Street
Indianapolis, IN 46204–2787
(317) 232–2385
www.in.gov/idoi

Iowa
Susan E. Voss
Insurance Commissioner
Iowa Insurance Division
330 Maple Street
Des Moines, IA 50319–0065
(515) 281–5705
www.iid.state.ia.us

Kansas
Sandy Praeger
Insurance Commissioner
Kansas Insurance Department
420 SW 9th Street
Topeka, KS 66612–1678
(785) 296–3071
www.ksinsurance.org

Kentucky
Julie McPeak
Executive Director of Insurance
Kentucky Office of Insurance
215 W. Main Street
Frankfort, KY 40601
(800) 595–6053
http://doi.ppr.ky.gov/kentucky

Louisiana
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Louisiana Department of Insurance
1702 N. 3rd Street
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(225) 342–5900
www.ldi.state.la.us

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Maine Bureau of Insurance
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(207) 624–8475
www.maine.gov/pfr/insurance

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Maryland Insurance Administration
525 St. Paul Place
Baltimore, MD 21202–2272
(410) 468–2000
www.mdinsurance.state.md.us

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Massachusetts Division of Insurance
One South Station, 5th Floor
Boston, MA 02110–2208
(617) 521–7794
www.state.ma.us/doi

Michigan
Linda A. Watters
Commissioner, Office of Financial
and Insurance Services
Ottawa Building, 3rd Floor
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Lansing, MI 48933–1070
(517) 373–0220
www.michigan.gov/ofis

Minnesota
Glenn Wilson
Commissioner
Minnesota Department of Commerce
85 7th Place East, Suite 500
St. Paul, MN 55101
(651) 296–4026
www.commerce.state.mn.us

Mississippi
George Dale
Commissioner of Insurance and State Fire Marshal
Mississippi Insurance Department
1001 Woolfolk Office Building
501 N. West Street
Jackson, MS 39201
(601) 359–3569
www.doi.state.ms.us

Missouri
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Director of Insurance
Missouri Department of Insurance, Financial
Institutions & Professional Regulation
301 West High Street, Room 530
Jefferson City, MO 65102
(573) 751–4126
www.insurance.mo.gov

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and Securities
Montana Insurance Division
840 Helena Avenue
Helena, MT 59601
(406) 444–2040
www.sao.state.mt.us

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Nebraska Department of Insurance
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Lincoln, NE 68508-3639
(402) 471–2201
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www.doi.state.nv.us

New Hampshire
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21 South Fruit Street, Suite 14
Concord, NH 03301
(603) 271–2261
www.nh.gov/insurance

New Jersey
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New Jersey Department of Banking
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Trenton, NJ 08625
(609) 292–5360
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New Mexico Public Regulation Commission, Insurance Division
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1120 Paseo de Peralta
Santa Fe, NM 87501
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www.nmprc.state.nm.us/id.htm

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www.ins.state.ny.us

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www.ohioinsurance.gov

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(405) 521–2828 or (1–800)522–0071
www.oid.state.ok.us

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www.cbs.state.or.us/ins

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www.ins.state.pa.us

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Rhode Island Department of Business Regulation
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333 Guadalupe
Austin, TX 78701
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www.tdi.state.tx.us

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Utah Insurance Department
3110 State Office Building, Third Floor
Salt Lake City, UT 84114–6901
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www.insurance.utah.gov

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Paulette J. Thabault
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State of Vermont Department of Banking, Insurance, Securities and Health Care Administration
89 Main Street, Drawer 20
Montpelier, VT 05620–3101
(802) 828–3301
www.bishca.state.vt.us

Virginia
Alfred W. Gross
Commissioner of Insurance
Virginia Bureau of Insurance
Tyler Building, 1300 E. Main Street
Richmond, VA 23219
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www.scc.virginia.gov/division/boi

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