

Selected Correspondence with NAIC Executives Subsequent to my May 2012 Letter to Them

From: Brian to NAIC's Executive Director Eric Nordman on Monday June 18, 2012

Hi, Eric:

Hope you had a nice Father's Day weekend.

Just wanting to check-in regarding the timetable that you and your NAIC associates anticipate needing to fully respond to my May 25th letter with its questions.

Could you please let me know, as I've been asked by a few individuals and organizations I copied on the letter, the likely timetable for the NAIC to respond my letter and its concerns? Thanks.

Regards,

Brian

From: Eric Nordman to me Monday June 18, 2012

Brian:

As I am sure you realize; the NAIC does not have any direct regulatory authority. Tim Mullen and I have reached out to several state insurance regulators. We could not find one willing to take the lead on your issue at this time.

We are planning to include some of the material you have provided and some we obtained from your website as part of a study of the life insurance industry we are undertaking.

I will be in touch on this project for your input.

Eric

[Note 1: Regarding this project, the NAIC's sister organization, the Center for Insurance Policy Research (CIPR) held a special conference in October 2012 on a variety of industry issues including policy disclosure matters.]

[Note 2: In line with Mr. Nordman's statement that "We could not find one [state insurance regulator] willing to take the lead on your issue at this time," the record shows that the 2012 NAIC President, the FL Commissioner of Insurance, Kevin McCarty never responded to my phone calls or emails following-up on my May 25, 2012 letter.]

From: Brian to NAIC's then CEO Teresa Vaughan, Wednesday July 18, 2012

Hello Ms. Allinger:

It was good speaking with you moments ago.

Attached are copies of the letter and attached questions I sent to Professor Vaughan and her associates a couple of months ago.

As I mentioned, I received a short email last month from Mr. Nordman, a copy of which I had forwarded to Professor Vaughan when I sent her an email last month seeking an opportunity to speak further with her about my letter and its concerns.

I believe that it would be appropriate and useful to have a discussion with Professor Vaughan and/or her associates, and called to see if you might be able to facilitate such. Again, I believe, correctly or not, that my concerns warrant a more thorough and timely response from the NAIC and its CEO, Professor Vaughan, than that provide by Mr. Nordman's email, and would like to explicitly hear how Professor Vaughan would like to proceed.

I appreciate your assistance, and look forward to your reply.

Sincerely,

Brian

From: NAIC CEO Ms. Vaughan to me Mon. July 23, 2012

Mr. Fechtel: Thank you for passing along the information. Unfortunately, as you are aware, the NAIC has no regulatory authority. We support the states in their regulatory efforts. For the NAIC to become involved, a state must decide to take action and to ask other states to join it. At that point, the NAIC may assist in the coordination of activities among the states. The authority for regulatory action stems from state law, which only the states can enforce.

I encourage you to reach out directly to the states and let them know of your concerns.

Terri M. Vaughan

From: NAIC's Eric Nordman to me Friday October 19, 2012 Regarding material I submitted for CIPR conference.

I have read this and there is some great material in it. It is not in the right format for simply dropping into the white paper. I will work on it over the next couple of weeks. It is a welcome contribution to the white paper's transparency and disclosure portion. I will also have you credited as a contributing author.

Eric

[Note: Material I submitted will be published in the NAIC's White Paper scheduled to be issued in April 2013.]

From: Brian to Angela Nelson, MO State Regulator who made a presentation on policy disclosure issues at the NAIC's special CIPR conference in October 2012

On Thu, Nov 1, 2012 at 4:51 PM, Brian Fechtel wrote:

Dear Ms. Nelson:

I have recently learned of your interest in the disclosure problems in the life insurance industry's marketplaces and write to introduce myself and my work.

As you'll see from my email below to a few of your associates at the NAIC, the *Journal of Financial Planning* recently published an article of mine, "Bringing Real Clarity and Understanding of Cash Value Life Insurance to the Marketplace."

I would certainly welcome your thoughts, questions, criticisms, suggestions, etc., regarding my article, and more generally, my work. Please feel free to visit my website, www.BreadwinnersInsurance.com to learn more about my work.

I've also attached a copy of a letter I sent in May to several of your associates regarding the deceptive advertisements of two leading insurers. Given your regulatory responsibilities, it will be most interesting to me to hear your thoughts about these ads.

Would you like to schedule a time to speak in the coming weeks? Please let me know what could work best for you.

Thanks again for your good work to improve the life insurance industry and marketplace. I look forward to catching-up with you and to having an opportunity to talk about our overlapping concerns and interests.

Sincerely,



Angela Nelson's reply Angela.Nelson@insurance.mo.gov

11/12/12

Mr. Fechtel –

Thank you for your email and your interest in my presentation.

I apologize, but since I have returned from the CIPR presentation, I have been inundated with issues and projects here in my own office and have been unable to respond.

At this point, my schedule is such that I cannot promise that I will be able to visit with you on this topic anytime in the near future. It could be that, at some point, our paths may cross and we would be able to discuss these issues in greater detail.

I wish you the very best in your work and the consumer issues you are so passionate about. Thank you again for contacting me.

Angela Nelson, Director, Division of Market Regulation
Department of Insurance, Financial Institutions & Professional Registration