

# Currin Chronicles

Quarterly Newsletter

January 2017

## President's Corner

I have the best employees, clients, and professional friends. As many of you know, my father passed away on January 4 after a long illness. I was his primary caregiver and this took a tremendous amount of my time and emotional energy, especially in his final two months. CCS employees jumped in and picked up whatever they could to allow me to do what I needed to for my Dad. Our clients all told me how important it was that I meet my family obligations first. I received many very lovely emails and cards from friends and colleagues throughout the industry. It meant so much to me that you all took the time to reach out and send your condolences.

This experience reinforced, for me, why I do insurance compliance work and why I do it with the people that are our clients and the people here at CCS. I love the work, but it truly is the people that make all the difference. I am extremely grateful for the support I received from all of you. Thank you!

I am currently training for a 72-mile Leukemia and Lymphoma Society (LLS) ride around Lake Tahoe on June 4, 2017. When I signed up for this ride, it was my intent to ride in honor of my father. My ride is now in memory of him. He left us far too early due to two different blood cancers, first ALL and more recently, MDS. If you would like to support me in reaching my fundraising goal in the fight to cure blood cancers, you can click on the team logo below, known as **The Herd**, or visit [my fundraising page](#).

Thank you all for your continued support in both business and my personal life. ~ *Cailie*



**Save the Date → May 11-12, 2017**

**Cincinnati, OH**  
Watch your email for details and registration.

**Currin Insurance Compliance Symposium**



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# Celebrating Our

# 2007 10<sup>TH</sup> 2017

# ANNIVERSARY

2017 marks the tenth anniversary year for CCS and I couldn't be more excited or proud. Some of you have heard me say that when I started this journey on my own – “just me in a room” – I could not have dreamt that we would experience such success and that I would learn so much, have so much fun, and grow so much, both personally and professionally, in the process. It has been great so far and I am looking forward to the next ten years!

On January 1, 2007, I opened the doors and it was, literally, me at a desk with a desktop computer in a small space in Greenwich NY. I had no experience in running a business when I started and I have certainly made my share of mistakes over the last decade. I cringe when I think of some of them. I wish it had all been smooth

and easy, but as you know, that's not how it goes in life, or business. I do know that I have learned more than I ever dreamed I would back in January 2007. And, of course, none of that would have been possible without you – our clients, friends and colleagues. Thank you!

As I reflect on the last ten years and look forward to the many years ahead, it is you that I will be thinking about. “How can we serve you better?” is the question that drives everything at CCS and it will continue to do so going forward. If you have thoughts or ideas, please let me know. If you want to join in our celebration of this milestone, look for us at conferences and in social media! This anniversary belongs to all of us and we look forward to sharing it with you. Onward! ~ *Cailie*

## New Year, New Knowledge

***We are off and running in 2017!*** As we plan and develop accessible, informative, online training content for those of you who work so hard in the insurance compliance industry, we want to make sure we know what training you want most! Please take a few minutes to complete our 4-question survey and you'll be entered into a drawing to win a \$25 Amazon.com gift card. All entries must be received by 2/16/17. If you have any questions, please call Glenda Bean at (518) 512-0172.

[click here to  
take survey](#)

*Official Rules: No purchase necessary. To enter without completing the survey, please send your name, title, company name, business email, and business phone number to [education@currincompliance.com](mailto:education@currincompliance.com). Limited to US residents over 18 years of age. Void where prohibited. Limit one entry per person. The winner will be selected at random from all entries on Friday, February 17, 2017 and will be notified as soon as possible via the contact information provided. The odds of winning depend on the number of entries received. Amazon is not affiliated with this giveaway. Please refer to Amazon.com for terms and conditions applicable to Amazon.com gift card usage.*

Our mission at Currin Compliance Services, Inc. is to deliver an unparalleled combination of knowledge, creativity, and superior problem-solving skills to each compliance challenge faced by our clients in the insurance industry.

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## DOL Rule

By Machael Heise

If you are like me, you are very interested in what our new president will decide to do with the DOL Fiduciary Rule with its first implementation date of April 10, 2017 looming. Given the implications, there are a good number of folks holding their breath in hopes that it will be repealed. For these folks, Trump's repeal of the DOL Fiduciary Rule will likely turn into a big sigh of relief, but what about everyone else? The work to prepare for and implement the rule's requirements has been nothing short of daunting. Many agents, agencies, IMOs and carriers started the long and arduous process to be ready many months ago, and this puts them in a good position should the rule survive, but what if it doesn't? What, if any, benefits result from the progress they have made?

Registered Investment Advisors and Investment Advisor Representatives ("advisors") have always been subject to fiduciary standards. Some would be happy to go back to arguing they are "better" and should have a competitive advantage with consumers over insurance-only agents who are not now, and if the rule is repealed, would not become subject to those standards. (<http://www.marketwatch.com/story/what-if-trump-kills-the-fiduciary-rule-2017-01-23>). Advisors argue that the fiduciary standard is much different from the suitability standards that apply to the sale of insurance products no matter who sells them.

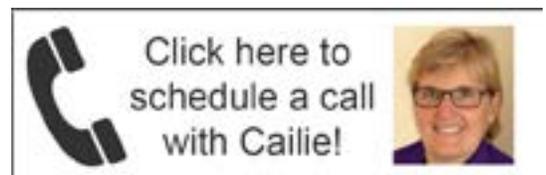
The DOL rule hasn't become dinner conversation beyond our industry. Nonetheless, if it is repealed, the issues and perceptions that led to its adoption and to including insurance products will not go away. There is a clear perception that those who sell insurance products and are not now subject to fiduciary standards act in their own interest rather than the interests of their clients. So it seems quite possible that the DOL rule, repealed or not, will become the catalyst for change within our industry.

So, what happens next? We are not convinced that our industry can stop preparing for the DOL. We think it is likely that even if it does not become effective as it currently exists, changes will come that will change the standard of care owed to consumers, perhaps at the federal level and perhaps at the state level.

We recommend continuing to prepare for compliance and our clients are choosing that path – at least for now. Regardless of what will flow from the president's executive actions, we continue to help our clients navigate reviewing their advertising materials, agent agreements, and incentive offerings. In addition, on-site, online, or remote training is recommended for your home office and field personnel. We have found in-person training to be the most effective as it can be developed with your specific organizational needs in mind. Policies and procedures reflecting impartial conduct standards of care are in place for many companies, but not across the board. We would be happy to help you look at what you have done, what might still need to be done, and what a repeal might look like for your organization.

This is a time of great change and it can be overwhelming, but one thing we can do is focus on strong relationships with consumers and making sure that no matter what happens with the specifics of this DOL rule, our products are sold in a way that is respectful and takes into consideration the best interests of consumers.

### Need help?



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# State Issued Bulletins

By Sarah Huffer



**There were a few state issued bulletins at the end of 2016 that have drawn my attention. Have you read each of these?**

## **NEW JERSEY: Bulletin No. 16-10, December 5**

This bulletin provides the interest rates that NJ requires to be used for determining minimum valuation standards and nonforfeiture values. These updated rates apply to life insurance policies issued in 2017 and annuity contracts issued or undergoing a change in fund in 2016.

## **NEW YORK: Circular Letter No. 7 (2016), December 8**

This circular letter outlines the existing requirements in Regulation 187 (Suitability in Annuity Transactions) and Regulation 60 (Replacement of Life Insurance Policies and Annuity Contracts). The Department's concern as expressed in this Circular Letter is the replacement of existing deferred annuities with immediate annuities when interest and mortality guarantees in the existing deferred annuity contract are more favorable than the interest and mortality guarantees in the immediate annuity. The Circular Letter clarifies that producers, or insurers when a product is not involved, must consider these guarantees as part of their suitability review and that this must be documented as part of the Disclosure Statement. It further states that an insurer cannot deliver a contract as a result of this kind of replacement unless the appropriate comparison has been provided and the insurer has ascertained that it is accurate.

## **ILLINOIS: Company Bulletin 2016-09, December 14**

This Bulletin covered a few different areas including financial reporting, health insurance reporting and policy form filings. For me, the most noteworthy item in the policy form filings section was the guidance provided on filings for changes to previously approved life policies due to a change in mortality table and/or nonforfeiture rate. The bulletin states that if a form is re-filed for this purpose, then it must include an actuarial memorandum. It further references Bulletin 2012-04 for additional details about re-filing requirements.

## **NEW MEXICO: Bulletin 2016-019, December 29**

This bulletin was originally issued on August 22nd, but New Mexico updated it to extend the date for compliance to December 31, 2017 and to provide some additional clarity. The August 22nd bulletin calls for all companies to bring all previously approved forms into compliance with existing requirements found in the insurance code, regulations and bulletins. Any forms that require updating will need to be submitted via SERFF for approval. One of the biggest issues that has come up related to this bulletin is the state's prohibition of matrix filings. Any form with alternate insert pages is considered a matrix filing; this includes a policy with specification pages that have their own form number. As such, any company with matrix forms will need to find a solution that works for New Mexico and re-submit as soon as possible to be ready for 2018. The bulletin also states that all certificates delivered or issued for delivery in New Mexico must be approved by their office, even if the group policy has been approved by another state.

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## Dear Compliance Hero

As compliance consultants, we get asked a lot of questions that are very specific. But sometimes we get asked general questions that could apply to many of our clients and friends in the insurance compliance world. We'd like to answer some of those here. If you would like to see your question answered here, send it to [hero@currincompliance.com](mailto:hero@currincompliance.com). If your question makes the newsletter we will send you a little token of our appreciation for your interest and participation.

Dear Compliance Hero,

We are an agency located in New Hampshire, and one of our agents is hosting a Winter Wonderland event to promote their business. The agent is holding a raffle at the event and among the items being raffled off is a pair of lift tickets to a local ski resort, a brand new snowboard and an iPad. I'm unsure if this is in violation of the insurance regulations, because I know that there is a limit of \$25 when it comes to the value of promotional items in the state of NH, but it's unclear to me if this pertains to prizes raffled off as well?

Thank you,  
*Apprehensive Gift Giver*

Dear Apprehensive,

This is a great question because the rules and regulations around gifts, rebates and sales inducements can be vague and many states' positions are seriously varied from one to the next. When it comes to narrowing this guidance further surrounding raffles, lotteries, and other games of chance, finding an answer among the states become even more sporadic. You are in luck though – NH is one state that does provide specific guidance on the issue and as long the total prize values within a 12-month period do not exceed \$1,000 and as long as there is no cost to enter the raffle and it's open to the general public, you're good to go. If you do have agents located in other states who decide to do a similar raffle, the answer will likely be different and if you don't want to spend the time researching each state's rules on gifting and rebating, we can help! Our 50 State Survey: Rebates, Gifts & Inducements is a major timesaving tool designed to provide you with the rules and regulations for all 50 States and U.S. Territories – all in one comprehensive source! Take a few minutes—save yourself hours—[check here](#) to see how we can help.

Sincerely,  
*Compliance Hero*  
(518) 692-2494



## Exciting Announcement!

We just released the first lesson of the **NYS Annuity Nonforfeiture Law** course online. You can preview this first lesson to see a tiny bit of what the course contains and we are sure that once you take a look you will see how much value the entire course has.

We hear from so many of you who are struggling to understand NY's law and how to get deferred annuities to comply with NY Law. This course can save your company time and money!

Developed by former NY DFS Actuary, Tom Hartman, this content is perfect for anyone in product development, product review, and/or product filing.

[Follow this link](#) to learn more about the course and **watch the first lesson for FREE!!**

Any questions? Please contact Glenda Bean at [gbean@currincompliance.com](mailto:gbean@currincompliance.com).

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## Employee Spotlight



Mallory Donnelly joined CCS in 2015 after spending nine years at State Farm Insurance. Her original focus as a compliance analyst was to complete regulatory filings for a NY based company. Now, in addition to the regulatory filings, Mallory also does product work and audio recordings for our online courses. She strives to be a valuable resource to the company wherever needed.

Mallory credits success in her career to a strong work ethic and knowing how to juggle priorities. With a singing career, rehearsals, a full-time job, and her fun, adventurous family—husband, Matthias and 3-year old twin daughters, Scarlett and Olivia—life happens

at warp speed. And on top of all that, the Donnelly family recently purchased a new home. Mallory knows organizational skills are a must.

Whenever she finds herself with some free time, Mallory loves to spend it with family and friends, playing in the yard with the kids, and singing in her band, Jeanne O'Connor and the New Standard. Both Mallory and her husband love all types of music and make a point to attend a few concerts a year, take mini-vacations whenever possible, and try new things like a recent course in glass blowing.

Her adventurous spirit and outgoing personality have been a great addition to CCS. She always looks forward to new challenges.

