



A Letter from the Executive Director

NATIONAL ALLIANCE OF LIFE COMPANIES *An Association of Life and Health Insurance Companies*

January 31, 2010



Dear Member:

Attached you will find the NALC newsletter for the month of January, 2010. I hope you find this information useful.

This is certainly shaping up to be a year in which institutions are out of vogue. Banks and other financial institutions, corporations, the Congress, political parties, the news media and every other institution are under withering attack. It's clearly a sign of a country frustrated with job loss and economic uncertainty, and I think it opens the door to a new wave of populism around the country. Expect to see a great deal of institution bashing during the upcoming election cycle.

With the recent elections in New Jersey, there is a new governor...and a new Banking and Insurance Commissioner. I am pleased to report that our friend and colleague Tom Considine of MetLife has been nominated to serve as Commissioner. This is a terrific opportunity for Tom, and I know he will do a terrific job for the State of New Jersey. We have invited him to attend our NALC meeting in Charleston in his new role as Commissioner. Please join me in congratulating Tom, and wishing him the best of success in his new job.

Let me take a few minutes to update you on a few important matters. First, the recent Senate election in Massachusetts has created a real state of flux in Washington. While the Senate is moving to take up the Financial Reform Bill, it is hard to imagine it will sink its teeth into the Optional Federal Charter. I don't think the American people will show much tolerance for a large new federal agency with new responsibilities in this climate, and the Senate understands that. Expect very little movement on controversial legislation during the next year, including the Charter legislation.

On the state front, we continue to plow through various issues on Principles Based Reserving. Norm Hill continues to aggressively advocate for limited application of these principles to the core products written by NALC members. We will have more to report at the Spring Meeting.

Finally, we have a great program lined up for our meeting in Charleston, South Carolina, at The Sanctuary at Kiawah Island. The meetings take place April 14 through 16. This is one of the country's finest beach and golf resorts, so you and your families should love it. It should be one of our best ever!

See you in Kiawah Island. Don't forget to sign up quickly, as we expect the rooms to go fast.

Best regards,

Jim Hodges
Executive Director