



ABIA Insurance News



Volume 11: February 7, 2012

Edited by Kevin McKechnie, Executive Director
Assistant Editor, Renee Galbraith, Health Policy and Legislative Affairs Manager

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Register Now!

**ABIA Executive Issues Forum
May 14 – 15, 2012
JW Marriott Hotel
Washington, DC**

Just Added: Charlie Cook will be featured as the Keynote Speaker at the ABIA's Executive Issues Forum!

Charlie Cook is Editor and Publisher of [The Cook Political Report](#) and Columnist for the [National Journal](#). Cook has also been an election night analyst for CNN and CBS news and for every presidential election since 1994 for NBC news.

For more than two decades he has been Washington's most trusted – and most accurate – voice on all things political, whether it's the outcome of a congressional, gubernatorial, or presidential election.

Don't miss this opportunity to hear from a leading political analyst!

The first-ever ABIA Executive Issues Forum will offer bank-insurance CEOs, senior executives, General Counsels and their Government Relations counterparts the opportunity to speak with a united voice to lawmakers on Capitol Hill.

The purpose of the ABIA Executive Forum is to provide attendees an exclusive opportunity to leverage their collective thinking and experience on how to manage the unique regulatory and legislative challenges of operating insurance businesses within banks.

The ABIA has scheduled the following informative sessions with regulatory and legislative speakers to educate attendees:

1. CFPB

The Bureau of Consumer Financial Protection (CFPB), created by the Dodd-Frank Act, has broad authority to regulate credit products including Debt Protection Products and Lender-Placed Insurance. Senior leaders at CFPB will discuss regulations affecting these products including disclosures under the Truth in Lending Act (TILA) and the future interest of the agency in these markets.

Invited Officials: David Silberman, Acting Director of Research, Markets & Regulations and Dan Sokolov, Deputy Director of Research, Markets & Regulations

2. NAIC

The National Association of Insurance Commissioners (NAIC) is the trade association of state insurance regulators and their staff and serves as a repository of insurance regulatory expertise upon which consumers, producers and insurers can rely. Their President, Florida Insurance Commissioner Kevin McCarty and their CEO, Former Iowa Insurance Commissioner Terry Vaughn, constitute the most visible face of American insurance regulation.

The future of the National Flood Insurance Program (NFIP), including a long-term extension and the potential for private insurers to offer flood insurance, will be discussed. We will also discuss how the states are implementing the Non-admitted and Reinsurance Reform Act (NRA) and the future of state regulation and cooperation with the Federal Insurance Office (FIO).

Invited Officials: Kevin McCarty, Florida Insurance Commissioner; Terry Vaughn, CEO, NAIC

3. FIO

The Dodd-Frank Act created the Federal Insurance Office (FIO) in the Treasury Department and empowered it to study how, not if, the state system of insurance regulation should be modernized. The Office has authority to collect information on the operations of insurers and to preempt state laws contrary to international agreements. We invited the Office's first Director, Michael McRaith, former insurance commissioner from Illinois, to speak.

Invited Official: Michael McRaith, Director, Federal Insurance Office (FIO), U.S. Department of the Treasury

4. Congressional Leadership Panel

The FIO's study on insurance modernization includes several proposals advantageous to bank-owned insurance agencies. Members of the House Financial Service Committee and the Senate Banking Committee will be studying how best to implement FIO's findings.

This session is your opportunity to hear from Congressional leaders about their plans for the insurance industry. Alternatively, ABIA may arrange visits to the Capital for Summit attendees depending on the size of the group.

It is very important that participant provide ABIA Government Relations with the location of their company's major operations in order for us to plan meetings with Members of Congress.

Please contact [Renee Galbraith](#), Legislative Affairs Manager, for details.

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With special thanks to our Platinum Premier Members for sponsoring this event:



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■ Free Webinar Series: New Fee Income Opportunities through Bank- Insurance

Mark your calendars to participate in this series of informative briefings. Whether you are a new member to ABIA, or are interested in expanding your current operation, these free webinars will help you grow your bank-insurance business.

Series 1: Buy, Build or Rent – Options for Entering the Bank-Insurance Business

February 29, 2012
2:00 p.m. – 4:00 p.m.

This session will explore the current status of mergers and acquisitions in the industry as well as how banks and insurance agencies are joining forces through multiple entrance points to distribute insurance products in the financial institutions channel. The expert panel will discuss:

- M&A for banks looking to make the first foray into insurance via an acquisition,
- Bank agency expansion opportunities without an agency acquisition
- How to identify key items in and what to avoid in any potential agency acquisition
- Current trends of realistic performance deliverables a bank CEO could expect from an agency
- Effect of the current regulatory environment on M&A by bank insurance divisions.
- The biggest challenges facing the industry and, specifically, the Insurance M&A market

Moderator: Jeffrey Chesky, President and Chief Executive Officer, Insuritas, Inc.

Panelists: Jim Campbell, Partner, Reagan Consulting, Inc.
Louis Caltavuturo, Partner, Dowling Hales
Phil Trem, Vice President, MarshBerry

[Register Now for Series 1](#)

Series 2: Leading Solutions for Life Insurance Sales in Banks

March 15, 2012
2:00 p.m. – 4:00 p.m.

In this session, life insurance experts will discuss leadership solutions for life insurance sales in the bank channel. This interactive discussion will focus on current trends for products and marketing, as well as the everyday regulatory challenges. Future trends will also be discussed.

- Consumers need for financial planning of investments and insurance
- Industry studies on bank channel sales
- Increase cross-sales of bank and insurance products

Moderator: Joan Cleveland, Senior Vice President Business Development, Prudential Financial

Panelists: Christopher P. Funk, Sales Director, Great West Life & Annuity Insurance Company
Tony Ianni, National Sales Director, Financial Institutions, OneAmerica
Craig Simms, Senior Vice President – Marketing, Vantis Life Insurance Company

[Register Now for Series 2](#)

Series 3: Key Decision Points for Entering and Succeeding in the Bank-Insurance Business

April 24, 2012
2:00 p.m. – 4:00 p.m.

This session highlights one community bank and the key decisions made on how and why to get into the insurance agency business. Hear a senior bank executive's perspective on their evaluation methods and due diligence. Key take-aways include:

- Why community banks sell insurance
- Retention of renewing, recurring fee income through property and casualty products
- Why insurance agencies sell (and are bought by a bank)
- Finding the right agency for your bank
- Acquisition strategies (Foundation, Platform, Fold In, Control and Support)
- Negotiation/structure (Pricing, Valuation, Earn-outs, Tax Free with Bank Stock)
- Due Diligence
- Keys to growing a bank-insurance agency (Cross-selling, Using the bank's footprint)

- Glens Falls Success Plan

Speaker: David S. DeMarco, Executive Vice President, Glens Falls National Bank & Trust Company

[Register Now for Series 3](#)

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■ **Groupsites: A New ABIA-Member Resource**

ABIA will soon be offering a new interactive forum for our members to network with industry colleagues and find solutions to day-to-day Bank-Insurance Agency issues. The Groupsites are a member-only benefit for ABIA members to connect with peers on important issues. The Groupsites will allow our members to ask questions, offer suggestion and provide feedback on a variety of bank-insurance topics.

Please watch for your invitation to join the conversation and get more involved in ABIA.

Compliance and Regulation News

■ **Compliance Corner: The CFPB's Small Business "Speed Bump" Does Not Apply to Transferred Rules**

Background on the SBREFA Process

The Consumer Financial Protection Bureau (CFPB) is one of three agencies required to comply with the Small Business Regulatory Enforcement Fairness Act (SBREFA) panel process, along with the EPA and OSHA. This law requires that, for all CFPB regulations having "a significant economic impact on a substantial number of small entities," a panel be convened *before the notice of proposed rulemaking is issued*. The panel is composed of three persons: the Chief Counsel for Advocacy of the Small Business Administration; a representative of the Office of Information and Regulatory Affairs within the Office of Management and Budget; and a representative of the CFPB.

The panel's purpose is to review the CFPB's proposed rule, collect advice and recommendations from small business representatives (identified by the SBA's Chief Counsel for Advocacy), and issue a final report, to be included in the proposed rulemaking, that considers:

- The number and various classes of small entities affected;
- The projected reporting, recordkeeping and other compliance requirements, including the type of professional skills needed to comply;
- All federal rules that duplicate, overlap or conflict with the proposed rule; and
- Alternatives that permit either: different requirements for small entities; simplification of compliance and reporting requirements; the use of performance rather than design standards; or exemptions for small entities.

The panel process has been called a "speed bump" because it takes a significant amount of time, historically between six and nine months in the case of the EPA and OSHA.

SBREFA Panels Do Not Apply to Transferred Rulemakings

In testimony before the Senate Banking Committee last week, the ranking Republican member, Sen. Richard Shelby, criticized the CFPB's failure to convene a SBREFA panel for the recently-issued remittance transfer rule. CFPB Director Richard Cordray indicated that the CFPB acted properly because the agency is only required to convene a panel before a *proposed* rule is issued by the CFPB, and that the agency is not required to, nor would it be proper for the agency to, convene such a panel for rules that were already proposed by other regulators.

The Federal Reserve proposed amendments to Regulation Z in September 2010 that would impose new disclosure requirements for debt protection products and credit insurance offered on consumer loans and lines of credit (R-1390). Those proposed rules were transferred to the CFPB in July 2011. Accordingly, the CFPB does not intend to convene a SBREFA panel for that rule or other rules transferred to the agency, and could finalize them without any delay.

Do you have further questions about this compliance issue? Other compliance questions you would like to see addressed? Please send your comments or questions to Valerie Barton at vbarton@aba.com.

Articles in the Compliance Corner are provided for informational purposes only by ABIA's outside counsel McIntyre & Lemon, PLLC. They are not intended to be legal guidance. Readers should consult with legal counsel before implementing any requirements that are addressed.

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■ FIO Report on Insurance Industry Delayed

The Federal Insurance Office (FIO) has delayed release of its report on modernizing the U.S. insurance industry. The report was originally scheduled to be released in January, but the FIO is still reviewing the over 150 comment letters from insurance trade organizations and other interested parties.

The report will cover a wide array of topics such as changes to the current state-based regulatory model, the FIO's role in insurance regulation and how the U.S. insurance industry can interact and compete internationally. Once the report is released it will be submitted to Congress.

Although FIO Director McRaith has expressed support for the current state-based regulatory model, during meetings with ABIA board members and staff he agreed that the current system can be improved and there is a larger role for the federal government to play. The report will reveal just how large of a role. Industry officials agree that the FIO report will recommend significant changes to how the U.S. insurance industry handles international regulations and regulators. According to Michael Nelson, chairman of the law firm Nelson Levine de Luca & Horst, "The FIO may say that it should serve as the unified voice for the industry and regulators in the U.S. as it interacts with other countries.

There is no indication on when the report will be released.

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■ House Votes to Repeal CLASS Act

Last week, by a vote of 267-159, the U.S. House of Representatives passed a bill that repeals the Community Living Assistance Services and Support program (CLASS) Act provision of the Patient Protection and Affordable Care Act (PPACA).

This is not the first blow to the program. Implementation of the CLASS Act was suspended last October by Health and Human Services Secretary Kathleen Sebelius, who stated that because the program was voluntary, it would create adverse selection and become "unworkable."

The CLASS Act was supposed to establish a voluntary long-term care program to help the elderly and disabled pay for home care. Participants of the program would pay a monthly premium for five years and then become eligible to receive more than \$50/day to help cover long-term care expenses.

According to the Congressional Budget Office, the program would raise funds in the short-term, but would eventually add to the federal deficit as the program began paying out more than it was receiving.

The legislation is not expected to pass the Democratic-led Senate.

Democrats argue that the program should be fixed, not repealed, so that the elderly and disabled would have an opportunity to receive in-home care, whether than the more expensive institutional care.

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■ ABA's Hunter to Testify on CFPB Improvement Bills

ABA COO Mike Hunter will testify Wednesday at a House Financial Institutions Subcommittee hearing on legislative proposals intended to make the Consumer Financial Protection Bureau more accountable and transparent. The hearing will examine bills that would move the CFPB to the Treasury Department and subject it to the same appropriations process as Treasury (H.R. 1355); remove the bureau's director from the FDIC Board (H.R. 2081); and preserve the attorney-client privilege for information submitted to the CFPB (H.R. 3871).

[Read the hearing witness list.](#)

News Release

■ Michael White - Prudential Report: Bank Insurance Brokerage Registers Record 3 Quarters

Over the first three quarters of 2011, bank holding companies (BHCs) tallied a record \$5.89 billion in insurance brokerage fee income, up 14.4% from \$5.14 billion for the same period in 2010, according to the *Michael White-Prudential Bank Insurance Fee Income Report*. Thus far in 2011, 64.6% of large top-tier BHCs engaged in insurance brokerage activities.

Third-quarter bank holding company (BHC) insurance brokerage income was up 56.9% to \$2.01 billion compared to \$1.28 billion in third quarter 2010 depressed by U.S. BHC insurance losses overseas. This third-quarter revenue hit this quarter's highest level ever, and it ranked as the third largest quarterly amount of insurance brokerage revenue in history. Thus far in 2011, 64.6% of large top-tier BHCs engaged in insurance brokerage activities. These findings exclude MetLife, Inc., which intends to undo its status as a bank holding company (BHC).

TOP 12 BANK HOLDING COMPANIES IN INSURANCE BROKERAGE FEE INCOME YEAR-TO-DATE SEPTEMBER 30, 2011 NATIONALLY

R A N K	YTD	YTD	PERCENT	BANK HOLDING COMPANY	ASSETS	INSURANCE BROKERAGE FEE INCOME AS % OF NONINTEREST INCOME
	INSURANCE BROKERAGE FEE INCOME 3Q 2011	INSURANCE BROKERAGE FEE INCOME 3Q 2010	CHANGE 3Q 2010 3Q 2011			

(ALL DOLLAR AMOUNTS IN THOUSANDS)

1	\$1,656,000	\$1,321,000	25.36%	Citigroup Inc.	NY \$1,935,482,000	6.65%
2	\$1,263,000	\$1,340,000	-5.75%	Wells Fargo & Company	CA \$1,304,832,000	4.53%
3	\$706,851	\$712,834	-0.84%	BB&T Corporation	NC \$167,674,851	37.85%
4	\$274,867	\$-215,794	N/A	Bank of America Corporation	NC \$2,215,005,733	0.99%
5	\$256,000	\$211,000	21.33%	Morgan Stanley	NY \$794,939,000	0.96%
6	\$158,000	\$148,473	6.42%	American Express Company	NY \$147,456,000	0.92%
7	\$105,852	\$103,209	2.56%	Discover Financial Services	IL \$68,124,551	7.47%
8	\$102,000	\$102,000	0.00%	The Goldman Sachs Group, Inc.	NY \$948,067,000	0.55%
9	\$83,316	\$81,162	2.65%	Regions Financial Corp.	AL \$129,761,507	3.99%
10	\$75,000	\$84,000	-10.71%	Ally Financial Inc.	MI \$181,956,000	1.65%
11	\$67,832	\$64,489	5.18%	BancorpSouth, Inc.	MS \$132,097,813	37.96%
12	\$49,641	\$36,899	34.53%	First Niagara Financial Group	NY \$31,226,107	29.42%

SOURCE: [Michael White-Prudential Bank Insurance Fee Income Report](#)

[Prudential](#) is a proud Platinum member of the American Bankers Insurance Association ([ABIA](#))

Compiled by Michael White Associates (MWA) since 2001 and sponsored by Prudential's Individual Life Insurance business, a proud member of the American Bankers Insurance Association (ABIA), this report measures and benchmarks the banking industry's performance in generating insurance brokerage and underwriting fee income. Results are based on data from all 6,740 commercial and FDIC-supervised savings banks and 927 large top-tier bank holding companies operating on September 30, 2011. Bank holding company insurance brokerage fee income consists of commissions and fees earned by a bank holding company or its subsidiary from insurance product sales and referrals of credit, life, health, property, casualty, and title insurance

"In the first three quarters 2011, the number of BHCs that grew or maintained their insurance brokerage revenues increased in a meaningful way. We examined 155 BHCs with at least \$1 million in annualized insurance brokerage income. While four BHCs had no growth, 80 BHCs showed positive growth in their insurance brokerage income through the third quarter, up 8.1% from 74 BHCs with positive growth at the end of the second quarter. BHCs with declines in their insurance brokerage income numbered 71 year-to-date, down 7.8% from 77 at the end of the second quarter," said Michael White, President of MWA. "The number of big losers, i.e., those BHCs with declines in insurance brokerage greater than 10%, fell dramatically by 29.7% from 37 at the end of second quarter to 26 at the end of third quarter. These changes signal improvement among BHC agencies, and offer hope that the economy is finally beginning to improve a bit and the property-casualty insurance markets are starting to harden."

As of September 30, 2011, Citigroup Inc. (NY) topped the leader board with insurance brokerage earnings of \$1.66 billion. Wells Fargo & Company (CA) ranked second nationally with \$1.26 billion; and BB&T Corporation (NC), which owns more agencies than any other financial holding company, ranked third with \$706.9 million in insurance brokerage revenue over three quarters.

Bank holding companies over \$10 billion in assets continued to have the highest participation (89.0%) in insurance brokerage activities. These BHCs produced \$5.33 billion in insurance fee income in the first three quarters of 2011, up 16.2% from the \$4.59 billion they produced YTD in 2010. These large bank holding companies accounted for 90.6% of all BHC insurance brokerage fee income earned thus far in 2011.

At a time when other bank revenues are down, particularly service charges on deposit accounts as a result of regulation, insurance brokerage stands out as a natural business for banks. Bank insurance income is proving to be a nice addition to the income statement. "We continue to work with our bank distributors to increase life insurance sales with their customers," said Joan H. Cleveland, senior vice president, Business Development with Prudential's Individual Life Insurance business. "The ease and speed with which a customer can acquire one of our life insurance products has been a real asset to the banks - building both customer loyalty for them through cross sells as well as driving up their fee income."

Among BHCs with assets between \$1 billion and \$10 billion, leaders in insurance brokerage income in the first three quarters of 2011 included Eastern Bank Corporation (MA), Stifel Financial Corp. (MO), Old National Bancorp (IN), Trustmark Corporation (MS), and Johnson Financial Group, Inc. (WI). BHCs of this size registered a 2.3% increase in insurance brokerage income to \$455.9 million in three quarters of 2011, UP from \$445.5 million for the same period in 2010.

Among BHCs with assets between \$500 million and \$1 billion, leaders were Two Rivers Financial Group, Inc. (IA), 473 Broadway Holding Corporation (NY), Texas Independent Bancshares (TX), Evans Bancorp, Inc. (NY) and American Bancor, Ltd. (ND). These BHCs experienced a 9.4% decline year-over-year in their insurance brokerage income.

The smallest community banks, with assets less than \$500 million, were used as "proxies" for the smallest BHCs, which are not required to report insurance brokerage income. Leaders among bank proxies for small BHCs were Soy Capital Bank and Trust Company (IL), Hoosac Bank (MA), Industry State Bank (TX), First State Bank (IA), and Stoneham Savings Bank (MA). These small banks, representing small BHCs, also registered a decline of 1.7% in insurance brokerage income, dropping from \$129.4 million in YTD 2010 to \$127.2 million in YTD 2011.

Among the top 50 BHCs nationally in insurance brokerage concentration (i.e., insurance brokerage income as a percent of noninterest income), the median Insurance Brokerage Concentration Ratio was 36.8%. Among the top 50 small banks in insurance brokerage concentration that are serving as proxies for small BHCs, the median Insurance Brokerage Concentration Ratio was 74.0% of noninterest income.

Among the top 50 BHC leaders in insurance brokerage productivity (i.e., insurance brokerage income per BHC employee), the median Insurance Brokerage Productivity Ratio was \$14,288 per employee (or an annualized Productivity Ratio of \$19,045). Among the top 50 small banks in insurance brokerage productivity, the median

Insurance Brokerage Productivity Ratio was \$22,411 per employee (or an annualized Productivity Ratio of \$29,873).

[Learn More](#)

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Best Practices Panels (BPP)

■ Sign up online for 2012 ABIA Best Practice Panels!

You can now sign up from your desk to participate in any or all of the nine ABIA Best Practice Panels by following this link: https://www.aba.com/perseus/surveys/abia_bpp.htm

Alternatively, you can sign up by going to the ABIA website and clicking on the online registration link on the [Best Practice Panel page](#).

It is easy and convenient, so register today!

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■ 2012 Best Practices Panel Schedule

Agency Integration and Marketing Panel

Chair: Valerie Jordan, Jordan and Jordan Associates

The teleconference calls will be every other month on the 1st Monday of the month (except for February) at 4:00 p.m. Eastern according to the following schedule:

February 28 - Marketing Compliance for 2012, Joint call with Direct Marketing and Compliance

April 2

June 4

No call in August

September 24-26 (Phoenix, AZ) - Annual Conference Presentation

October 1

Annuities Panel

Chairs: Jim Rensel, Sales Quality Research

The teleconference calls will be every other month on the 3rd Tuesday of the month (except for April) at 3:30 p.m. Eastern according to the following schedule:

February 21 – Where are We on Annuities for 2012?

April 24

June 19

No call in August

September 24 -26 (Phoenix, AZ) - Annual Conference Presentation

October 16

Community Bankers Panel

Chair: Brian Duffy, RSI Insurance

The teleconference calls will be held quarterly on the 2nd Thursday of the month (except for February) at 2:00 p.m. Eastern according to the following schedule:

February 16 – Producer Compensation Planning for 2012

April 12

June 14
September 24-26 (Phoenix, AZ) - Annual Conference Presentation
October 11

Compliance Panel

Chairs: Doug Harrison, BB&T Insurance

The teleconference calls will be held quarterly on a Tuesday or Thursday of the middle-of-the-quarter-month at 2:00 p.m. Eastern according to the following schedule:

February 28 – Marketing Compliance for 2012, Joint call with Direct Marketing
May 8
July 12
September 24-26 (Phoenix, AZ) - Annual Conference Presentation
November 1

Credit Insurance and Debt Cancellation Panel

Co-Chairs: Phil Von Mann, US Bank and Ellen Myers, Xybernet, Inc.

The teleconference calls will be held quarterly on the 4th Thursday of the month (except April and May) at 4:00 p.m. Eastern according to the following schedule:

February 23 – Credit Insurance and Debt Cancellation for 2012, where are we Going?
April 19
May 31
September 24-26 (Phoenix, AZ) - Annual Conference Presentation
October 25

Direct Marketing Panel

Co-Chairs: Sara Webb, BB&T Insurance and Robert Dudacek, Wells Fargo Insurance

The teleconference calls will be held every other month on the 4th Tuesday of the month at 3:00 p.m. Eastern according to the following schedule:

February 28 – Marketing Compliance for 2012, Joint call with Compliance
April 24
June 26
September 24-26 (Phoenix, AZ) - Annual Conference Presentation
October 30

Life Coverages Panel

Chair: Chris Funk, Great West Life & Annuity

The teleconference calls will be held quarterly on the 3rd Thursday of the month (except for February) at 3:00 p.m. Eastern according to the following schedule:

February 23 - Life Insurance: What do your Customers want? What are you doing?
April 19
July 19
September 24-26 (Phoenix, AZ) - Annual Conference Presentation
October 18

P& C Panel

Co-Chairs: Chris Boone, BancorpSouth Insurance and R. Michael Hedden, Bankers Insurance LLC

The teleconference calls will be held every other month on the 2nd Thursday of the month at 1:00 p.m. Eastern according to the following schedule:

February 9 – System Solutions to Streamline Operations and Marketing
May 10
July 12
No call in August

September 24-26 (Phoenix, AZ) - Annual Conference Presentation
October 11

Reinsurance/Risk Management Panel

Co-Chairs: Brian Casey, Lock Lord Bissell & Liddell

The teleconference calls will be held quarterly on the 2nd Wednesday of the month at 11:30 a.m. Eastern according to the following schedule:

March 7 – Social Media Compliance

April 11

June 13

September 24-26 (Phoenix, AZ) - Annual Conference Presentation

October 10

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Member News

■ BB&T Acquires Crump

BB&T announced last week that it has reached an agreement to purchase the P&C and life insurance divisions of Crump Group Inc. Crump is one of the nation's largest independent wholesale insurance distributors.

The acquisition is still subject to regulatory approval and is expected to close in the first quarter of this year. Under the terms of the agreement, BB&T will acquire the two divisions of Crump for \$570 million in cash. BB&T projects that the acquisition will add \$300 million in annual revenue.

"As the largest independent wholesale life insurance distributor in the country, the Crump acquisition significantly expands and strengthens our insurance operations," said Kelly S. King, BB&T's chairman and chief executive officer. "The deal is a great strategic fit for BB&T, immediately increasing and diversifying our fee income while driving stronger revenues."

Wade Reece, BB&T Insurance chairman and chief executive officer, said Crump represents a transformational opportunity for BB&T Insurance. "We've known and respected Crump for years and consider them an industry leader," Reece said. "This is an opportunity for BB&T to become a significant and strategic player in the high-growth, high-margin life insurance distribution business and expand our property and casualty business."

John Howard, president and chief executive officer of Crump Group, will join BB&T Insurance operations in a senior leadership position reporting to Reece.

"BB&T and Crump share a strong commitment to our clients and employees as evidenced by our consistently high customer satisfaction scores, industry awards and strong financial growth" Howard said. "We're excited about this partnership and look forward to bringing the wide range of Crump products and services, unique expertise, and our high-touch, caring approach to BB&T's clients."

[Learn More from BB&T](#)

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■ Securian Wins Innovation Award

Minnesota Life Insurance Company, a subsidiary of Securian Financial Group, Inc., was recognized by Best's Review magazine for its Project Galileo speed- to-market program. It was featured in the Innovators Showcase, published in the January 2012 edition of Best's Review.

Project Galileo is a reinvention of Minnesota Life's product development process that allows the company to design, develop and launch new products rapidly. Since 2006, the company's productivity rose from one product launch a year to 24 new products or enhancements in four years. Minnesota Life credits its 120% increase in individual life insurance sales from 2007 to 2010 to its significantly expanded product line.

Innovators Showcase is a forum for recognizing progressive technology or programs among insurance organizations. A panel of insurance industry experts evaluated nearly 70 submissions.

About the Minnesota Life entry, reviewer Robert Stein, vice chairman of global financial services, Ernst & Young, wrote, "This shows some innovation around a key, and often broken or troubled, business process — getting a new product to market in a timely manner and being able to fully support the product after it is launched. It is not a glamorous area of innovation, but seems to have been very successful, as the company's product line has become more robust and competitive and sales have grown considerably."

Jacob Jones, senior associate actuary, led the effort to implement Project Galileo.

"This process allows us to better define product parameters and project roles," said Jones. "It uses new technology, resulting in faster and more accurate development and testing cycles and it allows us to respond more quickly to market changes and advisor needs."

[Learn More about Securian and Minnesota Life](#)

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Resources

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For Information on **ABIA Best Practices Panel** Contact Mike Polychrones at mpolychr@aba.com

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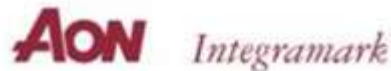
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