

The Campaign to Fix the Life Insurance Industry's  
Age-Old and Terribly Inadequate Disclosure and Problematic Sales Practices

**“The life insurance market is characterized not only by an absence of reliable price information, but also by the presence of deceptive price information. In my opinion, Mr. Chairman, the deceptive sales practices found in the life insurance industry constitute a national scandal.”**

Testimony of Joseph M. Belth, Professor Emeritus, Indiana University

**“The conduct of the life insurance industry with regard to its sales and marketing practices has been inexcusable.”**

Salvatore R. Curiale, Former NY Superintendent of Insurance

**“Irrespective of regulatory and national differences...., the movement towards a wider disclosure obligation and greater demands for information... will lead to fundamental changes in the life insurance industry.”**

Svein R. Hagen, President UNI Storebrand Life Insurance Company (Norway)

**“A cleanup of our industry is coming whether we do it ourselves or get prodded into it.”**

Brian S. Brown, CLU, ChFC, Former President American Society of CLU and ChFC

**“Changing a system [characterized in the article as a system with inadequate agent training and supervision, and an agent compensation structure incompatible with modern consumer demands] of such long tradition and wide acceptance will be difficult, but change seems both essential and inevitable.”**

Harold D. Skipper, Jr., C.V. Starr Distinguished Professor of International Insurance at Georgia State University

**“At the top of the illustration, it should read, ‘Sales illustrations should not be used for comparative policy performance purposes.’”**

Advice from the Society of Actuaries that has never been heeded

**“These standards: ‘openness and honesty in all transactions’ and concern over ‘the overall impression that sales materials may reasonably be expected to create upon a person not knowledgeable in insurance matters’ [touted by some as new...] are part of the existing life insurance advertising regulations in most states. They have simply never been enforced.”**

Alan Press, CLU, former President, National Asso. of Life Underwriters (NALU now renamed NAIFA)

**“The life sale is a very difficult sale. People have to talk about their mortality, about how much money they really need. It’s very complicated. If right in the middle of this discussion, you throw in ‘And by the way, there’s a 55% commission [not counting bonuses, expense allowances, and compensation for other field management and renewals which push sales compensation well over 100% of the first year’s premium]’ You won’t get the sale.....”**

Sy Sternberg, former President of New York Life

**“The solution to the problem of deceptive practices in the life insurance industry lies in disclosure, not in paternalistic regulation.....”**

Professor Emeritus Belth in his monthly newsletter, *The Insurance Forum*

Welcome to the life insurance industry, an industry currently built on financial muggings. When the truth about whole life is understood, when the truth that there is nothing about it and other cash-value policies with their huge undisclosed sales loads that justifies their excessive costs, the life insurance industry could change in a fortnight. Its age-old practices will become instantly unsustainable to informed consumers. Transformation of the life insurance marketplace merely depends upon the widespread dissemination of the now available cost information that the life industry and its agents have fought against and feared disclosing for generations. Disseminating this information will at last bring the benefits of economic competition to consumers in this terribly dysfunctional marketplace.

Brian Fechtel, CFA, Agent, + Founder, BreadwinnersInsurance.com, and Organizer of the Campaign to Fix the Life Insurance Industry

## **YOU Have the POWER to FIX the Life Insurance Marketplace for Consumers**

Publicizing the Never Before Disclosed Policy Information that Consumers Have Always Needed and Deserved, and that is Now Available, Will Transform the Marketplace