

History of Achievements

CELEBRATION *75*

NAIFA

California

1934 - 2009



Diamond Jubilee

May 19, 2009

*Sacramento Sutter Club
1220 Ninth Street
Sacramento, CA*



History of Achievements - “Celebration 75”

By: David V. Dellinger, Executive Vice President
With thanks and credit to Betty Combs, who drafted the 1984 version for our 50th Anniversary.

The Founding

In 1890 the National Association of Life Underwriters was founded in Boston, which is a very interesting story, but we’ll save that for another time. Similar activity was taking place at the same time on the West Coast. In September of 1904 the Life Underwriters Association of Los Angeles was organized. Shortly thereafter and following the aftermath of the 1906 earthquake, the San Francisco Association was founded. Other locals begun in those early years were as follows: 1921-San Diego; 1923-Pasadena; 1924-Fresno and Sacramento; 1925-Long Beach, San Jose and Santa Barbara; 1927-Oakland; and 1928-Stockton.

Inevitably discussions began of forming a State Association. By 1934, California was in the middle of the Depression and experiencing political turmoil. Upton Sinclair was the Democratic nominee for Governor and his programs were viewed as a threat to the free enterprise system. So William Spinney, the President of the San Francisco Association, asked the Presidents of the local associations in California to meet him in Fresno for the purpose of founding a State Association.

The State Association is founded under the name of CALU

On September 15, 1934, at the California Hotel in Fresno, 35 delegates from 9 of the 11 local associations met to organize what would be named the California Association of Life Underwriters, CALU. Lloyd Lafot, President of the Fresno Association chaired the meeting. A quiet and unassuming young man from Los Angeles held a very critical role in providing political stability to the meeting as the bylaws chair and a political statesman of uncommon valor. That man was John Newton Russell, whose name would later emblazon our industry’s highest honor. William Spinney led the boisterous and sometimes-tumultuous deliberations. When the difficult debates and deliberations came to a closure, CALU became a reality with a membership of eleven local associations, representing 928 individual members. Dues were set at 80 cents per individual member. The primary purpose

of the new organization was to provide a unified voice for life underwriters in Sacramento, and to establish a spirit of cooperation among the local associations.

Elected as President at the founding meeting was Kellogg Van Winkle, of the Los Angeles Association. Following his election, Kellogg and CALU became instrumental in organizing the life insurance community to oppose Upton Sinclair's candidacy. The life underwriters, in a bold and unprecedented move for those times, actively supported Frank Merriam, the Republican candidate for Governor and celebrated their first legislative victory when Merriam was elected to office. Papers all around the state referred to the "upstart life underwriter support" as critical to Merriam's success.

And so began the California Association's long record of involvement in Sacramento on behalf of the insurance buying public and the agency system. So also began an incredible demonstration of commitment and dedication by two very special people: Kellogg Van Winkle and Jack Hines, CALU President from 1938-1939. They were to become CALU's legislative team - for 22 years - from 1934 to 1956. Van Winkle served as state legislative chair and Hines was CALU's representative in Sacramento, serving as our lobbyist and part-time Association Manager.

These were CALU's formative years. Membership began growing: from 1,000 in 1935 to over 3,000 in 1948. But with dues of only \$1.00 per member there were obvious budgetary constraints. Officers paid their own expenses and it was difficult to expend even a small amount to reimburse Jack Hines for expenses incurred as CALU's lobbyist. In addition, the war effort took its toll as human energies were redirected to the enormous task of winning World War II. Many of CALU's activities were put on hold during these years, which were to change the history of the world.

Don Burns Named the First Executive Vice President

In the fabulous Fifties it was back to business - but not as usual. In 1952 a major change was to take place within the California Association. The Board of Directors approved a dues increase - to \$2.50 - in order to create a reserve fund for the purpose of hiring a full time Association Executive. By 1956 a sufficient reserve had been established to hire the Association's first employee. The individual chosen, Donald C. Burns, would serve the Association for 13 years as its Executive Vice President and for 25 years as its Legislative Counsel.

The late 1950's and the 1960's were years in which CALU grew into a full-fledged trade association. Membership doubled in ten years so that by 1969, CALU represented over 8,000 members. California out-distanced New York to become the largest state life underwriter association in the country. Numerous services were introduced to the membership in these years. Leadership Training Schools were presented to provide local leaders with the information needed to do their volunteer jobs. A CALU Newsletter was developed for local association leaders, which communicated statewide developments. A coordinated Grassroots effort was begun to assure every state legislator had a life underwriter contact. Under the leadership of E. Dawn Nuckels and Mac McManigal, CAL-LUPAC, our Political Action Committee was founded in 1966 to support the political campaigns of candidates for the state legislature.

CALU Enters the 1970's

As CALU entered the 1970's, there was a new face on the scene - R. Scott Sherman who was appointed Executive Vice President in October of 1969. CALU continued building a solid membership base in these years - reaching over 11,000 members by 1978. A new magazine - CALUnderwriter - was introduced in 1970 as the association's first attempt to communicate directly with every individual member. The President's Management Conference was created in 1970 to provide training for all incoming local association presidents. A similar program is still in place today. The structure of the Delegate Body at the Annual Meeting was revised to permit representation by local associations based on membership size. CALU joined a coalition of other statewide insurance producer's organizations to coordinate legislative and regulatory activities, set legislative guidelines, and to outline the association's positions on key issues. The State Ethics Committee was established and it developed business practices guidelines for aiding local ethics chairs in following through on a business practices complaint.

1976 was a very big year for the Government Relations team, as spearheaded by Bill Regan, an entire new structure was formed to concentrate on "grass roots" utilizing the PIC and the PAC, with strong reliance on developing Key Contacts for all members of the State Legislature as well as the Congress. By the late 1970's CALU had become a well-respected and influential association. We had come of age. But nothing is more constant than change, and CALU was no exception to that axiom.

In 1978 Betty Combs was appointed as CALU's third Executive Vice President. The CALUnderwriter improved becoming one of the best state life underwriter

magazines in the country, and was spun-off as a for-profit subsidiary. CALU entered the computer age and purchased data processing equipment for its office. CAL-LUPAC led all state life underwriter associations in total dollars raised. We also elected an individual to the position of NALU Secretary - Morland G. "Mac" McManigal, which meant that Mac would work his way through the chairs to serve as NALU President.

We embarked on an ambitious public relations project: media training for volunteers; workshops on how to get press coverage; creation of a new logo for standardized use by local associations and individual members; and promotion of a statewide Life Insurance Week. On the political scene, CALU encouraged life underwriters to get involved in candidates' campaigns by sponsoring the U.S. Chamber's Political Action Course in Practical Politics: "See How They Run". Change was evident in our legislative activities as well. In 1982 Robert Walters was retained as CALU's Legislative Counsel, and our legislative record in Sacramento continued on a positive trend.

1983 saw serious "strategic planning" unfold for the State Board of Trustees through the efforts and talents of Barbara Shaw, who would remain vitally active with CALU for many years, helping us to train incoming local Presidents. Her legacy to the Association is an often used phrase in our strategic planning sessions which is: "Who does What by When?".....

CALU turns 50!!!!

1984 was a historic year as CALU celebrated its 50th anniversary with a black tie formal gala in Newport Beach, still the highest attended convention in Association history. The 80's would be a very "political time" for CALU, as California had two members on the NALU Board of Trustees, Mac McManigal and Stephen Shaw. Both would eventually be elected Presidents of NALU, McManigal in 1985-1986 and Shaw in 1992-1993. 1988-1989 was also a tumultuous time back home for the Board of Trustees as they vigorously fought and won the "consumers union" lawsuit to stop rebating from becoming law. They then fought heavily again, this time on a ballot initiative, Proposition 103. Disguised as an auto insurance rate rollback initiative, it also included language that would legalize rebating. Completely depleting all of our reserves, over \$500,000 was invested by CALU members and locals, as well as help from NALU and other states to protect the playing field for life underwriters and their clients. Although Proposition 103 became a law, no one in Sacramento would ever doubt CALU's grass-roots capabilities again. As a direct result, the Prospector Fund was born (now the Paul

R. Jeffers Prospector Fund), to provide a formal vehicle to raise voluntary contributions to ward off these kinds of intrusions into our business in the future.

CALU Enters the 1990's

After many successful years with Bob Walters as our part-time contract lobbyist, CALU said farewell and thank you to Bob, and welcomed a full-time employee to the staff as the Director of Government Affairs, Mike Pinkerton. To attempt to meet the demands of an ever-changing world, CALU began a multi-cultural Task Force aimed at attracting members from diverse cultural backgrounds. As of this writing, diversity is still a major challenge for the Association and our entire Federation.

In 1992, California's answer to the John Newton Russell Memorial Award was born as the CALU Distinguished Service Award. Inaugural recipients were: Robert Albritten, William Harris, Cameron Hurst, Paul Jeffers, Mac McManigal, and Dawn Nuckels. Past President Larry Lambert from the Long Beach Association was elected as an NALU Trustee in San Francisco in 1993. He would later serve as President of NALU in 1998-1999 and oversee many major changes facing our Federation, including a historic name change.

1993 would be another historic year for the Association as NALU would fight "Hillary Care" and the administration's attempt to nationalize health care. Due to the foresight of NALU President Steve Shaw, the Association of Health Insurance Agents, (AHIA), was formed to combat the threat from Washington D.C. Often referred to as the father of AHIA, Steve paved the way for the first national president of AHIA, Karl Hansen from California, and three other Californian's who would also serve as Presidents of AHIA: Sam Cunningham, Bruce Lichtenberg, and Tom VanderWal. In an effort to throw more weight to the legislative process CALU re-organized the legislative committee structure under the acronym of GAG: Government Affairs Group. All legislative activities, LUPIC, LUPAC, AHIA, and the Legislation Committee would now come underneath the umbrella of GAG. It was a proud moment for all Californian's when our Past State President Bill Regan joined the NALU staff as Executive Vice President and CEO of our entire Federation, replacing Jack Bobo who retired after 14 years as our chief staff officer. With CALU's direct help, both through Grassroots and financial contributions, an Insurance Commissioner, was elected in 1994 with the strong support of CALU's grassroots, utilizing our PIC and PAC. This was a huge victory for the Association, only topped by the Commissioner's successful re-election in 1998.

In an effort to increase effectiveness on both marketing and membership, CALU hired a full time employee, Jeff Bigelow in the spring of 1995 as our first ever, Director of Membership and Marketing, to assist our locals with their membership efforts.

From 1996-1997 the Board of Trustees convened a “Reinventing CALU Task Force” aimed at improving all aspects of the Association. Many positive changes and enhancements were made to the Association through the efforts of dozens of members representing all locals who were involved in the process.

The End of an Era in 1996

Betty Combs retired after 22 years with CALU, serving 18 years as the Executive Vice President. Many of CALU’s greatest achievements were accomplished under Betty’s tenure. Her attention to detail, efficiency, and effectiveness are legendary in the Association. As the 1984 recipient of the C. Carney Smith award, the highest honor bestowed nationally to NALU association executives; Betty has left an indelible imprint on the history and culture of CALU, as well as NALU.

1998 – 1999 Two Watershed Years! Change! Change! Change!

In the fall of 1998, extraordinary change came CALU’s way. Today we would call it a “perfect storm”. In late 1998 the NALU’s Board of Trustees floated the idea for a Federation name change and NALU became the National Association of Insurance and Financial Advisors, NAIFA, on September 29, 1999. Following suit, CALU voted on a name change to the California Association of Insurance and Financial Advisors: CAIFA. So we would be known as NAIFA and CAIFA. Also new to the Association was our fifth Executive Vice President and Past President of CALU in 1989: David V. Dellinger. Dellinger had most recently worked with NALU in Washington, D.C. heading up their national membership department. Shortly before the name change, the CALU Board of Trustees studied extensive research on the viability of a move to Sacramento, to be closer to the seat of Government. After serious debate and lengthy deliberations, and while under the calm and wise leadership of President Donald J. Levine, ***the Board of Trustees boldly voted*** to move the organization from our 38 year home in Oakland to Sacramento, to be closer to the political scene at the State Capitol. Doing so also forced the Association to completely re-staff itself, with only long-time employee Mike Pinkerton staying with CAIFA due to the physical relocation. With the move accomplished, CAIFA quickly established itself with a strong political presence and moved successfully to establish stronger alliances with other industry

organizations and allied groups. Also joining the staff in late 1998 was Carol Nicolaysen, Director of Finance and Communications, who is still on board the NAIFA-California team. On the national front, Bill Regan retired as NALU's CEO and was replaced by another Californian, from the Los Angeles Association Art Kraus. It was another proud moment for California, as we continued to supply outstanding leadership to the Federation and the industry. ***All in all, 1998-1999 brought us a new name, a new location, and a new staff!!!***

Significant Member Benefits Created!

Leveraging technology, the Association designed its first website in 1998 and was considered by NAIFA at the time, to be the best state website in the entire country. Leadership development would be very important to the Association at this time, under the leadership of future President Mark Chandik. California, along with Texas, piloted the Leadership In Life Institute, (LILI), in 2000 to develop leadership skills for local members. The original NAIFA Task Force, formed by then National President Larry Lambert, has positively changed the face of our entire Federation. With the closure of the CALUnderwriter, the state moved their monthly publication to the last four pages in the California Broker magazine to attempt to add value to our members by being included in a statewide magazine, with the hope of also reaching a large number of non-members.

In an effort to "right size" the State Board, and save revenue, the Board of Trustees was streamlined from 17 to 14 in 2000, and later streamlined to 11, where it remains today. The Board created a lifetime achievement award for political action contributions, recognizing members who have given over \$10,000 in their lifetime to the PAC. The Xcaliber Award was unveiled at the Annual Meeting and was very well received by all members. Rounding out the current staff team, Kay Nauta would join the Association in early 2000, as the Membership Services Coordinator, and is a part of today's NAIFA-California staff team.

2001 – A Busy Year!

2001 marked a number of changes for the Association. The Delegate Body supported a \$25.00 dues increase, and in an effort to raise additional non-dues revenues, future State President Steve Rice and Executive Vice President David Dellinger created an extensive corporate sponsorship program that has brought in several hundred thousand dollars since its inception, which has significantly helped to keep dues levels stabilized. Comprehensive Strategic Planning was brought to the local associations from the state and Past President John Davidson successfully

ran for NAIFA Trustee in Salt Lake City, Utah. Much of California's leadership was together in Salt Lake City when the 9/11 attacks occurred. It was very difficult for many of our members to get back to California in the aftermath, and to this day many members recall the special feeling they felt when all NAIFA Convention attendees were together for an evening memorial service with the Mormon Tabernacle Choir. And in another example of addressing creative ways to do business in this modern world of instant high-tech communications, Staff member Carol Nicolaysen relocated to Lake Havasu City, Arizona, where she still telecommutes to this day.

Another Name Change...and a new direction for our Advocacy Team!

The Association followed NAIFA's lead in 2002, and changed its name to the National Association of Insurance and Financial Advisors – California (NAIFA-California). The Association entered into a lobbying coalition with the PIA and created the CCIP, the California Coalition of Insurance Professionals. The two Associations then created a contract to “share” the professional services of Legislative Advocate, Shari McHugh. In the fall of 2002, McHugh and Dellinger would be appointed by the California Insurance Commissioner to the Agents and Brokers Advisory Council, (ABAC), where they still serve today.

Fireworks at the NAIFA Convention!!!

Coming into the 2002 National Convention in Charlotte, the feelings in the Federation were very contentious at the time. A large dues increase was proposed, and most states and locals came into the meeting concerned about NAIFA's finances. As a result, a lengthy “Town Hall Meeting” was held to give the National Council an opportunity to vent and share their opinions on the proposed dues increase. In advance of the annual meeting, two letters were sent from a handful of the largest states in the Federation to the NAIFA Board of Trustees. The letters expressed concern over NAIFA's financial situation and the direction that NAIFA was heading at the time. California's leadership took a bold lead along with the state of New York in expressing a number of specific recommendations that the NAIFA-California Board of Trustees felt was necessary for NAIFA to adopt in making some fundamental changes in direction. In the end the dues increase was passed over a two year period, and a majority of the 20 plus written recommendations from California, were eventually adopted. It was another proud moment for the leadership of California, leading the way in a difficult period in our history.

In 2003, California would become the first state in the country to have 100 percent of their locals change their name to NAIFA-“territory” to support our national branding campaign. Declining membership was beginning to show up particularly in smaller locals and the Board supported a local revitalization program which included holding a number of “Town Hall” meetings across the state in an effort to help the locals become more viable, or to help assist them with transition plans that involve either branching or merging with a stronger neighboring local.

More Busy and Successful Years!

2004 marked some significant events for NAIFA-California, as the CCIP was disbanded, and Legislative Advocate, Shari McHugh, joined the Association as our full-time contract lobbyist, where we have experienced many legislative victories under her leadership at the Capitol and the Department of Insurance. The Association relocated its downtown headquarters to the Cal-Expo area, and began to run virtually all of its meetings at the historic downtown Sutter Club. John Davidson was elected to the position of Secretary at the National Convention in Las Vegas, and in an attempt to implement quality programming at the local level the state made a big investment through President Jan Pinney’s encouragement of the “Perfect Meeting” format, utilizing the successful Table Topics program.

In 2005, the Association under the leadership of Membership Chair Dawn Coleman, finally turned around a decades old membership decline, when the Association experienced net growth with a tremendous year of new member increases. Our legislative team, under the direction of Past President Mike Ables, built the much used “Victory Brochure”, which is a marketing piece that touts our legislative victories on the hill in Sacramento. The Association chose to support LIAM, Life Insurance Awareness Month, and received a proclamation from both houses of the legislature, as well as from the Governor. At the Day on the Hill meeting, PAC Chair Mark Chandik raised over \$25,000 in one day, which still stands as a record for any state/local in the 119 year old history of the NAIFA Federation. Holding our first-ever LILI alumni reunion, the results of the institute worked their way to the State Board, where the growth of the students leadership development grew to the level where the majority of the State Board of Trustees were LILI graduates.

2006 – Another Big Year For California!

Due to Hurricane Katrina, the 2006 NAIFA convention was moved from New Orleans to San Francisco with very little notice. The volunteer committee, chaired

by Past President Deanna Dooley did a marvelous job in less than eight months, when most states have three years to prepare for a national convention. Russ Smith was elected NAIFA Trustee in his home state, and NAIFA-California sadly said farewell to long-time Board Member and Past President, Bruce Lichtenberg, who announced his retirement after eleven years as our National Committeeperson, handing the reins to Past President Steve Rice. Following NAIFA's lead, and under President Larry Lee's leadership, the Association embraced the Young Advisors Team, (YAT) in a serious way, encouraging the locals to create programs and events that would appeal to our new and younger members. The Association ended our contract with the California Broker magazine, and moved to a monthly electronic newsletter, based on overwhelming results from an extensive member survey, showing what our newer and younger members desired in terms of communications. It was time to move into the electronic age, and we did.

Major Changes Proposed At NAIFA!

NAIFA convened a two-year planning task force referred to as NAIFA 21. When they launched several controversial proposals in January 2007, a national firestorm erupted over the initial recommendation of an "optional local". What would ultimately result in six proposed bylaw amendments, NAIFA-California took a "bold stand" in pro-actively writing a public position paper to the National Council which ultimately resulted in the approval of all six of California's recommendations, with four amendments to be approved, and two amendments to be tabled. It was a very proud day for State leadership and all of California! It was also a proud moment for California to celebrate the Presidency of John Davidson, who headed NAIFA at a very difficult time of re-organization.

On the local level, a number of mergers/consolidations continued, and the state eventually settled out with 26 viable local associations.

New Convention Format and General Agent Outreach!

2008 marked a significant change for the Association as the Board voted to combine the Annual Meeting and the Day on the Hill meeting to one event in mid-May, and to move away from a non-family friendly weekend format, in favor of a Tuesday/Wednesday format. NAIFA Trustee and Corporate Outreach Chair Robert Miller joined Executive Vice President David Dellinger in six regional summit meetings held over three days that criss-crossed the state, reaching almost 60 General Agents and Managers, with the goal of increasing membership. Those follow-up efforts are still on-going.

We were proud to see Russ Smith re-elected as NAIFA Trustee in his home state of California in beautiful San Diego, and Past President Terry Kaltenbach chaired the volunteer host committee, where California became the first state to successfully host two NAIFA Conventions in three years. . . 2006 and 2008.

2008-2009 Lots of Achievements and Recognition!

In the longest run of its type in the country, Past President Dennis Sunderman received the 11th consecutive Jack E. Bobo award from NAIFA at the 2008 National convention. Nobody in the country has done any better during this tenure. At the same National meeting, David Dellinger, Executive Vice President, joined Scott Sherman, Betty Combs and Jim Heitzig as the fourth Californian to receive the C. Carney Smith Award for a lifetime achievement in Association Management. Just prior to our 75th Celebration, we were delighted to be informed that the 2009 John Newton Russell Memorial Award recipient is our very own Past State and National President from Long Beach, Larry Lambert. Lambert joins Norman Levine and Bill Regan as the only California recipients of the Russell Award, the most prestigious honor in our entire industry, given for a lifetime of service and achievement to NAIFA and the financial services industry.

As of this writing, under the leadership of our 75th President Mike McCaffrey, the State has successfully convened an important Long Range Planning Task Force which will look at establishing comprehensive goals for the Association that reach out 4-5 years, instead of the traditional twelve months. Celebrating our 75th year, along with our theme of “The Year of the Local”, we also celebrated our tenth anniversary of LILI, with the most graduates in the country.

The Future...

So we have come to the present. We have taken but a brief snapshot of what NAIFA-California has achieved in the past 75 years. But what does the future hold? The present might be a good indicator of what’s ahead. As we head into the future, extraordinary change is taking place at the Association to position NAIFA-California as the preeminent organization to represent the financial services industry in California. Here are just a few highlights: Improved communications utilizing new technologies, especially our publicly recognized website, successful training meetings for our local leaders, a serious commitment to the state and local “strategic planning process”, as well as a strong commitment to leadership development through the LILI program, and a total commitment to “job one” . . .

which is successful advocacy through our PIC and PAC. All of these mark the sign of good things to come.

The decades ahead will be years of challenge and great opportunity for NAIFA-California. All of us will be affected by new technology, changing demographics, and economic fluctuations. As of this writing, the country and our industry are undergoing massive change in a time of political and financial challenges never before seen. We will have to be flexible, resourceful and adaptable to the new industry trends. Our years of experience have proved we can be all those things.

And we have one more hidden asset . . . our gold reserve . . . **PEOPLE**. The future holds great potential for NAIFA-California because we have the ability to tap the vast reservoir of talent that exists in our members. With such an excellent resource available to use, the next 75 years should hold great promise for the National Association of Insurance and Financial Advisors-California.

Respectfully submitted,

David V. Dellinger
Executive Vice President
May 19, 2009

Happy 75th Anniversary to NAIFA-California!!!!





**California
Association of
Life Underwriters
1934 - 2000**



**California
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Financial Advisors**

CAIFA 2000 - 2002



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