

ARCO *FLASH!*

February 2013 ISSUE
ASSOCIATED REPORTING COMPANIES

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PRESIDENT'S MESSAGE



Hello ARCO members,

I hope everyone is doing well and enjoyed a prosperous 2012!

We have the 2013 meeting site set for San Juan, Puerto Rico at the Sheraton in Old San Juan. You should have received the meeting enrollment form and hotel accommodations by now. If you have not, please let me know. I will email to you.

We will have two people providing presentations this year. Todd Riesel from e2Value will discuss their product versus Marshall Swift and any other questions we have for him. We will also have Jason Wilson from Morgan Stanley speak to us concerning the marketplace and investing for the future in today's world. We will be sending a list out to rank what topics you would like him to cover. We will also need to discuss the Arco Flash.

I hope all of you will make an effort to attend this year. The location this year is out of the normal box for meeting sights and should be enjoyed by all. Some tourist information is listed later in the newsletter. I'm also working on a tour for Sunday.

I look forward to seeing all of you in San Juan!

H Scott Muncy

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LIMRA: 70% Fail To Understand Insurance

January 17, 2013

WINDSOR, Conn., Jan. 17, 2012—Recently, LIMRA provided a life insurance IQ test to 4,000 Americans to gauge their knowledge and understanding of life insurance. Less than a third (1,200) passed the 10-question exam and the majority (55 percent) answered fewer than five questions correctly.

“In addition to identifying the aspects of life insurance that consumers understand and where consumers admit to being in the dark, the study also shed light on some widespread misperceptions,” said Jennifer Douglas, LIMRA associate research director for strategic and developmental research. “With life insurance ownership at an all-time low, it is important that the industry not only overcome consumers’ lack of knowledge about life insurance but address the misinformation that is out there confusing them and possibly having a negative impact on their image of the industry.”

LIMRA researchers identified a number of factors that were associated with higher life insurance IQs among the survey respondents:

- If the person cited multiple sources of information attributing to their understanding of life insurance
- If the person owns individual life coverage
- If the person’s primary source of information is through their occupation, some sort of seminar, or a financial planner
- If the person is older
- If the person has a higher degree of confidence in the life insurance industry
- If the person has a higher level of education
- If the person has higher household investible assets
- If the person is male
- If the person views life insurance as important

What does this mean for the industry?

“One of the top reasons consumers give about why they don’t buy life insurance is because it is ‘too confusing,’” noted Douglas. “The study shows that consumers with a better understanding of life insurance have a higher level of confidence in insurance companies than those less knowledgeable about life insurance. The study offers companies an in-depth view on what consumers know and the factors that contribute to better understanding of life insurance, helping them take the right steps to increase Americans’ comfort level with the industry and its products.”

Newtown Shooting Put Spotlight on U.S. Mental Health Care – Again

Dec. 19, 2012 By Sidney Lupkin

It has not yet been confirmed whether [Adam Lanza](#) had been diagnosed with mental illness, but the 20-year-old who murdered his mother, then drove to a Newtown, Conn., elementary school and gunned down 20 first-graders and six adults has again shined the spotlight on care for the mentally ill in the United States, and has many asking whether yet another mass shooting could have been prevented.

Despite four shooting rampages since President Obama took office in 2009, mental health care continues to be hampered by budget cuts, closures, battles with insurers and stigma, doctors said.

"We have very good treatments for mental illness that are highly effective," said Dr. Jeffrey Lieberman, president-elect of the American Psychiatric Association. "But they're not widely available. People don't have ready access to them."

Since the recession forced budget cuts in 2009, state general funding for mental health care has decreased by an estimated \$4.35 billion nationwide, according to the National Association of State Mental Health Program Directors, which serves 6.8 million patients a year.

Since 2009 alone, 3,222 psychiatric hospital beds are no longer available to patients, and another 1,249 may disappear soon because of proposed closures, according to the association. That's about 10 percent of all state psychiatric hospital beds gone in about three years, said Dr. Robert Glover, the association's executive director, who said he'd never been more worried.

This is the worst I've seen it," Glover, who's worked in mental health for almost five decades, said about the cuts. "They are painful, and unbelievably tough. I am incredibly worried about future cuts with the fiscal cliff and state budgets not getting better."

One in five American adults reported suffering from mental illness within the past year, with one in 20 reporting serious mental illness that resulted in "functional impairment," according to the Substance Abuse and Mental Health Services Administration's latest annual National Survey on Drug Use and Health Report.

Despite its prevalence, mental illness is something patients and those around them have tried to ignore dating as far back as World War I, when soldiers were called cowards for showing signs of what we now know was post traumatic stress disorder, Lieberman said.

Today, the largest mental health facilities are for inmates at the Los Angeles County Jail in California, Cook County Jail in Illinois and Rikers Island in New York, Lieberman said.

According to the [Bureau for Justice Statistics](#), 56 percent of state prisoners, 45 percent of federal prisoners and 64 percent of jail inmates had mental health problems in 2006. Between 10 percent and 20 percent of those with mental health problems had symptoms of psychosis, such as delusions or hallucinations.

[Jared Lougher](#) was diagnosed with schizophrenia six months after he went on a shooting spree outside an Arizona shopping center in 2011, killing six people and wounding 13 others, including Rep. Gabrielle Giffords. A judge declared Virginia Tech shooter [Seung-Hui Cho](#) "mentally ill" two years before he killed 32 people and then turned the gun on himself in 2007. A [child psychologist](#) wrote a book 10 years after the Columbine High School massacre that said shooters Eric Harris and Dylan Klebold weren't just bullied before they gunned down 12 classmates and a teacher in 1999; they were mentally ill, too.

Most mentally ill patients aren't dangerous, but it's very difficult for psychiatrists to predict who will become violent, said Dr. Carol Bernstein, a psychiatry professor at NYU Langone Medical Center.

Lieberman pointed out that Jared Loughner's classmates and neighbors could see that he was mentally ill before his January 2011 shooting spree, but they didn't do anything about it, Lieberman said.

"If he was sitting in class and he had a seizure and was vomiting, they would rush to his side, stop the class, help him, call 911," Lieberman said. "In his case, they didn't. They thought he was weird. They avoided him. They made jokes about him. It reflects how mental illness is dealt with in this country."

The high number of prisoners with mental illness is a mark of the failures of the current mental health care climate, because the mentally ill wind up behind bars before they can get treatment, Lieberman said.

"We haven't provided these people with what they need," said Lieberman. "What we're seeing here now is, 'Uh, oh people have mental health problems. We need to pay attention to mental illness now.' But it's a too little, too late kind of reaction to this. ... Whatever it takes is worth it, but this is kind of late in the game."

Mental health patients turned to state and community outpatient care in the 1960s, after mental health institutions closed and doctors could treat mental illness with new medications. Deinstitutionalization, though, hasn't exactly worked, doctors said.

"Some of that was really good because people were able to be treated on the outpatient side," Bernstein said. "But they never really provided out-based treatment for patients. It's been a serious problem ever since deinstitutionalization."

Now, those state-run -- as well as private -- facilities are struggling even more amid budget cuts. Cedars-Sinai Medical Center in Los Angeles, for instance, announced in November 2011 that it would begin phasing out some psychiatry programs to focus on "core strengths," the hospital said in a [statement](#) at the time.

Nonprofit and private hospitals have cut back on psychiatric care because mental health services tend to be far less profitable than other care due to "terrible" insurance reimbursement, Bernstein said.

The [Mental Health Parity and Addiction Equity Act](#) was passed in 2008 as a way to resolve this. It abolished limitations on lifetime mental health coverage, in-patient hospital stays and other practices considered to be discriminatory because they didn't apply to other medical care, Bernstein said. For instance, before 2008, it was acceptable to charge a higher co-pay for a session with a therapist than for an appointment with an internist despite the fact that they're both considered specialists.

However, the law is not working, Bernstein said.

"I don't know how much is ignorance of the law and how much is deliberate defiance of the law, but it's very clear that insurance companies have long been resistant to covering psychological disorders the way they cover services for other medical illnesses," she said. "That's been a huge problem."

Bernstein said insurers make mental health patients jump through extra hoops by requiring them to get prior approval before seeking mental or substance abuse treatment but not other health treatments. Without prior approval, insurance providers won't pay. They also require "reams and reams" of paperwork to justify mental health treatment, she said.

America's Health Insurance Plans, a health insurance trade group, said it supported the parity law and had worked with "the mental health community" to craft it, group spokeswoman Susan Pisano said.

"I think that with health plans that have taken steps like prior approval, the purpose of that is to make sure that we get people into the treatment they need, to help them get to the best place," Pisano said.

The law also only applies to group insurance plans that cover more than 50 employees, and only if they already include mental health and substance abuse treatment. It doesn't mandate that all insurers provide mental health coverage.

"Our society gives short-shrift," Lieberman said. "It does not provide the same level of urgency to mental health care as it does to general health care, something which has been longstanding but ignored."

Economic Lesson: Provided by Ken Taylor

With all the politicians scrambling to blame "the other guys" for their total (maybe even criminal?) mismanagement of taxpayer dollars by reckless spending and amassing incredible debt, a little sanity needs to be interjected. Sadly, the vast majority of the public cannot comprehend the relative cost of the dollars, nor the refusal of the Left to curtail reckless and debilitating spending.

I found the following a useful tool when trying to explain the budget mess and the spending that is continuing - and the ridiculous posture of the "Tax More and Spend More" liberal socialists when it comes to making any sort of budget cuts.

Lesson:

U.S. Tax revenue: \$2,170,000,000,000

Fed budget: \$3,820,000,000,000

New debt: \$1,650,000,000,000

National debt: \$14,271,000,000,000

Recent budget cuts: \$38,500,000,000

Now we will remove 8 zeros and pretend it's a family's household budget:

Annual family income: \$21,700

Money the family spent: \$38,200

New debt on the credit card: \$16,500

Outstanding balance on the credit card: \$142,710

Total budget cuts so far: \$385

Words to live By:

Be not angry that you cannot make others as you wish them to be, since you cannot make yourself as you wish to be. ~Thomas à Kempis, *Imitation of Christ*, c.1420

You've got a lot of choices. If getting out of bed in the morning is a chore and you're not smiling on a regular basis, try another choice. ~Steven D. Woodhull (*U.S. geologist, 1976-*)

What saves a man is to take a step. Then another step. It is always the same step, but you have to take it. ~Antoine de Saint-Exupéry, *Wind, Sand and Stars*, 1939, translated from French by Lewis Galantière

Good for the body is the work of the body, and good for the soul is the work of the soul, and good for either is the work of the other. ~Henry David Thoreau

Remember, if you're headed in the wrong direction, God allows U-turns! ~Allison Gappa Bottke

Anyone can carry his burden, however hard, until nightfall. Anyone can do his work, however hard, for one day. Anyone can live sweetly, patiently, lovingly, purely, till the sun goes down. And this is all life really means. ~Robert Louis Stevenson

If you don't like how things are, change it! You're not a tree. ~Jim Rohn

See everything; overlook a great deal; correct a little. ~Pope John XXIII

Give thanks for what you are now, and keep fighting for what you want to be tomorrow. ~Fernanda Miramontes-Landeros

Enjoy when you can, and endure when you must. ~Johann Wolfgang von Goethe

Never miss an opportunity to make others happy, even if you have to leave them alone in order to do it. ~Author Unknown

Do not confuse your vested interests with ethics. Do not identify the enemies of your privilege with the enemies of humanity. ~Max Lerner, *Actions and Passions*, 1949

Now that it's all over, what did you really do yesterday that's worth mentioning? ~Coleman Cox

Old San Juan Puerto Rico



Immersing yourself in Puerto Rico's rich [history](#) is easy, just head to the center of Old San Juan—here you'll find the remains of the original city. Founded in 1521, it is now a U.S. Historic Zone, complete with over 400 remarkably preserved buildings dating back to the city's inception. Exquisite examples of sixteenth- and seventeenth-century architecture abound in Old San Juan Puerto Rico, as do aging stone walkways that occasionally become so narrow they barely seem traversable, small gardens outfitted with tropical plants and so many [attractions](#), shops and cafes it will surely take you more than a single day to see.

The original city walls still tower in the background, and if you follow them long enough you'll reach El Morro. Overlooking the sea from the northwestern tip of [San Juan](#), this massive fort is truly a sight to behold. A winding maze of dungeons, towers and an impressive system of tunnels, this was once the center of the Spanish occupation of Puerto Rico, and now it is one of the most important Old San Juan attractions, tracing the history of the city, the fort and its people. And [El Morro](#) isn't even the biggest fort in Old San Juan Puerto Rico - there's also Forte San Cristobal. While El Morro's job was to defend from sea attacks, San Cristobal was there to defend against those wishing to attack by land.

Another of the great Old San Juan attractions is La Fortaleza. On a scenic hill overlooking the harbor, this is another former fort, though this was long ago converted into the official residence of Puerto Rico's governor. Armaments were gradually replaced with medieval-looking towers, stained glass masterpieces and opulent decorations reminiscent of Renaissance Europe. Everywhere you look now is marble, mahogany and bright artwork.

Though most of Old San Juan reminds you of the city's history as a military stronghold, many of these structures have been reworked for the tourist industry. The former barracks now hold the Museo de Las Americas, which focuses on Latin American folk art. Religious structures are also widespread throughout Old San Juan Puerto Rico. The San Juan Cathedral is a mishmash of Gothic and modern architecture, owing to its constant renovations since the church's opening in 1540. Also on the list of Old San Juan attractions is the Dominican Convent, a perfectly restored building that was once the city's main shelter in times of attack, and is now the home to a wide array of religious documents and artwork.

Take a walk down [Paseo de la Princesa](#) and you'll see a wondrous fountain, an old prison, and what remains of the original city gate. You'll also come across Plaza de Armas, the original main square of Old San Juan Puerto Rico. This is where the Alcadia is, a city hall that took over a century to complete and was made to replicate the city hall in Madrid. The towers, balconies and courtyards were designed to remind colonists of the land they left behind.

No matter where you start your trek through Old San Juan, there is plenty to see and do—this is, after all, Puerto Rico's number one tourist attraction. A trip right into the heart of sixteenth-century island life, the cracked city walls and expert Spanish architecture present the city as it used to be: one of the most important cultural landmarks in all of the [Caribbean](#).