



Flash!

www.ARCO-Members.com

The Periodic Newsletter for Members of the
ASSOCIATED REPORTING COMPANIES

ARCO DIRECTORY UPDATE

Carolyn Ward advises that the 2010-2011 edition of the ARCO Directory of Members is nearing the printing stage. We expect distribution to 1,000 + insurance company locations in the Fall, as planned.

Carolyn has circulated requests for updated member information and if you have any last-minute revisions in your directory listing information, please contact Carolyn immediately. If the proofs have not been submitted to the printer, she will assist you with any final changes.

The ARCO Directory of Members provides excellent publicity for our Association as well as for our individual members. With the distribution made to key insurance executives in over a thousand company locations, this Directory publicity alone is worth more than the annual ARCO membership dues.



WHEN THE MUSIC STOPPED

Chaplain Jim Higgins

(For those who are unaware: At all military base theaters, the National Anthem is played before the movie begins.)

I recently attended a showing of 'Superman 3' here at LSA Anaconda. We have a large auditorium we use for movies, as well as memorial services and other large gatherings. As is the custom at all military bases, we stood at attention when the National Anthem began before the main feature. All was going well until three-quarters of the way through The National Anthem, the music stopped.

Now, what would happen if this occurred with 1,000 18-22 year-olds back in the States? I imagine there would be hoots, catcalls, laughter, a few rude comments, and everyone would sit down and yell for the movie to begin. Of course, that is, if they had stood for the National Anthem in the first place.

Here in Iraq, 1,000 Soldiers continued to stand at attention, eyes fixed forward. The music started again and the 1000 Soldiers standing at attention to do??

Frankly, I expected some laughter, and everyone would eventually sit down and wait for the movie to start.

But No!!... You could have heard a pin drop, while every Soldier continued to stand at attention.

Suddenly, there was a lone voice from the front of the auditorium, then a dozen voices, and soon the room was filled with the voices of a thousand soldiers, finishing where the recording left off: "And the rockets' red glare, the bombs bursting in air, gave proof through the night that our flag was still there. Oh, say does that Star Spangled Banner yet wave, o'er the land of the free, and the home of the brave."

It was the most inspiring moment I have had in Iraq and I wanted you to know what kind of Soldiers are serving you. Remember them as they fight for us!

Pass this along as a reminder to others to be ever in prayer for all our soldiers serving us here at home and abroad. Many have already paid the ultimate price.

Written by Chaplain Jim Higgins

LSA Anaconda is at the Ballad Airport in Iraq , north of Baghdad.



Quotes From ABRAHAM LINCOLN

- You cannot help the poor by destroying the rich.
- You cannot strengthen the weak by weakening the strong.
- You cannot lift the wage earner up by pulling the wage payer down.
- You cannot help people permanently by doing for them what they could and should do for themselves.
- You cannot build character and courage by taking away peoples' initiative and independence.

Officers and Directors....

President

Brian McKendry

P.O.Box 33367

North Royalton, OH 44133

Phone: 440-877-0480 Fax: 440-877-0482

Email: brian@jmireports.com

Vice President

Scott Muncy

2201 Coronation Blvd., Suite 190

Charlotte, NC 28227

Phone: 704-365-0635 Fax: 704-365-1662

Email: Smuncy@langercnc.com

Secretary/Treasurer

Derick Smith

610 Pacific Coast Hwy, Ste. 209-211

Seal Beach, CA 90740

Phone: 562-799-9000 Fax: 562-799-9005

Email: Dcsmith@coxandsmith.com

Editor—ARCO Flash

Ken Taylor

Index Research Services, Inc.

2555 Flores Street, Ste. 398

San Mateo, CA 94403

Phone: 650-345-3588 Fax: 650-679-4960

Email: ken@index-research.com

Executive Director

Carolyn Ward

ARCO Administration Offices

7501 Sparrows Point Blvd.

Baltimore, MD 21219

Phone: 410-477-8879 Fax: 410-388-0846

Email: arcomembers@comcast.net

History and purpose of ARCO

The Associated Reporting Companies (ARCO) was founded in 1967. The first Officers of the Association were Coulby Gunther, President (Reliable Reporting Service – NY), W. B. “Web” Taylor, Vice President (Index Research Services Inc. – CA) and Guy Holloway, Secretary (Commercial Services – MI). Among the group’s chartered objectives is the intent to “...represent and encourage a standard of performance which will enhance the dignity and prestige of the profession...”

ARCO holds an annual meeting of the general membership which is always an enjoyable and well-attended event. It often brings presentations from affiliated and support industries. The group’s newsletter, the *ARCO Flash!*, is distributed to members several times each year, and each member maintains a presence on the ARCO Web site (www.arco-members.com) including links to individual company Web sites.

The *ARCO Directory of Members* is printed and distributed annually, to hundreds of key members of the insurance industry from coast to coast.

10 SIGNS YOUR 401(K) PLAN IS A CLUNKER

By DANIEL SOLIN

William Bernstein is one of the most respected financial minds of our time. His book, *The Intelligent Asset Allocator*, should be read by every investor. In an insightful commentary entitled *What the Investment Industry Doesn't Want You to Know*, Bernstein observes that investors "can only positively impact one aspect of investment performance -- your allocation of assets among broad asset classes." Stock picking, mutual-fund picking and market timing are "irrelevant."

Keep this advice in mind, since it is the primary reason why your 401(k) is probably a "clunker." Here's a checklist of others:

1. **High costs:** Low costs correlate directly to higher returns. The total cost of your plan should not exceed 1.50%. By "total cost," I mean the expense ratio of mutual funds in the plan, record keeping, custody, administration fees and advisory fees.

2. **No investment advice:** Advisers to 401(k) plans are well compensated, yet most limit communications with plan participants to "education." Your adviser should give investment advice. Most advisers won't because of the potential liability. If the investment options in the plan were in the best interests of plan participants, they wouldn't have this concern.

3. **Revenue-sharing and hidden mark-ups:** Brokers and insurance companies typically extract payments from mutual funds that want to be included as investment options. How objective can their advice be if they are receiving these payments? They also mark-up management fees charged by mutual funds. I reviewed a plan that included a Vanguard Target Retirement Fund, which Morningstar reported had an expense ratio of 0.18%. The plan was charged 0.93% for this fund. This difference comes out of your returns.

4. **The plan adviser is not a "real" fiduciary:** Brokers and insurance companies misuse the term "fiduciary" in describing their obligation to the plan and plan participants. The only real fiduciary is a 3(38) ERISA fiduciary. This kind of fiduciary accepts 100% of the liability for the selection and monitoring of investment options in the plan. I have never seen a 401(k) plan where a broker or insurance company agreed in writing to be a 3(38) ERISA fiduciary. Any other designation of "fiduciary" is meaningless.

5. **Retail share classes are in the plan when institutional classes are available:** I recently reviewed a plan that had thirteen mutual funds as investment options. All of them were retail shares. Every one of these funds had institutional shares available. What's the difference between the two share classes? The retail shares have higher management fees. Otherwise, they are exactly the same. The only reason to include retail shares when less expensive institutional shares are available is to increase fees and lower returns. This practice is indefensible.

6. **The money market fund has high fees:** In many plans, the money market fund is the default where assets are placed if the plan participant does not make another choice. The management fees charged by money market funds can really impact your

returns. If the money market fund in your plan has an expense ratio higher than 0.25%, it should not be in the plan.

7. **The mutual funds in the plan have high fees:** Brokers typically populate fund options with high-cost, actively managed funds (where the fund manager attempts to beat a given benchmark). The fees charged by these funds range from 1.5% to 2% (or more). A blend of comparable index funds has fees under 0.50%. The difference comes right out of your returns.

8. **Mutual funds in the plan under-perform their benchmark:** Most actively managed mutual funds under-perform their benchmark index. I looked at a plan where over 70% of the funds failed to equal their benchmark. Why are those funds in the plan when low-cost index funds will equal their benchmark 100% of the time (less low expenses)?

9. **Funds drop in and out of the plan:** A charade takes place at most companies with 401(k) plans. The investment committee meets periodically with brokers advising the plan to decide which funds will be dropped and which ones will take their place. This makes everyone feel they're doing something useful, but it's a useless activity. Past performance is not an indication of future performance. Poor-performing funds may or may not outperform in the future. Stellar-performing funds typically under-perform in the following five years. It also ignores a key issue: If the broker really had the expertise to pick superior funds, why is this exercise necessary at all?

10. **Many investment options:** Many fund options confuse plan participants. Few participants know how to put together a risk-adjusted portfolio in an asset allocation suitable for them. Instead of offering a boatload of funds, your plan should have a limited number of pre-allocated, globally diversified portfolios of stock and bond index funds, ranging from conservative to high risk. Plan participants should fill out a simple asset-allocation questionnaire to determine their risk level. They should then select the portfolio suitable for them. If all 401(k) plans followed this practice, returns would increase significantly.

See full article from DailyFinance: http://www.dailyfinance.com/story/investing-basics/ten-signs-your-401-k-plan-is-garbage/19609005/?icid=sphere_copyright



A RECENT INTERESTING LETTER IN THE AUSTRALIAN SHOOTER MAGAZINE

If you consider that there has been an average of 160,000 troops in the Iraq Theater of operations during the past 22 months, and a total of 2112 deaths, that gives a firearm death rate of 60 per 100,000 soldiers.

The firearm death rate in Washington, DC is 80.6 per 100,000 for the same period. That means you are about 25 per cent more likely to be shot and killed in the US capital, which has some of the strictest gun control laws in the U.S., than you are in Iraq.

Conclusion: The U.S. should pull out of Washington.

HEALTH CARE BILL SECTION 9006 AND YOUR SMALL BUSINESS - HUGE NEW SMALL BIZ EXPENSE!

5-5-10 - D.J. Marcus

Posted on **Thu May 06 2010**

When Congress passed the Health Care Bill in March, they inserted a seemingly insignificant section that will eventually have sweeping implications. It will increase accountability for the small business taxpayer to keep accurate records and make it more difficult for business to claim improper business expenses to offset revenues during the tax year. What does it say?

Section 9006 of the bill amends Section 6041 of the Internal Revenue Code in the following way:

SEC. 9006. EXPANSION OF INFORMATION REPORTING REQUIREMENTS. (a) **IN GENERAL.**—Section 6041 of the Internal Revenue Code of 1986 is amended by adding at the end the following new subsections: “(h) **APPLICATION TO CORPORATIONS.**—Notwithstanding any regulation prescribed by the Secretary before the date of the enactment of this subsection, for purposes of this section the term ‘person’ includes any corporation that is not an organization exempt from tax under section 501(a). “(i) **REGULATIONS.**—The Secretary may prescribe such regulations and other guidance as may be appropriate or necessary to carry out the purposes of this section, including rules to prevent duplicative reporting of transactions.”. (b) **PAYMENTS FOR PROPERTY AND OTHER GROSS PROCEEDS.**— Subsection (a) of section 6041 of the Internal Revenue Code of 1986 is amended— (1) by inserting “amounts in consideration for property,” after “wages,” (2) by inserting “gross proceeds,” after “emoluments, or other”, and (3) by inserting “gross proceeds,” after “setting forth the amount of such”. (c) **EFFECTIVE DATE.**—The amendments made by this section shall apply to payments made after December 31, 2011.

The original section of the Internal Revenue Code reads:

Sec. 6041. Information at source

(a) Payments of \$600 or more

All persons engaged in a trade or business and making payment in the course of such trade or business to another person, of rent, salaries, wages, premiums, annuities, compensations, remunerations, emoluments, or other fixed or determinable gains, profits, and income (other than payments to which section 6042(a)(1), 6044(a)(1), 6047(e), 6049(a), or 6050N(a) applies, and other than payments with respect to which a statement is required under the authority of section 6042(a)(2), 6044(a)(2), or 6045), or \$600 or more in any taxable year, or, in the case of such payments made by the United States, the officers or employees of the United States having information as to such payments and required to make returns in regard thereto by the regulations hereinafter provided for, shall render a true and accurate return to the Secretary, under such regulations and in such form and manner and to such extent as may be prescribed by the Secretary, setting forth the amount of such gains, profits, and income, and the name and address of the recipient of such payment.

Combined, the relevant edits produce:

Sec. 6041. Information at source

(a) Payments of \$600 or more

All persons engaged in a trade or business and making payment in the course of such trade or business to another person, of rent, salaries, wages, amounts in consideration for property, premiums, annuities, compensations, remunerations, emoluments, or other gross proceeds, fixed or determinable gains, profits, and income (other than payments to which section 6042(a)(1), 6044(a)(1), 6047(e), 6049(a), or 6050N(a) applies, and other than payments with respect to which a statement is required under the authority of section 6042(a)(2), 6044(a)(2), or 6045), or \$600 or more in any taxable year, or, in the case of such payments made by the United States, the officers or employees of the United States having information as to such payments and required to make returns in regard thereto by the regulations hereinafter provided for, shall render a true and accurate return to the Secretary, under such regulations and in such form and manner and to such extent as may be prescribed by the Secretary, setting forth the amount of such gross proceeds, gains, profits, and income, and the name and address of the recipient of such payment. What does this mean for your business?

Normally, you would tally up receipts for your payments to your vendors and include them in the relevant sections of your tax return as business expenses. Now, with these changes, you will have to issue a 1099 to each vendor, whether individual or corporation, from whom you purchased over \$600 of goods or services during the fiscal year and send a copy of that 1099 to the IRS. This is in addition to the 1099s you had to issue previously.

You'll also be receiving a 1099 from each business to which you sold over \$600 of goods or services.

Each new 1099 will need to be reported on your tax return at the end of the year.



UNUSUAL NEWSPAPER HEADLINES

Guinness Picks World's Longest Nose

(Sept. 17) -- This nose knows no bounds.

According to Guinness World Records officials, Mehmet Ozyurek has the world's largest nose. Measuring 3.46 inches from bridge to tip.....

Greeks find human skulls in luggage of U.S. tourists

– Thu Sep 16, 3:20 pm ET

ATHENS (Reuters) – Greek police charged two U.S. tourists with desecrating the dead on Thursday after they found six human skulls in their hand luggage

Charlie Reese, a retired reporter for the Orlando Sentinel has hit the nail directly on the head, defining clearly who it is that in the final analysis must assume responsibility for the judgments made that impact each one of us every day.

545 PEOPLE

By Charlie Reese

Politicians are the only people in the world who create problems and then campaign against them.

Have you ever wondered, if both the Democrats and the Republicans are against deficits, WHY do we have deficits?

Have you ever wondered, if all the politicians are against inflation and high taxes, WHY do we have inflation and high taxes?

You and I don't propose a federal budget. The president does.

You and I don't have the Constitutional authority to vote on appropriations. The House of Representatives does.

You and I don't write the tax code, Congress does.

You and I don't set fiscal policy, Congress does.

You and I don't control monetary policy, the Federal Reserve Bank does.

One hundred senators, 435 congressmen, one president, and nine Supreme Court justices equates to 545 human beings out of the 300 million are directly, legally, morally, and individually responsible for the domestic problems that plague this country.

I excluded the members of the Federal Reserve Board because that problem was created by the Congress. In 1913, Congress delegated its Constitutional duty to provide a sound currency to a federally chartered, but private, central bank.

I excluded all the special interests and lobbyists for a sound reason. They have no legal authority. They have no ability to coerce a senator, a congressman, or a president to do one cotton-picking thing. I don't care if they offer a politician \$ 1 million dollars in cash. The politician has the power to accept or reject it. No matter what the lobbyist promises, it is the legislator's responsibility to determine how he votes.

Those 545 human beings spend much of their energy convincing you that what they did is not their fault. They cooperate in this common con, regardless of party.

What separates a politician from a normal human being is an excessive amount of gall. No normal human being would have the gall of a Speaker, who stood up and criticized the President for creating deficits..... The president can only propose a budget. He cannot force the Congress to accept it.

The Constitution, which is the supreme law of the land, gives sole responsibility to the House of Representatives for originating and approving appropriations and taxes. Who is the speaker of the House? Nancy Pelosi. She is the leader of the majority party. She and fellow House members, not the president, can approve any budget they want. If the president vetoes it, they can pass it over his veto if they agree to.

It seems inconceivable to me that a nation of 300 million cannot replace 545 people who stand convicted -- by present facts -- of incompetence and irresponsibility. I can't think of a single domestic problem that is not traceable directly to those 545 people. When you fully grasp the plain truth that 545 people exercise the power of the federal government, then it must follow that what exists is what they want to exist.

If the tax code is unfair, it's because they want it unfair.

If the budget is in the red, it's because they want it in the red.

If the Army & Marines are in IRAQ, it's because they want them in IRAQ.

If they do not receive social security but are on an elite retirement plan not available to the people, it's because they want it that way.

There are no insoluble government problems.

Do not let these 545 people shift the blame to bureaucrats, whom they hire and whose jobs they can abolish; to lobbyists, whose gifts and advice they can reject; to regulators, to whom they give the power to regulate and from whom they can take this power. Above all, do not let them con you into the belief that there exists disembodied mystical forces like "the economy," "inflation," or "politics" that prevent them from doing what they take an oath to do.



QUOTES FROM RONALD REAGAN

"Here's my strategy on the Cold War: We win, they lose."

"The nearest thing to eternal life we will ever see on this earth is a Government program."

"The most terrifying words in the English language are: *I'm from the Government and I'm here to help.*"

"Socialism only work in two places: Heaven, where they don't need it and hell, where they already have it."

"Of the four wars in my lifetime, none came about because the U.S. was too strong."

"The trouble with our liberal friends is not that they're ignorant, it's just that they know so much that isn't so."

AS OHIO GOES, SO GO THE MIDTERMS – AND POSSIBLY 2012

(excerpted) *Linda Killian (for AOL News)*

In this "swingiest of swing states," as one Ohioan described the Buckeye State to me recently, no political party has a lock on voters' affections. Politicians have to earn it, election by election.

If current polls are correct and the election were held tomorrow, it's a good bet the GOP would sweep the board in Ohio, taking back the governorship, at least a couple of U.S. House seats, the state House and hold onto the U.S. Senate seat being vacated by retiring Republican George Voinovich.

Voters in Ohio, either already unemployed or concerned about losing their jobs soon, are angry -- and in a mood to take it out on Democrats.

This manufacturing and heavily union state has lost jobs at a steady clip, and the lousy local economy has become the focus of this election.

The overall unemployment rate in Ohio was 10.3 percent in July, above the national average. But the economy differs significantly depending on where you are in the state. More than half of Ohio's 88 counties had an unemployment rate above 11 percent and a dozen of them were over 13 percent. Highland and Meigs counties, close to the Kentucky and West Virginia borders, both had rates above 15 percent.

President Barack Obama and Vice President Joe Biden both made appearances in Ohio this past week and are expected to visit at least several more times before the November midterm election in an effort to shore up embattled Democrats.

Obama, who has visited Ohio 10 times since being elected president, gave a speech at Cuyahoga Community College in a Cleveland suburb Wednesday. The president unveiled additional economic measures intended to spark the economy. He also laid into Republicans, specifically House Minority Leader John Boehner of Ohio, who wants to be the next speaker of the House, for having no new policies or ideas and simply pushing tax cuts for the rich.

But some in the invited audience, handpicked by Democratic state officials, were unconvinced. Jackie Capasso, 50, works in the accounting department of a manufacturing facility outside Cleveland that remains open but has downsized significantly and went through a closure scare. Capasso said she has never voted for a Republican for president and normally votes for Democratic candidates. But not this year.

Obama may be planning to spend so much time in Ohio this election season not only to assist fellow Democrats but also to help his own sagging approval ratings. A recent Ohio poll conducted by Public Policy Polling revealed a startlingly negative view of the Obama presidency. In answer to the question "Who would you rather have as president: George W. Bush or Barack Obama?" 50 percent said Bush as opposed to 42 percent for Obama. Two groups that preferred Obama were minority voters and those under the age of 30.

Joe Biden, who is more popular with union voters and Reagan Democrats than Obama, appeared at a Labor Day parade in downtown Toledo alongside Strickland. The vice president, who sprinted from one side of the street to the other shaking hands, posing for pictures and kissing babies throughout the mile-long route, received an enthusiastic welcome from the crowd. But afterward, talking to some of the same union members who had marched in the parade, it was clear that Strickland and the rest of the Democratic ticket did not have their wholehearted support.

Two members of the International Brotherhood of Electrical Workers said they planned to vote Republican. They both declined to give their names because they said "this is a union town" and disloyalty to the Democrats is frowned upon.

A number of companies have left Ohio for more favorable economic environments in other states. NCR Corp., maker of the first mechanical cash register, announced in June that it was relocating from Dayton, its home since 1884, to an Atlanta suburb.

All of the bad economic news is creating a headwind for Democrats and that could have long-term implications for the party's fortunes in the state. It's not just at the top of the ticket that Democrats are in trouble. Right now they hold 10 of the state's 18 U.S. House seats, an increase of three seats from 2006, but defending those seats could prove problematic. Three Ohio Democratic House freshmen are facing tougher races than they had expected.

Former Republican congressman Rob Portman, who served as U.S. trade representative and director of the Office of Management and Budget in the George W. Bush administration, is running to replace Voinovich. His Democratic opponent for U.S. Senate is Lt. Gov. Lee Fisher, a former state attorney general.

"If Rob Portman wins Ohio as the trade representative for George Bush, it is, in fact, one of the seven signs that the world is coming to an end," Chris Redfern, chairman of the Ohio Democratic Party, told Bloomberg News.

But Portman, like Kasich, is leading in the polls. Although he's no Tea Party candidate -- the GOP in Ohio seems to have largely avoided the Tea Party takeover of Republican primaries that other states experienced -- Portman has spoken to Tea Party groups and he says he believes the movement is a "net positive" for the Republicans this year.

Republicans also seem poised to take back the state House and hold onto their majority in the state Senate. If they control the governorship and both houses of the state Legislature as well as a majority of congressional seats, it would have a major impact on the redistricting of the state following this year's census, when Ohio is expected to lose two U.S. House seats. And that could have a spill-over effect in 2012.

In fact, if history is any guide, it's quite likely that this will be the case: In the 51 presidential elections since 1804, Ohio has voted for the winner 43 times and the state has been right in every election since 1964. No Republican has ever won the presidency without Ohio, and only two Democrats have done so since 1900, Franklin D. Roosevelt in 1944 and John F. Kennedy in 1960.

ABOUT THOSE LOST AMERICAN JOBS

Between December 2007 (when the recession officially began) and last month, more than 8 million Americans have lost their jobs, according to the government. Of those job losses, 700,000 stem from layoffs at just 25 companies, according to *24/7 Wall Street's* analysis of data from employment consulting firm Challenger, Gray & Christmas.

Certain industries figure prominently on this list of layoff kings. The auto industry, for example, is estimated to have cut nearly 200,000 jobs in the U.S. since 2006. The industry's union, the United Auto Workers, has been able to preserve blue collar jobs in the industry for decades, but the recession and foreign competition have proven too formidable for the union to fight against.

The financial services sector is another culprit. The financial meltdown forced some banks to close (Lehman Brothers, Bear Stearns) and others to be acquired (Merrill Lynch, Washington Mutual), leaving hundreds of bankers, brokers and assistants without jobs.

A growing number of unemployed workers translated into slower sales of consumer products and the materials used to make them. Companies that turn commodities into finished products, such as Alcoa, DuPont and Dow Chemical, have felt the pressure of that shrinking spending. Each have been squeezed as prices for their end products fell by more than the underlying prices of raw materials, such as metals and chemicals.

Drugmakers have been facing another set of issues. Many have blockbuster drugs that either lost patent protection or will soon, opening the door for cheaper, copycat generics. The research and development efforts at the big pharmaceutical firms have largely been unable to create a new pipeline of billion-dollar drugs to replace those sales, resulting in cuts in both sales and R&D workers.

The recession is supposed to be over. But with unemployment at nearly 10% and long-term unemployment at an 80-year high, there's not much evidence that the downturn has ended. In fact, after a brief flirtation with recovery earlier this year, more signs are showing that the economy is worsening again. So while large-scale layoffs -- those in which a single company cuts thousands or tens of thousands of workers -- may be over, another deep recession may unfortunately lead to a repeat of the trend.

1. General Motors

Number of jobs cut since recession began: **107,357**

2. Citigroup

Number of jobs cut since recession began: **73,056**

3. Hewlett-Packard

Number of jobs cut since recession began: **47,540**

4. Circuit City Stores

Number of jobs cut since recession began: **41,495**

5. Merrill Lynch

Number of jobs cut since recession began: **40,650**

6. Verizon Wireless

Number of jobs cut since recession began: **39,000**

7. Pfizer

Number of jobs cut since recession began: **31,771**

8. Merck & Co.

Number of jobs cut since recession began: **24,400**

9. Lehman Brothers

Number of jobs cut since recession began: **23,340**

10. Caterpillar

Number of jobs cut since recession began: **23,024**

11. JPMorgan Chase

Number of jobs cut since recession began: **22,852**

12. Starbucks

Number of jobs cut since recession began: **21,316**

13. AT&T

Number of jobs cut since recession began: **18,401**

14. Alcoa

Number of jobs cut since recession began: **17,655**

15. Dow Chemical

Number of jobs cut since recession began: **17,530**

16. DuPont

Number of jobs cut since recession began: **17,000**

17. Berkshire Hathaway

Number of jobs cut since recession began: **16,900**

18. Ford Motor

Number of jobs cut since recession began: **15,912**

19. KB Toys

Number of jobs cut since recession began: **15,100**

20. United States Postal Service

Number of jobs cut since recession began: **15,000**

21. DHL Express USA

Number of jobs cut since recession began: **14,900**

22. Sprint Nextel

Number of jobs cut since recession began: **14,500**

23. Sun Microsystems

Number of jobs cut since recession began: **14,000**

24. Boeing

Number of jobs cut since recession began: **13,715**

25. Chrysler

Number of jobs cut since recession began: **13,672**

See full article from *Daily Finance*: <http://srph.it/aYTrnz>

THE LAST WORD

UNSOLICITED (AND PROBABLY MOSTLY UN-READ) COMMENTS FROM THE TEMPORARY EDITOR

POLITICS - IN THE AIR



Every couple of years about this time, we hear from the politicians who are clamoring for our votes. It's simply an unavoidable fact.

2010, of course, has already fulfilled its promise of being a far more active and more polarizing year as a result of the large numbers of voters who feel disenfranchised, as

their wishes have been generally ignored on topics ranging from the multi-billion dollar bailouts to the trillion dollar Health Care program, complete with its many taxes that are only now being discovered.

This is not a political column. It is, however, concerned with our reporting industry and our client industry and with Small Business in general. A healthy economy requires sensible and pragmatic leadership and elected representation that not only understands about spending taxpayer money carefully and wisely, but also being cautious and wise about not spending.

All economies experience peaks and valleys. In our industry, we have lived with the steep growth we experienced during the Hard Insurance Market periods, and the difficult downturns and belt-tightening of the Soft Insurance Market times. We can't change the shifts in the industry economy, but we can learn how to deal with these ups and downs. The most important lesson we all learn, is that no economic stage lasts forever. Every Hard Market will ultimately lead to a Soft Market. The Soft Market conditions will eventually lead back to a Hard Market. And such is the economic reality of our industry. We plan for it. We deal with it. We use our experience to form sound programs and to assure that we are able to continue to operate efficiently in the slow economic periods.

These sound business practices recognize the realities of our industry's economic ebb and flow. It isn't Rocket Science, and we are (for the most part, I think?) not Rocket Scientists. This is true of many industries – most industries. It does not require fiscal genius to know that economic conditions will change and that we need to prepare for them. Keeping in mind the Constitutional fact that only the House of Representatives can make the national budget and effectively spend the taxpayers' money, shouldn't the same planning process be true of our elected representatives?

Once, in my teens, I talked with the father of a close friend, about voting and making ballot choices. He was a European immigrant, and like so many who migrated to America, he took the responsibilities of citizenship very seriously. He explained that when he is unsure or undecided about a candidate, he votes against the incumbent. His reasoning was based on his European experiences and he suggested that the longer a person holds a political office, the greater the probability they will be corrupted.

A SIGN OF THE TIMES

Excerpted from Insurance Journal Magazine

U.S. insurance executives report that despite improving market conditions, they remained concerned about their company's performance and the industry's ability to generate underwriting profit amid continuing economic concerns and the Dodd-Frank reform package.

Read more at:

<http://www.insurancejournal.com/news/national/2010/10/07/113903.htm#ixzz124yXUnB3>



SCOTTSDALE ARCO MEETING AHEAD!

I've heard from several ARCO members, commenting further on the excellent Annual Meeting held in Chicago a few months ago. Members continue to remark on the value of that meeting with the special guest speaker, Ms. Julia Proscia, an attorney who specializes in Employment and Labor Law and who addressed the attending members regarding relationships with Independent Contractors, and the potential tax concerns and considerations of such arrangements.

ARCO President Brian McKendry (JMI Reports Inc. – Ohio) has already been working on plans for the 2011 ARCO Meeting, slated for Scottsdale, Arizona. We will bring you additional information as it becomes available, but we expect the meeting dates to be established soon. Members should schedule their flights and rooms early, as Scottsdale is a terrific location and we look forward to a strong attendance from our membership.



SPEAKING OF MEMBERSHIP

Though not entirely unexpected given the state of the economy, ARCO's membership has slightly decreased for the first time in years, as we've lost a couple of companies from our ranks.

The Membership Committee continues to work to communicate to other prospects, the value of ARCO Membership, but the very best ambassadors for ARCO are our members themselves.

If you work with companies who are not yet members of ARCO, we hope you will encourage their interest and help ARCO remain a strong and active trade association.

=Ken

e-Mail me at: ken@index-research.com

