

A CALL TO GREATNESS

By W. Harold Petersen, RHU, DFP

The Los Angeles Association of Insurance and Financial Advisors (LAAIFA) is a pedigreed organization of proud and profound professionals. Our association was born in 1891, a time in history when any place west of the Hudson River was considered THE FRONTIER.

The organization at the time of its founding was named The Life Underwriters Association of Los Angeles (LUALA). At that time in history, agents were commonly given substantial underwriting privileges because of the distance to the home office and the time involved in underwriting the business. The amounts at risk at that time were quite modest. For these reasons, agents were granted authority to select and bind most risks. They were truly underwriters. Our association operated under the LUALU name until 1999 when the new name, LAAIFA, was adopted to more clearly define the role of today's agents, brokers and financial planners.

The Gold Rush of 1849 drew attention to California. Speculators, fortune seekers and desperate people took on the risk to go west to make their fortune. Among the pioneers were a few educated people whose engineering and construction knowledge were sorely needed. They directed the building of mines, ore processing and transportation facilities. Industries were created and names of industrialists and financiers became well known. Crocker, Huntington, Hartford, Stanford, Giannini and Sutro became well known names who became living legends in their own time.

The indomitable western pioneer spirit accomplished amazing results in bringing industry and culture to the frontier. Sophisticated cities were forming. Luxury goods and services were demanded. Grand hotels, theaters, fine restaurants and upscale stores were becoming common. Sensing the boom times ahead the western leaders completed the western railroad system that met the eastern railroad system to create a true transcontinental transportation facility.

Capital was needed to sustain the growth and progress. Sutro helped create a stock exchange in San Francisco. Giannini created the Bank of Italy, which subsequently was renamed The Bank of America. In 1868, some of the new powerful leaders helped form THE PACIFIC MUTUAL LIFE INSURANCE COMPANY (now called Pacific Life), a missing ingredient in an all-western financial facility.

The attention of the eastern life insurance establishment was being drawn to the Frontier. With transcontinental rail transportation now a reality, representatives of the eastern based life insurance companies could be safely dispatched over the mountains and across the foreboding prairies and deserts to establish agencies in the "new territory." In the infinite wisdom of the eastern home offices, underwriting authority of the agents was quickly withdrawn based on the assumption that pony express was out and trains were in, so applications could now be mailed to the home office for "expert processing."

Dissatisfaction with company neglect and oppression, thirst for product knowledge, and a strong desire to convert the business of policy peddling into a sophisticated profession motivated agents to create an organization that would jointly help build a sales job into a respected

profession. One year after the founding of the National Association of Life Underwriters, the Life Underwriters Association of Los Angeles was formed. It quickly asserted its pioneering spirit and soon become one of the strongest and largest chapters in the national alliance.

The names of the organizers and the leaders of LUALA during the first twelve years have been lost in history. We do know that a person by the name of W.V. Holly became the LUALA President in 1904. Since that time, our association has been served by a number of distinguished leaders, many of whom moved on to become significant leaders in the California Association of Life Underwriters (CALU) and the National Association of Life Underwriters (NALU).

Some of our past presidents of LUALA who have added stature at the national level are John Newton Russell, 1909-10, after whom the annual "Oscar" of the Life Insurance Industry is named, the John Newton Russell Award. In 1931-32, Robert A. Brown was our president. His son, Robert A. Brown, Jr., CLU served as president of the Los Angeles CLU Chapter in 1954 and as LUALA president in 1958-59. Bruce Bare, Sr. CLU served as president of the Society of Financial Service Professionals in 1947, and his son, Bruce Bare, Jr. CLU, ChFC served in that prestigious capacity in 2000. Howard Nevenon, CLU, served as Chairman of LUTC in 1967.

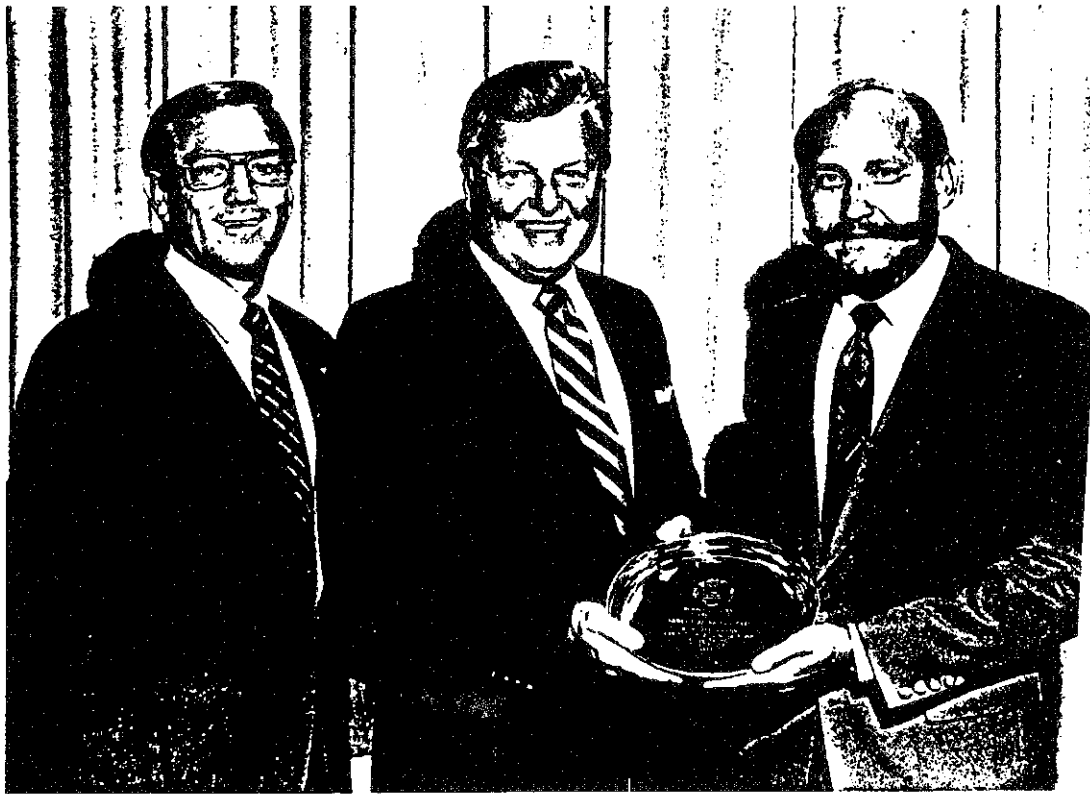
Six of our members moved on to become top executives of stalwart life insurance companies. The quality of our membership has always been excellent, and as a result, LUALA perennially was great in numbers of members. Our efforts to sustain membership numbers equal to the large eastern cities became stymied because we let go of areas of members that were capable of being separate local associations. We cut loose San Fernando, San Gabriel, Long Beach, South Bay and West Los Angeles for the greater convenience of members who lived in those areas. Each of these divestures resulted in a membership reduction for LUALA.

But by the early 1980s, our members gathered their western pioneering spirit and set out to be among NALU's largest associations. The picture below of LUALA being presented the 1985 National Membership Trophy records a historic accomplishment. In that year, LUALA increased its membership total by the largest increase in the U.S. among the heavy weight associations with members in excess of one thousand.

We now face a new challenge. The Life Insurance Business has changed. Many in the business have chosen to expand their practices into financial planning. Life companies have cut back on educational and financial support of agents and agencies. New Distribution systems, banks, security brokerages and internet sales have lessened the intensity insurance companies once focused on their agents as to belonging to the professional association of life insurance producers.

Our new name, LAAIFA, was chosen to reflect the full business interests of today's life insurance agents, brokers and planners. Though modest, our costs of membership have risen on a per member basis as our association has experienced a lessening of members and an increased obligation to pick up the costs of education, training and legislative efforts once provided by most life companies. Even with these negative forces, we will stay the course and renew our prominence as one of the nation's largest associations of advisors, and certainly one of the best.

New LAAIFA leaders are stepping forward. Quality programs serve members well. Our legislative efforts keep us in good stead. Our membership dues are recognized both as a necessary cost for insuring our future and as an investment in continuing our professional growth. We are getting stronger. We are growing. Our pedigree is once more serving us well. NAIFA – L.A. lives! We will again rise to the test of becoming one of the largest stars of NAIFA.



A historic achievement is recorded in this 1985 photo of John Brookings, CLU, Phoenix, Arizona, Vice President of Membership, The National Association of Life Underwriters, presenting to W. Harold Petersen, RHU, LUALA Membership Vice President, with the National Membership Trophy and acknowledging the largest membership increase among associations with over one thousand members. Petersen went on to serve as LUALA President in 1987-88.

Larry Lambert, CLU, ChFC of Long Beach, then NALU Regional Vice President attended the ceremony. Larry went on to become NALU President in 1998. He was a proponent of our name change and is largely responsible for convincing Art Krause, CLU, ChFC of West LALU to give up his very successful insurance and financial planning business to move to Washington D.C. as Executive Vice President of NAIFA and to lead the association into the new insurance and financial planning era.