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FOR IMMEDIATE RELEASE

**REBEL WITH A CAUSE RETIRES –
BOB MACDONALD TO ENTER PRIVATE PRACTICE,
WRITE, CONSULT AND SPEAK OUT**

Long Considered the Iconoclast of Insurance Thinking

MINNEAPOLIS, Feb. 15 -- Robert W. MacDonald, once considered the “Peck’s Bad Boy” of the life insurance industry, has relinquished the CEO title and will retire from the day-to-day management of Allianz Life of North America based here. MacDonald will retain his position as Chairman of the Company.

MacDonald’s announcement culminates a 37-year career during which time he became one of the best known, most influential and controversial leaders in the life insurance industry.

Simultaneously, he has formed CTW Consulting, LLC to be used as a vehicle for offering his experience and unique approach to management, marketing and corporate culture development. He also plans to write a book on modern management and another outlining his ideas for achieving success in the emerging “wealth management” industry.

Starting as a new agent for New England Mutual Life in 1965, MacDonald, 59, rose through the ranks to agency manager, marketing officer, chief operating officer, company president and CEO, company founder and ultimately, his current position at Allianz Life of North America.

In the early 1980s, as president and CEO of ITT Life Insurance Company, MacDonald rankled many in the insurance industry when he publicly declared that the industry staple, whole life insurance, had become “obsolete.” Despite the apparent success of the life insurance industry, MacDonald suggested that the industry had lost touch with the consumer, and was in for a difficult period unless a new approach to products and distribution strategies were quickly developed.

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For his trouble, MacDonald was excoriated by many in the insurance industry and likened to the anti-Christ, Libyan leader Khadaffi and worse.

While most critics argued that MacDonald was simply “dead wrong” in his criticisms of the industry, others responded more emotionally. One industry leader offered the viewpoint that MacDonald’s actions stemmed from the fact that he was “genetically defective.” Despite a singular career in life insurance, MacDonald was rejected for membership in the National Association of Life Underwriters and banned from speaking at many industry forums. And in 1985, when MacDonald called for banks to be allowed to sell insurance products and for a level playing field in financial services, all hell broke loose.

To state his case for needed reform in the life insurance industry, MacDonald authored the highly acclaimed book, Control Your Future (National Underwriter, 1985). Adding action to his words, in 1987 MacDonald resigned as president and CEO of ITT Life to found a new life insurance company, also in the Twin Cities. That company became LifeUSA.

Despite being a start-up enterprise in an industry dominated by financial giants, LifeUSA became one of the best known, fastest growing and most successful life insurance companies of the 1990s. In a little over a decade, LifeUSA became a profitable, publicly traded company with collected premiums exceeding \$1.0 billion, assets of more than \$6.0 billion and over 80,000 agents contracted to represent the company. It was also largely an employee-owned company – one of the first in the nation. In recognition of his success in building LifeUSA, MacDonald was twice named “Minnesota Entrepreneur of the Year.”

In 1999, Munich-based international financial giant Allianz AG acquired LifeUSA in a transaction valued at \$540 million. Allianz AG merged LifeUSA with the larger Allianz Life of North America, also in Minneapolis, and asked MacDonald to become CEO of the merged companies. By the end of 2001, the merged company had virtually doubled in size, with revenue of \$1.4 billion and sales of \$4.7 billion. More than 125,000 agents are now under contract to represent the company.

In commenting on his retirement and career, MacDonald offered these observations:

“Life insurance has given me everything that was promised when I entered the field as a new agent in 1965. My hope is that I have given to the industry as well and that value has been returned. It may seem ironic for me to say, but I believe the life insurance industry and the agent distribution system is on the verge of a ‘golden era’ that will far surpass the opportunities of the past.

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“However, to reap the rewards of this opportunity, the life insurance industry has to understand that it no longer exists. Just as the banking industry and the investment industry no longer exist. What we have emerging today is a ‘wealth management’ industry. If those of us in the life insurance industry accept and embrace the concept of “insured wealth management,” then we have a great future ahead of us. But, to do so we must adopt innovative concepts and a new way of doing business. Even though retiring from day-to-day management in the industry, I look forward to being a part of the continuing industry transformation and success.”

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