



NAIFA

LEADS



2010 – 2011
ANNUAL REPORT

NATIONAL ASSOCIATION OF
INSURANCE AND FINANCIAL ADVISORS

CLICK TO CONTINUE.. 

TABLE OF CONTENTS

Foreword	FW
President’s Message	I
CEO Report	3
Government Relations Committee	4
Political Action	6
Political Involvement	8
National Membership Committee	10
Communications Committee	12
Member Benefits Committee	14
Committee on Associations	16
NAIFA Finance	18
NAIFA Code of Ethics	20
NAIFA Leadership	21
About NAIFA	22

WHAT IT TAKES TO BE A GREAT **LEADER...**

Be **CLEAR** about what you have to do and always have the big picture in mind. This means that you must focus on the **CONSEQUENCES** of what you are doing, rather than on the actions. For example, our members' goal is to help Americans prepare for their **FINANCIAL FUTURE**. What NAIFA does is to keep agents and advisors in business, help them **GROW** their business and promote ethical business practices. That is why we are here. So understand your **PURPOSE**, and everything else will flow from that.

— SUSAN B. WATERS, DM, CAE, NAIFA CEO



President's Message

Just a year ago, I had the distinct honor and privilege of standing before the National Council to deliver the Presidential Address at the NAIFA Career Conference and Annual Meeting in Seattle. The theme of our Conference, "Up to the Challenges—Down to Business," appropriately set the tone and prophetically stated what would lie ahead for NAIFA and our members for this year, particularly in the critical areas of legislation and regulation, media opportunities to enhance NAIFA's profile and brand, and membership results.

POLITICAL ADVOCACY

On the advocacy front, NAIFA confronted several key threats to our members and their clients stemming from historic and transformational legislation, namely, Health Care Reform and Financial Services Regulatory Reform. These new challenges required our government relations staff and leadership to venture into new uncharted territory—the regulatory arena—and hold high-level [meetings](#) with the Securities and Exchange Commission on the standard-of-care issue, and with FINRA, on the [self-regulatory organization](#) issue.

COMMUNICATIONS

In the area of communications, NAIFA continued to meet and exceed the challenge of getting our message delivered to key external audiences and to our members. During my tenure, I had the opportunity to contribute to the NAIFA [blog](#) and conducted numerous interviews with reporters about our business and the vital

role NAIFA plays in the lives of our members. These interviews have helped raise our visibility in the mainstream and trade press, and have been instrumental in positioning NAIFA as an authoritative and credible thought leader in the insurance and financial-services industry. In other words, NAIFA's positions and opinions matter, and we are out in front on the key issues of the day.

MEMBERSHIP

In the area of membership, we have proactively engaged the NAIFA federation through state and local visits, field leader forums, and agency presentations. We must remain resolved in recruiting and retaining members through multiple distribution channels on a continuous basis. I believe NAIFA has never been more relevant, timely or essential than it is today. There is [strength](#) in our numbers—our unique franchise is unmatched in our industry, and our effectiveness in being perfectly aligned with our mission is unprecedented.

As we reflect on the challenges and opportunities of the past year, I have gained a keen appreciation of NAIFA members who are placing leadership principles into action on a daily basis. That's why the theme



DID YOU KNOW?

That NAIFA President Terry Headley was named one of *InvestmentNews' 20 Most Powerful People of 2011*?



continued on next page



President's Message

continued from previous page

of this *Annual Report*, "NAIFA Leads," is so appropriate. On the following pages, you will see shining examples of NAIFA leadership during interviews with our Committee Chairs. I sincerely thank them, our outstanding professional staff and talented Board, as well as all of our volunteer leaders across this great federation, for their selfless service and tireless commitment to advancing NAIFA and our industry.

In closing, allow me the courtesy to once again share a philosophy that I believe still resonates today and exemplifies this past year:

We are the beneficiaries of the past—we stand on the shoulders of those generations who have gone before us—we drink from wells we did not dig.

We are the trustees and stewards of the present—it is our time and turn to take this great legacy we have inherited—to shape it, improve it and build upon it.

And finally, *we* are the architects of the future—we have the opportunity to determine and define our own destiny—and then pay it forward to future generations.

Thank you for the honor and privilege of serving as your president. It has been a great and memorable journey.



Terry K. Headley, LUTCF, LIC, FSS
NAIFA President 2010–2011

Great leaders
MOTIVATE and
INSPIRE those they
work with, and recognize
the strengths, skills and
character in **OTHERS**.

—TERRY HEADLEY,
LUTCF, LIC, FSS,
NAIFA PRESIDENT

CEO Report



This has been a highly successful year for NAIFA. The association scored many **victories** in its political advocacy efforts and introduced a wide range of **programs** designed to enhance your professional skills and improve the financial performance of your practice.

Providing the strategic direction for these initiatives was the 2010-2011 NAIFA President Terry Headley, ably supported by his Board of Trustees. Together, these leaders used their expertise and skills to advance the association's agenda and help move it to a higher level of success.

Behind the scenes were the NAIFA **committee members** and their chairs, who worked tirelessly with the NAIFA staff to ensure that all directives were successfully implemented and stayed on point and on track.

In this *Annual Report*, we go directly to these "foot soldiers" for their perspectives on what it means to be a NAIFA leader, why they chose to serve on their respective committees, what they got from serving and

their accomplishments and goals for the future.

In their own words, they tell the NAIFA story—a story of leaders working shoulder-to-shoulder to help NAIFA accomplish its three core goals: keeping you in business, helping you grow your business and promoting ethical business conduct.

In these times, there's no question consumers need agents now more than ever, and agents need NAIFA *now* more than ever. I am honored to serve as your CEO, and to carry on the NAIFA pledge to provide high-value service to our members and to the industry.

Thanks to you and to our dedicated group of volunteers, NAIFA is well positioned for success, now, and in the coming year.

A handwritten signature in blue ink that reads "Susan B. Waters".

Susan B. Waters, DM, CAE
NAIFA Chief Executive Officer

DID YOU KNOW?

That NAIFA CEO Susan B. Waters made *Insurance Newscast's 2011 List of the 100 Most Powerful People in the Insurance Industry?*



Government Relations Committee

Chair: Elaine Fremling, CLU

Q: WHY DID YOU CHOOSE TO SERVE ON THE GOVERNMENT RELATIONS COMMITTEE?

A: I felt that Government Relations is at the core of the value of my NAIFA membership. If we can't protect the industry or care for it enough to ensure that it's going to be here for the next generations, then how successful have we really been as an association? I'm of a generation where you worked for the good of the institution. I felt I wanted to do what I could to make sure that the best interests of our members at all ages are served.

The activities of the committee make sure that generations to

come still have workable laws.

This, hopefully, is so that they'll have opportunities to acquire clients and be able to help them.

“We **HELPED** the NAIFA staff make a real difference for our **MEMBERS** and our industry.”

Also, I had some interest in politics on a district level, and I knew several legislators on the state level who were clients. In addition, I taught a political involvement class at the Chamber of Commerce and I thought, you know what—this is important stuff. I think all of this motivated me to serve with NAIFA.

WHAT DO YOU GET OUT OF COMMITTEE MEMBERSHIP, PERSONALLY AND PROFESSIONALLY?

Personally, I get satisfaction from giving back to an association that's done a lot for me through the years. I got to work with some great people on the committee who were very engaged and involved. Professionally, I have gained some respected contacts within my company and among my peers. I've had opportunities to meet with local, state and federal legislators and regulators. It's really gotten me more closely involved with the issues, both at the federal and state levels, which affect my business. And once you get more involved in something and start liking it, you tend to gravitate toward more of it, stay on top of things and stay very current on the industry's most important issues.

WHAT WERE THE GOALS AND PRIORITIES OF THE GOVERNMENT RELATIONS COMMITTEE FOR 2010-2011?

If there was one thing I always tried to emphasize with the committee, it was that we need to make decisions that will be in the best interest of as many of our members as possible. Knowing that we sometimes have issues that will affect a portion of our membership in one direction and another portion in another way, we need to make good, sound decisions that will benefit as many of our members and their clients as possible. I focus on the fact that NAIFA is a



Government Relations Committee

membership organization, and members pay their dues looking for ways we can help and support them. So that should be our first goal.

I also tried to make it a priority to thoroughly examine every topic that required us to make a decision that would affect our members and consumers. We used our committee members' wide range of expertise to get more than one view of a topic and assess all the ways a law or piece of regulation would affect agents and advisors.

WHAT WERE THE COMMITTEE'S GREATEST CHALLENGES DURING 2010-2011?

We have a diverse membership in insurance and financial services, so finding a balance on important issues like the fiduciary standard

and commission disclosure can be a challenge. And then it's tough watching threats to our industry arise in new laws and regulations that make the jobs of NAIFA members harder and more difficult for them to serve their clients.

And of course working out disagreements can be a challenge, whether it's within the committee or involving the Board or Executive Committee. But it's important to let people know that the NAIFA process works. It might be a little teeth-gnashing once in a while, but I think that in the end, we are all dedicated and we do what's best for our members.

WHAT WERE THE COMMITTEE'S GREATEST ACCOMPLISHMENTS?

The committee did a great job in helping NAIFA set priorities and positions on important issues that affect our members' businesses and their clients. These include major issues like the fiduciary standard of care, commission disclosure, problems with the CLASS Act, and various parts of the health-care reform law. We've also been able to protect life insurance from tax reform. We've taken on some gigantic topics and I think we've made a difference and helped the NAIFA staff make a real difference for our members and our industry.

FREMLING'S WORK WITH NAIFA

- Past two-term national trustee
- Government Relations chair – 4 years
- Government Relations, Policy Formation and State Law and Legislation committee member
- NAIFA Political Involvement chair – 2 years
- NAIFA Political Involvement committee – 3 years
- National Membership committee chair
- National membership committee – 4 years
- NAIFA Field Practices committee chair
- Year 2000 Task Force
- NAIFA–North Dakota state leadership positions
- NAIFA–Fargo Moorhead local leadership positions
- Advisor of the Year—North Dakota and Fargo Moorhead

Political Action

Chair: James M. Fuller, LUTCF NAIFA Subcommittee on Political Action

Q: WHY DID YOU CHOOSE TO SERVE ON THE POLITICAL ACTION SUBCOMMITTEE?

A: To me, it's a matter of managing another risk in my business model. Many of our members tend to focus on their activity, their cash flow and expenses. But having been involved in politics since 1986, I know the best intentioned proposal to come before a committee can morph into a political nightmare, not just for us, but for our clients as well.



WHAT DO YOU GET OUT OF COMMITTEE MEMBERSHIP, PERSONALLY AND PROFESSIONALLY?

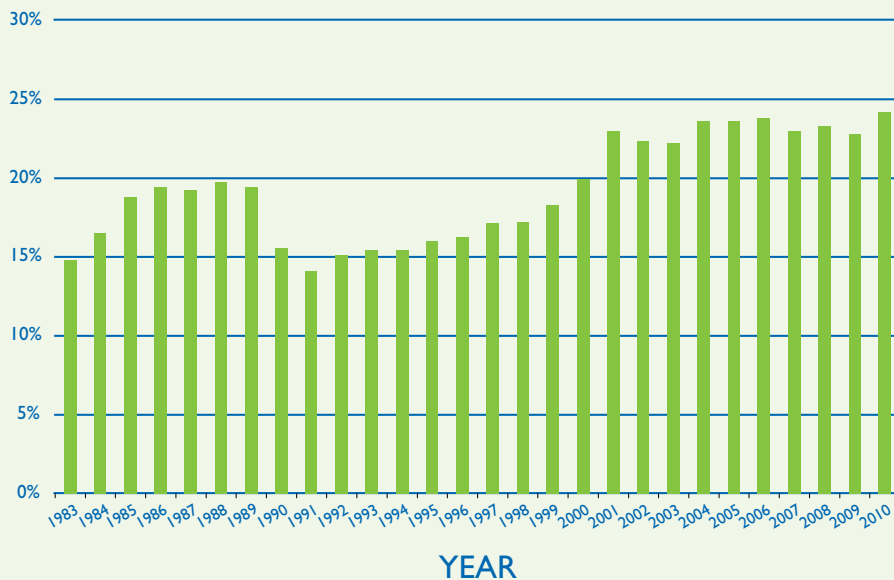
Knowledge, understanding and perspective. By knowing what may be on the agenda in Washington or in my state capitol, I can better educate, prepare and advise my clients with appropriate products and direction.

WHAT WERE THE GOALS/PRIORITIES OF THE SUBCOMMITTEE FOR 2010-2011?

The obvious goal is always to raise more money than the year before. But what my assistant, John "The Blessing" Brooking and I have been striving to do is to recognize and develop the talents on this committee and within their regions to make our team stronger, more durable, more effective and much broader in scope with our attempts to grow the PAC horizontally.

“By **KNOWING** what may be on the agenda in Washington or in my state **CAPITOL**, I can better educate, prepare and advise my **CLIENTS** with appropriate products and **DIRECTION.**”

IFAPAC Participation Rate



Political Action

WHAT WERE THE COMMITTEE'S GREATEST CHALLENGES DURING 2010-2011?

Without a doubt, the SEC's "Pay to Play" regulations. But in retrospect that challenge brought us a great number of opportunities that I feel have been beneficial to the growth and stability of IFAPAC. We've learned we have a tremendous amount of creative and talented individuals on our staff and on our committee. We've learned better ways to communicate to our regions and states. We've learned patience, tolerance and understanding. But most importantly we have demonstrated to our membership that even when a single policy impacts only a few of our members, NAIFA stands ready to protect its members from that political fallout.

WHAT WERE THE COMMITTEE'S GREATEST ACCOMPLISHMENTS?

Coming together as a very, very effective team, identifying new talent and offering those people appropriate training to assure their success. We've strengthened our committee so that we have depth throughout the federation which makes us more credible and formidable as we strive to become the very best advocates in the industry.

One last thought: I've never had the good fortune to work with such a professional and talented staff as we have in Falls Church.

Political Involvement

Chair: Laura P. DeGolier, CLU, LUTCF, FSS NAIFA Subcommittee on Political Involvement

Q: WHY DID YOU CHOOSE TO SERVE ON THE APIC SUBCOMMITTEE?

A: My involvement with this committee goes back a long way, which seems to be true of most people who serve with me.

I was recommended for this committee when it was brand new in the mid-1980s.

“ This committee has an **ENORMOUS** responsibility for keeping NAIFA agents **IN BUSINESS**. It is the relationships we develop and the **CONVERSATIONS** we can have with our elected officials that will make the **DIFFERENCE** in keeping us in business. ”

of working with people of many different persuasions and making things happen. Is there another game in town?

I served until I became President of NALU – Wisconsin in 1991 and then did not return until 2004 when I was asked to serve again. Why did I return? Well, politics is in my blood and bones. It's an addiction from which I have never been cured. I enjoy the challenge

WHAT DO YOU GET OUT OF COMMITTEE MEMBERSHIP, PERSONALLY AND PROFESSIONALLY?

Committee service has introduced me to some great people who enjoy being involved in politics as much as I do and are committed to making APIC a success. Working on the committee and seeing synergy develop between people as we work together toward a common goal is a great reward. This committee has an enormous responsibility for keeping NAIFA agents in business. It is the relationships we develop and the conversations we can have with our elected officials that will make the difference in keeping us in business.

WHAT WERE THE GOALS/PRIORITIES OF THE COMMITTEE FOR 2010-2011?

Insurance sales is a relationship business. As NAIFA members, we must take our relationship building skills to our 535 US Senators and Representatives – who craft and vote on legislation that affects us and our clients – in order to tell our story and make our voices heard. We need to visit our lawmakers early and often.

APIC concentrates its efforts on the four key congressional committees, two in the Senate (Banking and Finance) and two in the House (Ways & Means and Financial Services).

The Committee encourages regular district meetings throughout the country, but ensures that the members of Congress assigned to



Political Involvement

these four key legislative committees are visited more frequently. In addition, we focus on training APIC activists and leaders.

Currently, we are planning the PIC/PAC Training Meeting at the end of January 2012, as well as an "influence" training meeting for 50 of our politically active members in the spring. Moreover, funds were approved for political involvement training in the states. This is a new venture and we will gather the best ideas from state APIC leaders at the "Meet and Greet" event during the NAIFA Career Conference in September.

The only force more powerful than money power is people power. And that's APIC.

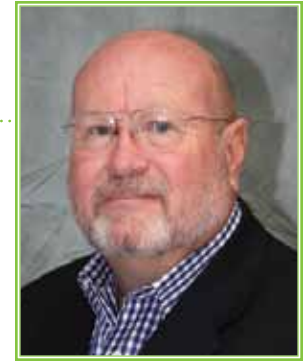
WHAT WERE THE COMMITTEE'S GREATEST CHALLENGES DURING 2010-2011?

Filling the legislative gaps, making sure that federal coordinators hold District Meetings and getting NAIFA members to report the results of their meetings with their lawmakers.

WHAT WERE THE COMMITTEE'S GREATEST ACCOMPLISHMENTS?

We are always energized when we have to schedule and organize a Day on the Hill and this year's DOH on Sept 14th was a great success. Members did not have to stay for the extra day, but we found that an overwhelming majority of Conference attendees did stay in order to visit with their legislators. The results were impressive. Most notably, immediately after NAIFA's Day on the Hill, the Department of Labor pulled its proposed rule on supervision for selling IRAs by insurance agents. That's a terrific "win" for all NAIFA members.

National Membership Committee



Chair: Van Land, LUTCF, RFC

Q: WHY DID YOU CHOOSE TO SERVE ON THE MEMBERSHIP COMMITTEE?

A: I was on the [Associations Committee](#) and was asked to serve on the Membership Committee. From my past experience in working with membership at the state and local levels, I knew from the beginning that this was one of the hardest working committees to be on. But because I was asked to serve on

the Membership Committee, I decided that if that's where NAIFA needed me, then by golly, that's where I'd be!

“The **COMMITTEE EXPERIENCE** helps me think outside the **BOX.**”

WHAT DO YOU GET OUT OF COMMITTEE MEMBERSHIP, PERSONALLY AND PROFESSIONALLY?

Professionally, I got to rub shoulders with some absolutely fantastic leaders, and when it comes to their experience and knowledge, I'm a thief. I steal great ideas every time I hear one. I also believe that the committee experience helps me think outside the box and take advantage of more networking opportunities within our organization. Personally, serving as a committee chair requires me to be more organized in my own business because of the time commitment.

WHAT WERE THE GOALS AND PRIORITIES OF THE MEMBERSHIP COMMITTEE FOR 2010-2011?

Our primary goal was to grow NAIFA. In addition, we needed to develop new avenues to reach non-members and to empower our current membership chairs and leaders across the country with education and knowledge of the great [tools](#) we have to attract new members. We also wanted to create a greater awareness of all that is available on the [NAIFA website](#).

Our priorities continue to be to train incoming membership chairs effectively so that they not only have the tools and level of confidence they need to achieve their membership goals, but also the energy, desire and motivation to do so. In addition, we are working to enhance the benefits of the [corporate partnership program](#) through the creation of additional procedures and resources so that we could increase the number and success of the agency presentations.

WHAT WERE THE COMMITTEE'S GREATEST CHALLENGES DURING 2010-2011?

For some time now, some areas of the country have been rather complacent about membership. Our greatest challenge was to instill a high level of accountability in our membership chairs. They have to be familiar with the NAIFA website, its membership tools and descriptions of its member benefits. Our membership chairs also

National Membership Committee

Great leaders realize that **LEADERSHIP** begins with a moral and ethical **SYSTEM** that establishes the frame of reference for all their **DECISIONS** and the corresponding results.

—TERRY HEADLEY,
LUTCF, LIC, FSS,
NAIFA PRESIDENT

need to be highly aware of our [advocacy](#) efforts. We were founded on an advocacy basis and that's still our primary objective today.

The Membership Committee's task is multifold: We have to educate, motivate and energize our members to do the job. We've also got to be willing to travel to different locations to assist in their ALCs and work with them in agency presentations. During my tenure on the Membership Committee, and especially as membership chair, I had the privilege of assisting in ALCs and presentations in Minnesota, Alabama, Texas, Florida, Georgia, and both North and South Carolina. You meet a lot of people, and it's just a fantastic experience.

WHAT WERE THE COMMITTEE'S GREATEST ACCOMPLISHMENTS?

I would have to say changing the committee from being primarily an educational arm to more of a hands-on committee actively doing agency presentations and assisting with leader forums across the country. The Membership Committee continues to change as needed to meet the needs of the federation in the most effective and economical ways possible. But the willingness and the commitment of the committee to change and do whatever is necessary to grow NAIFA is something I think we have accomplished.

LAND'S WORK WITH NAIFA

- Committee on Associations – member
- National Membership Committee – member
- National Membership Committee Chair
- NAIFA Georgia president
- Served on state board
- Ex-officio Finance Committee – member
- Joseph P. Crawford Memorial Scholarship Committee member
- President, NAIFA Moultrie
- President, NAIFA Augusta
- Membership Chair – Augusta
- IFAPAC Chair – Augusta
- LUTC Chair – Augusta



Communications Committee

Chair: Kevin Bell, CLU, ChFC, J.D.

Q: WHY DID YOU CHOOSE TO SERVE ON THE COMMUNICATIONS COMMITTEE?

A: I'll serve where I'm needed in any situation. In this case, I was coming off the Member Benefits committees and had some understanding of how the NAIFA committee structure works. NAIFA President Terry Headley was looking for someone who could crystallize the purpose of the Communications Committee, or in our case, refine the mission of the committee, and he asked me to serve.

WHAT DID YOU GET OUT OF COMMITTEE MEMBERSHIP, PERSONALLY AND PROFESSIONALLY?

Personally, working on this committee reconfirms my belief that we have to continue to strive to make communications effective both in and outside the NAIFA membership. The issues affecting the insurance industry command national attention, and we have to be very mindful of how we communicate our issues to outside entities, including Congress, regulators and the media. We also have to communicate with our members because they sometimes don't always understand what's going on since they are not actively involved.

On a professional level, I observed what NAIFA Communications is doing in social media and I have moved forward in that area. I'm on [LinkedIn](#), checking the blog and ultimately getting a feel for where my agency has to go for communications purposes. I think

we need to bring our members into the social-media mode, even if some of them are resisting and are kicking and screaming!

WHAT WERE THE GOALS OF THE COMMUNICATIONS COMMITTEE FOR 2010-2011?

Our primary goal was to support NAIFA's Communications Department by applying our expertise and experience to help the department stay on target in shaping industry messages and programs. In our monthly calls, we talked about how the committee could support media relations efforts, how, as agents, we could help NAIFA tell our stories from the field, and how we could work with our state and local executives to improve communication among members.

WHAT WERE THE PRIORITIES OF THE COMMUNICATIONS COMMITTEE THIS YEAR?

This year's priorities focused mostly on external communications: helping NAIFA tell stories from the agent's point of view to the media and other key constituents. We needed committee members



“The Communications Committee was a valuable **SOUNDING BOARD** for NAIFA National.”

Communications Committee

to share their stories so that we could post them on NAIFA's blog, and we needed everyone to serve as their community antennas by monitoring local media mentions of any story that resonates with our members. In this way, NAIFA National knows how folks in our community perceive our industry—whether positively or negatively—and this helps steer their ongoing communications.

WHAT WERE THE COMMITTEE'S GREATEST CHALLENGES DURING 2010-2011?

We did some good work, but what this year told me was that the Communications Committee should serve in more of an advisory role and focus more on communicating to our members and making sure they know what NAIFA is doing for them.

WHAT WERE THE COMMITTEE'S GREATEST ACCOMPLISHMENTS?

The Communications Committee was a valuable sounding board for NAIFA National, and I think that should continue because the NAIFA staff needs to have a mechanism for getting regular feedback from our members. We discovered that we are going to evolve into a committee that focuses mostly on membership communications and consist of representatives from other committees that will report on their committees' initiatives. Our job will be to make sure that our members know about them. We're looking forward to ramping up membership communications next year!

BELL'S WORK WITH NAIFA

- All the chairs in NAIFA—Fort Wayne
- All the chairs in NAIFA—Indianapolis
- All the chairs in NAIFA—Indiana
- Current NAIFA—Indiana National committeeman
- Past member and chair of NAIFA National LILI Committee
- Past member of NAIFA National Member Benefits Committee
- Current chair of NAIFA National Communications Committee
- National Convention breakout speaker

Member Benefits Committee

Chair: Larry Lee, CLU, ChFC

Q: WHY DID YOU CHOOSE TO SERVE ON THE MEMBER BENEFITS COMMITTEE?

A: When I was considering what committees I could serve on at the national level, I realized we needed to do a better job

“A major **PRIORITY** continues to be to **IMPROVE** our **COMMUNICATION** to members through a variety of **CHANNELS.**”

of communicating the value of NAIFA membership to our members in a way that they could really feel it and touch it. And that, of course, meant serving on the Member Benefits

Committee. I thought we had some real opportunities that perhaps we weren't taking advantage of if we were more aggressive in connecting NAIFA benefits with our members.

WHAT DO YOU GET OUT OF COMMITTEE MEMBERSHIP, PERSONALLY AND PROFESSIONALLY?

First, you get to meet new people, and that keeps you alive, and it keeps you active. I have grown professionally as a result of the contacts and the people I've associated with at NAIFA. I think when you get involved in committee work, you tend to associate with a more successful group of people than you might otherwise.

And that's rewarding both personally and professionally.

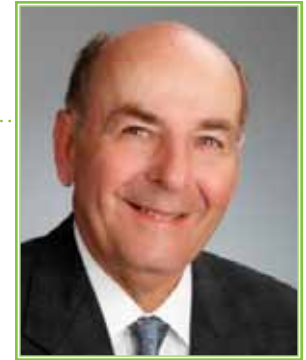
WHAT WERE THE GOALS AND PRIORITIES OF THE MEMBER BENEFITS COMMITTEE FOR 2010-2011?

A major priority continues to be to improve our communication to members through a variety of channels. There's no question that our efforts have been successful, but we've got a long way to go, so we can't rest on our laurels.

A major goal was also to continue to expand our [product lineup](#). We've done an excellent job in this area, but even more critical than having this excellent line-up of benefits is telling our members how they can use them to help them grow their business and save money in their practice.

WHAT WERE THE COMMITTEE'S GREATEST CHALLENGES DURING 2010-2011?

We re-designed and launched the [NAIFA Quality Award Program](#), which we've been working on for several years now. We got that accomplished, which was a result of keeping our eye on the ball. We realize it will need to be tweaked in the future, but at least we are getting it in front of the folks so that what we now have to offer represents what NAIFA is today and recognizes professional achievement in all four practice specialties—life & annuities, health and employee benefits, multiline insurance, and financial advising



Member Benefits Committee

and investments. In contrast, the Industry Awards used to represent what NAIFA was years ago.

Another challenge was changing the overall footprint of the 2010 [NAIFA Career Conference & Annual Meeting](#). This included moving the realLIFEstories and John Newton Russell Memorial Award presentations to the conference's main stage from their traditional places as separate evening events. We met resistance from some of our members; yet, it was just something that needed to happen. But once the people saw how successful it was, I think everybody came around.

WHAT WERE THE COMMITTEE'S GREATEST ACCOMPLISHMENTS?

From a personal standpoint, improving the awareness of NAIFA members of what we're doing was a great accomplishment. I think that's a big hill for us to climb, and we've started to climb it. And as I said, the changes to the Annual Conference were even more successful than I anticipated, including changes to the [Steven Covey and the LILI 7 Programs](#). **I received** a lot of good feedback about that.

LEE'S WORK WITH NAIFA

- All the chairs at NAIFA–Orange County
- President, NAIFA–Orange County
- Finance Committee of NAIFA–California—member
- All the chairs at NAIFA–California
- President, NAIFA–California
- NAIFA Member Benefits Committee

I also received great feedback from the NAIFA [webinar](#) series. The ones I sat in on were incredibly well done. Any member—no matter their professional level—can benefit from them.

These are just some of the victories we achieved last year, which, going into the year, we did not know they'd work out as well as they did.

Great leaders have a **VISION** at all times and retain their **FOCUS** on the big picture. They start with the **END** in mind and always think **“WIN-WIN.”**

—TERRY HEADLEY,
LUTCF, LIC, FSS,
NAIFA PRESIDENT

Committee on Associations

**Chair: Robert L. Vinson,
CLU, ChFC, LUTCF**

Q: WHY DID YOU CHOOSE TO SERVE ON THE COMMITTEE ON ASSOCIATIONS?

A: I chose to work on the Committee on Associations because it is an important NAIFA committee that provides vital resources to help NAIFA associations succeed.

“The **LSP** and **BEST PRACTICES** were significantly improved to help **ASSOCIATIONS** gain better access to help them **MANAGE** their **ORGANIZATIONS.**”

As you know, the Jack Bobo Award recognizes associations and their leaders who excel in all facets of association management, including advocacy, governance, membership, and programs and professional development.

The Committee on Associations allows for the exchange of useful ideas, which helps associations succeed.

These resources include tools like Local Success Planning, Best Practices and recognition for those accomplishments with the prestigious Jack Bobo Award of Excellence.

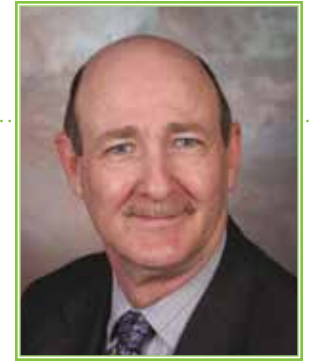
WHAT DO YOU GET OUT OF COMMITTEE MEMBERSHIP, PERSONALLY AND PROFESSIONALLY?

It is personally satisfying for me to see other NAIFA members and volunteers reach new levels of success. By working on the committee, I also gain professionally—it lets me work with a wide range of people who are highly motivated to help others.

And by working with other committee members, I get to learn new ideas and solutions to many problems. These solutions are transferrable to my business and they help me tremendously in my practice.

WHAT WERE THE GOALS AND PRIORITIES OF THE COMMITTEE FOR 2010-2011?

The committee worked very hard to get more interactive online resources. Also, the LSP and Best Practices were significantly improved to help associations gain better access to help them manage their organizations.



“The Committee on **ASSOCIATIONS** allows for the exchange of **USEFUL** ideas, which helps associations **SUCCEED.**”

Committee on Associations

VINSON'S WORK WITH NAIFA

- Past state president of Arkansas
- LILI moderator for three years
- Graduate of the first LILI Class of Arkansas
- Served on Committee on Associations for five years
- Past contributor to *Life Association News* (now *Advisor Today*)
- Chair of Committee on Associations

WHAT WERE THE COMMITTEE'S GREATEST CHALLENGES DURING 2010-2011?

The rules and regulations affecting our business are constantly changing, and they sometimes have an effect on our resources, such as the LSP, the Best Practices and The Jack Bobo Award. A good example of this is the law that was recently enacted, which affected PAC contributions. The committee put in many hours of hard work to achieve its goals.

WHAT WERE THE COMMITTEE'S GREATEST ACCOMPLISHMENTS?

The committee worked very hard to get more interactive online versions of Best Practices and the Jack Bobo Award of Excellence. This helps associations meet their goals and the LSP, which is a great start to success for associations.

The online application is a great tool to help plan and track an association's progress throughout the entire membership year and house supporting documentation. Even those associations that choose to submit a hard copy to NAIFA are encouraged to use the online application to guide them throughout the year and to save their information. We are currently working on providing the 2011-2012 application online.

The full roster of NAIFA Committee Members can be viewed at www.naifa.org/leaders/national.cfm

NAIFA Financial Summary

Randy Scritchfield, CFP, LUTCF NAIFA Treasurer

During the National Council meeting last year, NAIFA members were told that “the financial state of NAIFA is excellent.” This year, the association’s financial state is even better, as the following facts illustrate:

- ▲ NAIFA recorded a second consecutive fiscal year with its actual operating surplus exceeding its budgeted operating surplus by several hundred thousand dollars.
- ▲ The Reserve has grown, and is now more than \$3 million.
- ▲ The association signed two new tenants to fill virtually all of the vacant space in its headquarters building.
- ▲ The organizational culture of fiscal discipline has been strengthened. This “daily discipline,” combined with some strategic changes, resulted in operating expenses that were approximately \$1 million less than the Board-approved budget.
- ▲ The Association continues to have no debt, other than the mortgage on its building; the mortgage amount is significantly less than the book value and the market value of the building.

NAIFA accomplished all of this while increasing its investment in advocacy and government relations.

KEEPING YOU IN BUSINESS, GROWING YOUR BUSINESS

NAIFA's association leaders often talk about how the association helps you stay in business and helps you grow your business. This has been one of the busiest years ever when measured by the efforts that NAIFA is making to keep you in business—both on Capitol Hill and in the capitals of your home states.

The continuing improvement of existing programs and the development of new products in the Professional Development and Education Department are better than ever, helping NAIFA keep its promise to help you build your business.

From a financial perspective, the association has never been more focused on what it is doing and why it is doing it. Just as with your local organization, your state organization, and indeed our own businesses (perhaps the best example), the top priority is to stay in business.

NAIFA is committed to being financially stable, to staying in business for the long term. But just as with any business, expenses



“As a business, NAIFA has never been **FINANCIALLY STRONGER** in its recent history than now.”

NAIFA Financial Summary

go up. And for NAIFA's clients, the association is often asked to do more—sometimes with less. NAIFA members are its “clients,” and NAIFA National leadership will continue to do what needs to be done to help you, the members, stay in business.

For NAIFA to stay in business, we must continue to have a dues structure that supports what the association is doing. A few years ago, the National Council wisely approved a more realistic dues model that addressed both the association's need to do more and its need to adjust dues on an annual basis. From a financial perspective, such wisdom will be needed in the future.

NAIFA, as a business, has never been financially stronger in its recent history than now. It will continue to do what it has done for over 120 years—help you stay in business and help you grow your business.

The most recent Independent Auditor's Report on NAIFA's Consolidated Financial Statements can be viewed at: <http://www.naifa.org/about/annualreports/documents/FY10FS.pdf>

NAIFA Code of Ethics

PREAMBLE

Those engaged in offering insurance and other related financial services occupy the unique position of liaison between the purchasers and the suppliers of insurance and closely related financial products. Inherent in this role is the combination of professional duty to the client and to the company as well. Ethical balance is required to avoid any conflict between these two obligations.

THEREFORE, I BELIEVE IT TO BE MY RESPONSIBILITY:

- ▲ To hold my profession in high esteem and strive to enhance its prestige.
- ▲ To fulfill the needs of my clients to the best of my ability.
- ▲ To maintain my clients' confidences.
- ▲ To render exemplary service to my clients and their beneficiaries.
- ▲ To adhere to professional standards of conduct in helping my clients to protect insurable obligations and attain their financial security objectives.
- ▲ To present accurately and honestly all facts essential to my clients' decisions.
- ▲ To perfect my skills and increase my knowledge through continuing education.
- ▲ To conduct my business in such a way that my example might help raise the professional standards of those in my profession.
- ▲ To keep informed with respect to applicable laws and regulations and to observe them in the practice of my profession.
- ▲ To cooperate with others whose services are constructively related to the needs of my clients.

NAIFA Leadership



2010-2011 NAIFA TRUSTEES AND OFFICERS:

NAIFA Trustees (Standing): Lisa Laliberte, CLU, ChFC, CASL • Matthew S. Huntington, LUTCF, CLU • Stephen D. Estler, CLU, ChFC • John F. Nichols, CLU, DIA • Keith M. Gillies, CLU, ChFC, CFP • Brenda D. Doty, LUTCF, RHU, CLU • Jules O. Gaudreau Jr., CIC, ChFC • Kenneth R. Evans, CLU, ChFC, LUTCF, CFP • Juli McNeely, CFP, CLU, LUTCF • Lawrence E. Lounds, CLU, ChFC, LUTCF. **NAIFA Officers** (Seated): Thomas D. Currey, CLU, ChFC, LUTCF, Immediate Past President • Randy Scritchfield, CFP, LUTCF, Treasurer • Terry Headley, LUTCF, LIC, FSS, President • Robert A. Miller, M.S., M.A, President-Elect • Robert O. Smith, CLU, ChFC, J.D., Secretary • Susan B. Waters, DM, CAE, Chief Executive Officer

ABOUT NAIFA...

Founded in **1890** as the National Association of Life Underwriters, NAIFA comprises more than **600** state and local associations representing the interests of approximately 200,000 agents and their associates nationwide. **NAIFA** members focus their **PRACTICES** on one or more of the following: life insurance and annuities, health insurance and employee benefits, multiline, and financial advising and investments. The Association's **MISSION** is to advocate for a positive legislative and regulatory environment, **ENHANCE** business and professional skills, and **PROMOTE** the ethical conduct of its members.



NATIONAL ASSOCIATION OF INSURANCE AND FINANCIAL ADVISORS
2901 Telestar Court | Falls Church, VA 22042-1205 | 703/770-8100 | www.naifa.org

