

# NAIFA MEMBERS: SERVING AMERICA'S NEIGHBORHOODS FOR 120 YEARS

## About NAIFA:

NAIFA comprises more than 700 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

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NATIONAL ASSOCIATION OF INSURANCE AND FINANCIAL ADVISORS

## Serving America's Neighborhoods for Over 120 Years

Since 1890, NAIFA has worked to safeguard the financial interests of the public and protect the important relationships between agents and their clients.

**Q:** Why do consumers need qualified, licensed agents to help them with their insurance and financial needs?



**A:** NAIFA Member John Ruckel, an insurance agent for more than 40 years in Nacogdoches, TX, sums it up best. Nacogdoches is a relatively small town of 30,000 people, situated just north of Houston. It's a college town with a large rural population.

*"I came to college here decades ago and started selling and servicing my clients while I was finishing up my degree," says Ruckel. "I stayed and watched our families and businesses grow up together. I know them on a personal basis. Our lives are intertwined, and there is absolutely no way a government institution could ever replace the security of knowing the person on the other end of the phone line."*

Historically, the agent system has been the principle method of distribution for private life and health insurance. Agents are the essential link between the consumer and the insurance company, providing and servicing the products of the insurer while educating the consumer on how to manage risks and how to make informed choices regarding their insurance purchases.

Small businesses and individuals also rely on the advice of their agents for financial and retirement planning. Here are some examples of partnerships that clearly demonstrate the intimacy of the relationship between agents and their clients. Consumers want personal, one-on-one service that can only be delivered by the agent.

## The Value of the Agent

The commission or other compensation earned by insurance agents not only compensates them for the sale of a product but, in addition, for performing these other basic services:



- ▲ They work with clients to evaluate their needs for insurance protection. This may involve substantial research and fact finding about the client's needs. This is an ongoing process since needs continuously change as a person's family and employment situations change.
- ▲ They educate by explaining the various plans available and provide appropriate cost indexes.
- ▲ They make specific recommendations that suit the client's objectives and budget. Often an insurance plan is designed by the agent to fit a client's special needs.
- ▲ They encourage the client to act in a timely manner to assure that the proper coverages are in place when they are needed. They also see to it that accurate and complete information is provided to the insurer to make sure that the client gets the very best premium available.
- ▲ They keep in touch with the client and review or update coverage on a periodic basis. They suggest changes when appropriate and counsel clients on ways to reduce costs. Often they must assist their client in reviewing the need for legal and tax compliance, recommending other professional assistance when necessary.
- ▲ They assist with claims, answer questions and serve as ombudsmen in helping their clients deal with insurance companies. Agents often spend a great deal of time helping clients assemble the proper documentation needed to file or follow up on a claim. This is especially true with seniors who receive Medicare benefits.
- ▲ They assist business owners in communicating their benefit package to their employees, often directly assisting the employee in seeing how the benefits coordinate with their personal financial programs, as well as those provided by government entities.

All agents are licensed and regulated by their state insurance departments. Prospective agents receive extensive training about insurance and applicable insurance law prior to taking a written exam leading to licensing. In addition, a majority of states now require continuing education in order for agents to maintain their licenses.

## Turning Clients into Friends

Adron Ming of Carrollton, TX, has known his insurance agent, Tom Currey, for years.



### Consumer Adron Ming

*“As a client, I’ve always felt that Tom was offering me products that were especially good for me, not necessarily good for him. He’s not trying to sell me something I don’t need. We talk and he gives me his recommendation for what would be best for me. Above everything, I appreciate his friendship.”*

### NAIFA Member Tom Currey

*“In addition to being my client, Adron is my best friend of almost forty years. From a business standpoint, though, whether best friend or casual acquaintance, I take special care and plenty of time to get to know my clients. Any recommendations for products are tailored to meet their needs and goals. My clients tell me regularly that my personalized service is worth its weight in gold.”*

## NAIFA Code of Ethics

### 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 meeting the needs of my clients.

## Providing Peace of Mind

Dr. Corinne Zimmerman owns Hearing Health Care Associates dedicated to providing the best in hearing health care services to local residents. HHCA employs seven staff with branches in Topsham and Augusta, ME. She turned to her agent, Michelle Raber, for planning advice.

### Small Business Owner Corinne Zimmerman

*“Michelle knows me and my business and what I’m trying to accomplish. She helped us with a simple retirement plan that works for my employees and is affordable for me as the employer. I’ve worked with her for eight years. She watches out for what I need and makes sure that I’m covered appropriately. How do you put a price tag on that kind of peace of mind?”*

### NAIFA Member Michelle Raber

*“As a small business owner myself, I enjoy working with other small business owners to help protect what they have worked so hard to build. It is my job to help look for the gaps and overlaps in their insurance plans to ensure they are protected for the risks of everyday life. Every business owner should have their own “board of directors” which should include a trusted attorney, accountant, as well as a professional insurance advisor to help them react and plan for their business. Not only can an insurance advisor help in risk management, but also in building assets for retirement, who will take over the business at retirement, and how the purchase can be funded. By understanding what is important to my clients, I am best positioned to help them build their business, retain employees, and protect their future.”*

## Offering Invaluable Service and Education

Founded in 2004 and headquartered in the Silicon Valley in California, Achronix Semiconductor is a high-tech company. In this highly competitive, cutting-edge environment, HR Director Shani Crosby needs her employee benefits plans to be the least of her worries. Her health broker, Amy Byrne at Vita Insurance Associates, Inc. knows this, and understands the complexities and the importance of the firm’s health insurance needs.

### HR Professional Shani Crosby

*“Working with Amy and the team at Vita adds value to our benefits program. At our inception we worked with a PEO for our benefits needs, but when I came on board I choose to make a switch to Vita. They have assisted us with many aspects of our employee benefits package, including health plan selection, cost-sharing provisions, preparation of easy-to-understand benefits summaries and compliance with benefit necessary laws such as ERISA, COBRA, and HIPAA. As each new employee is hired, Amy sees to it that they receive a personal orientation on their health insurance and*

*other employee benefit plans. Benefit plan details are reviewed, personal questions are answered, and enrollment documents are completed. This knowledge and service is invaluable. We recognize that the agent’s service enhances the value of our employee benefits plans, and it is highly unlikely that such a value could ever be replaced by any government-run health care system. The bottom line is, she is always just a phone call away and anxious to assist me with my most basic or complex needs.”*

### NAIFA Member Amy Byrne

*“Agents and brokers act as employee benefits managers for small and mid-sized employers who may not be large enough to have a dedicated employee benefits manager. Vita acts as Achronix’s benefits consultant, reviewing their benefit plan options, assisting with state and federal compliance, administering their benefit plans on a daily basis, and structuring affordable programs for their employees. Simply put, we are their health insurance advocate.”*

## Giving Personalized Assistance

Brenda Walter is the insurance clerk for the city of Springdale, AR. Springdale employs 430 full-time employees and is located in Northwest Arkansas, approximately 5 miles north of Fayetteville. Springdale has worked with agents Sheron Harp and Cammie Scott at AFLAC for years.



*also works closely with our payroll director to ensure that employees' benefit information is communicated correctly and in a timely fashion for deduction purposes. As a large employer, the City of Springdale realizes that having a local agent's office is invaluable."*

### City Insurance Clerk Brenda Walter

*"I feel very fortunate to have a local AFLAC office staff just a phone call away. Sheron Harp and her staff have been, and continue to be, extremely helpful to me and the employees of the City of Springdale since they have become our insurance Flex Plan Administrator. As new employees are hired, Sheron meets with them personally and answers any questions they may have and makes sure they are enrolled in the City of Springdale benefits. Sheron*

### NAIFA Member Sheron Harp

*"Over the years, I have come to understand just how important an agent is in helping clients. This business is constantly changing. Being able to simplify and explain the changes brings huge value to the relationship I have with Brenda and the City of Springdale. Helping them address and solve their insurance needs is my top priority."*

## Saving Businesses and Keeping Families Together

Branco Enterprises, Inc. is a family owned apparel company based in Asheboro, NC. Founded in 1968, Branco has over 40 employees and provides small independent retailers with promotional branded and non-branded apparel. They have worked with their agent, Ron Erickson, for years.

### Small Business Owner Carrie Coleman

*"If it weren't for Ron and the insurance he recommended for us, my family would have been out in the cold after my father died. Thankfully, we had adequate life insurance and did not have to sell the family business or his real estate to pay for the estate taxes. Ron explains things so we can understand them and has*

*protected us on things we would normally not pay attention to. He looks out for what we need and provides strong guidance through the process."*

### NAIFA Member Ron Erickson

*"I've worked with Branco Enterprises for over 25 years. Years ago, I convinced them that they needed a succession plan, and we worked with an attorney to draft a buy-sell agreement funded with life insurance. Now I'm working with the third generation with a buy-sell agreement to protect their heirs and the business as well. During this process they are trying to keep the family business in the family."*

## Acting as Their Employee Benefits Manager

Terry Janssen, CPA, of Janssen & Company employs 30 people in his firm in Pewaukee, WI, a suburb of Milwaukee. His clients are owner-managed small businesses. Janssen began working with his agent, Terry Frett of Frett Barrington, Ltd., over 10 years ago to meet his firm's health insurance and group benefits needs, which include group disability insurance, group life insurance, and dental insurance.

### Small Business Owner Terry Janssen

*"We are always looking for partnerships to help us and our clients. I trust Terry Frett's advice for my business and for my client's businesses as well. He knows our needs and shops the market for us to make sure we have the best solution possible. He's even gone back to the insurance company to negotiate a better rate. We contact him every month... personalized service we could not get if we had to call an 800 number or a government agency."*

### NAIFA Member Terry Frett

*"My relationship with Terry Janssen is similar to all of our other small business clients. These firms do not have a full-time HR staff so it is the owner or another associate of the firm that has the added task of managing their employee benefit programs. This task becomes more complicated as the government continues to add additional employer responsibility with a recent example being the new ARRA COBRA premium subsidy that was contained in the Stimulus Act. Small business owners like Terry rely on their benefit advisor to not only navigate their way through fringe benefit options but the ongoing administration of those programs. Being a member of NAIFA reinforces our commitment to our industry, our clients, and our profession as trusted advisors."*



## Laying Out the Best Possible Choice

Jeff Frazier is president of Cellular Today, an authorized agent for US Cellular. He owns 10 retail cellular stores throughout Missouri and employs 32 people. Jeff contacted agent Jeff Hagan to help him sort out his group health insurance plan.

### Small Business Owner Jeff Frazier

*"Steve also owns a small business and understands firsthand the challenges we face. I was struggling with the cost of group health insurance. Steve came up with several solutions that would help me retain my quality employees, and not break the budget. Being able to sit down*

*face-to-face to discuss solutions made all the difference in the world. I value that personal relationship."*

### NAIFA Member Steve Hagan

*"My small business clients are busy doing what they do best. They rely on me to guide them through the complexities of their employee benefit options. They want to do business with someone in their community that they can trust and build a relationship with. Someone that can help them solve their business and financial needs."*

