



## Overcoming Objections About IFAPAC

One of the most important benefits NAIFA provides is political, legislative and regulatory advocacy. There is absolutely no other professional trade association or corporation standing up for our clients and our members the way NAIFA does in representing our interests one hundred percent of the time. The only way NAIFA can continue to successfully advocate on our behalf is to maintain favorable accessibility to legislators on a continuous basis.

IFAPAC is the key that opens doors of accessibility for us. This is why NAIFA asks for your financial contribution to IFAPAC. We realize that there are numerous worthwhile causes for your money. However, IFAPAC is so vital to our profession that you must consider it one of your primary and priority investments every year. A contribution to IFAPAC is an investment in your future and your livelihood. A contribution to IFAPAC allows NAIFA members to pool their resources and improve a candidate's opportunity to get elected to public office. Therefore, NAIFA has no reservations or hesitation in asking you to support this cause and IFAPAC's mission. If you think that giving to a political action committee is not a good idea, please take a moment to read the facts before making a financial decision.

**MYTH:** My contribution will go to the "wrong" political party.

**FACT:** First, you can designate your contribution to be used for either Republican or Democratic candidates. Second, IFAPAC is a bipartisan PAC and, as such, supports candidates from both parties because of their positions on insurance and financial issues relevant to our members. Third, you are encouraged to provide input into the candidate selection process by submitting a candidate questionnaire. IFAPAC welcomes contributor information about candidates and their respective positions on issues significant to NAIFA members and their clients.

**MYTH:** I am philosophically opposed to PACs.

**FACT:** There are two ways to look at this. One is the mass media fiction that PACs give special interest groups too much clout. The other is that PACs allow groups of people who contribute small amounts to band together to have a unified voice and to be a reliable information source on issues (i.e., the mutual fund approach to participating in the political process). PACs actually allow more people to be more actively engaged in the political process. Most PACs are run ethically and with good intentions; IFAPAC certainly is. Millions of other citizens are actively trying to influence our national government towards their opinions and vision of a better America. And their opinions and vision of a better America may not necessarily be aligned with the members of this Association. We have the right and responsibility to devote time, talent, and resources to help elect candidates of our choosing, who are favorably inclined toward our positions. Participatory democracy relies on citizen involvement. Insurance agents and financial advisors cannot afford to stand on the sidelines while someone else calls the shots! There are approximately 4,600 federally registered PACs. Therefore, PACs serve as valuable "checks and balances" in the political system due to the diversity of thought, ideas and

interests represented. Far from being part of the problem, PACs are the answer to the inherent conflict between money and politics that has existed since our nation was founded. PACs bring like-minded citizens together to have a greater impact in the electoral process. In the final analysis, PACs are a legal, open, honest and ethical way for citizens to be involved in the process of self-government.

**MYTH:** I can't afford it.

**FACT:** I don't buy it. Even the Century Club level (\$100 a year) is only about the equivalent of the cost of ¼ of a can of soda a day. The cost of gasoline to drive back and forth to clients and prospects every month is about the same. Somehow, we find a way to pay for the gas, don't we? I am firmly convinced that there is a reasonable compromise that can be reached that would be comfortable for you and compatible with your bottom line and budget.

**MYTH:** There are enough contributors to IFAPAC already.

**FACT:** The facts reflect otherwise. IFAPAC may be one of the largest PACs in the insurance industry, but there are many campaigns every election cycle in which IFAPAC cannot fully participate because the funds just aren't there. Our goal is to always have the maximum impact on campaigns. Your contribution is definitely needed. In fact, only 23% of all NAIFA Members financially support the PAC – that means three out of four Members are not shouldering their responsibility in this area.

**MYTH:** My contribution to IFAPAC is coming out of my state and national dues.

**FACT:** No, it's not – and it would be illegal to do so. A reasonable part of your state and national dues is spent on lobbying and legislative efforts. However, absolutely no financial contributions to candidates can be made from dues money – this is federal law.

**MYTH:** I don't want my contribution to pay for lobbyists.

**FACT:** It won't. IFAPAC funds have *never* paid for any of NAIFA's federal lobbying activities.

**MYTH:** My direct contributions to the campaigns of my own state and national representatives are more important than my contribution to IFAPAC.

**FACT:** It's highly likely that IFAPAC is also supporting these same candidates. But for insurance agents and financial advisors to really have an impact, a campaign contribution from IFAPAC – which represents the entire membership of approximately 50,000 individuals – sends an issues message to the candidate that we're all behind his/her campaign, and they know who we are, what we represent and what our positions are on the issues. An individual contribution directly to a candidate does not carry an attached issues message to the candidate.

**MYTH:** The requested contribution is too high.

**FACT:** To be recognized at the starting Investor Club Level, you can give as little as \$50 per year. In my opinion, anyone with more than 10 years experience or who is an MDRT, CLU or LUTCF qualifier should be at the Statesman Club Level (\$300 annually). Court/Top of the Table members or the equivalent should be at the Diplomat level (\$1,000 yearly) or above since these members have the most to lose if Congress drove us out of business. Otherwise, nearly everyone should be giving at least at the Century Club Level (\$100 per year). The IFAPAC Subcommittee has established a general guideline

that 1% of your gross revenues coming into your practice is a reasonable expectation of financial support to IFAPAC.

**MYTH:** Insurance is regulated at the state level; I don't need to give to a federal PAC.

**FACT:** Congress has the ability to change the Internal Revenue Code any time it chooses. Didn't you hear about the close call we had when the House Ways and Means Committee and Senate Finance Committee both attempted – twice in one year! – to tax the inside build-up of life insurance and annuities as a means to fund the Federal Estate Tax Repeal? Dwindling budget surpluses and decreasing revenues due to a sluggish economy mean that “revenue raisers” – new taxes – will be part of the legislative discussions when future tax bills are considered. A tax on the inside build-up would seriously dampen the motivation of consumers to purchase this product.

**MYTH:** I personally know my member of Congress and can call him/her any time I want. I don't need a PAC to get access.

**FACT:** Even though you know your own Member of Congress and one or both of your Senators very well, you don't know the other 434 House Members and 98 U.S. Senators. It's critical that all 435 U.S. Representatives and all 100 U.S. Senators know where NAIFA stands on issues affecting our membership. It almost always takes more than one vote to make or break a piece of legislation.

**MYTH:** Contributions aren't needed in non-election years.

**FACT:** Like it or not, there is no “off season” in politics. Educating candidates and building relationships is an on-going process. Showing up with a campaign contribution in the fourth quarter of the game is hardly the way IFAPAC should be conducting its business. Candidates need to know that IFAPAC is with them from the beginning to the end. Besides, IFAPAC often makes “campaign debt retirement” contributions after the November elections and there are special elections throughout the year. Remember, the first rule of politics is to get elected. The second rule is never to forget the first rule.

**MYTH:** My small contribution won't make a difference.

**FACT:** Yes, it will! In fact, it matters a great deal that you and all of your fellow members participate. It takes 10 people giving \$100 each to IFAPAC in order to issue a single \$1,000 check (the standard request to participate in a fundraising event) for a U.S. Senate candidate. Every contribution counts!! IFAPAC is an opportunity to pool our resources, have a voice and present our positions on insurance and financial issues to elected representatives on a favorable basis.

**MYTH:** I contribute to another political action committee, so I don't need to contribute to IFAPAC too.

**FACT:** Let's be frank about this. Company legislative agendas are sometimes more aligned to achieving corporate goals and furthering company objectives in favor of corporate growth, profitability, gains from operations, assets under management, removing barriers to entry and distribution channels, etc. And, they have every right to do so.

Keep in mind that most companies do not have NAIFA's Key Contact System, a constituent lobbying capability that NAIFA and state associations have carefully constructed over the years. IFAPAC support to the campaigns of candidates who are favorably inclined toward our issues is one matter, but combining IFAPAC contributions

with our strong constituent group/key contact program is the potent combination that effectively influences legislative outcomes.

**MYTH:** IFAPAC supports candidates I don't personally like.

**FACT:** As political consultant Mike Dunn would say: IFAPAC doesn't get involved in social issues. It exists solely for one reason and that is to protect the interests you share with your colleagues in your association. The reality is that we aren't all Democrats or Republicans. We aren't all pro-life or pro-choice; pro-gun control or anti-gun control. The only thing we all are is members of the same association. We may agree to disagree on those other issues. But on matters that will determine the common future that we all share, we should not only agree, but work together to help share that common future and that means financially supporting IFAPAC.