

NAIFA

20/20

STRATEGIC PLAN



2016-2021

Strengthening Success and Sustainability through 2020 and Beyond



It is more important today than ever for consumers to have access to professional insurance and financial advisors. Studies show time and again that Americans' lack of financial preparation for retirement, disability, untimely death or other

potential hardships has become epidemic. People today face daunting and often complex financial challenges. The inability of many to meet, or even understand, those challenges is truly frightening. Their only real hope, the only place for them to turn for assistance, is our country's insurance and financial advisors.

Yet at the same time, it may be tougher today than ever in the past to succeed as an advisor. That is the cold, unfortunate reality. Many financial firms are cutting costs, sometimes to the detriment of advisors, while federal and state governments continue to eye our products in their never-ending quest for revenue. Technology is moving at a blistering pace, changing the ways consumers shop for insurance, plan for the future and pursue financial security. It is also altering how advisors and clients interact. The Department of Labor, meanwhile, threatens to fundamentally change the way advisors help clients prepare for retirement, even though the regulatory burden on advisors and their clients is already at a historic high.

Just as the American public needs advisors more than ever, advisors need NAIFA to help them succeed. Our mission to protect our members' businesses and help them grow professionally is critical. Without successful advisors, American consumers, particularly those in the middle-market, would be absolutely alone as they face the myriad financial challenges of modern life.

Advisors know better than anyone that solid planning is the fertile soil necessary to bring the bloom of success. NAIFA is working hard to prepare for its own future success and the success of each of its members. That is why I am proud to introduce the NAIFA 20/20 strategic plan. Developed by NAIFA members who served on the NAIFA 20/20 Task Force, the plan serves as a blueprint for the next five years to ensure NAIFA is poised to deliver critical career training, professional support and advocacy to members in all insurance and financial services practice specialties.

As you will read in the pages to follow, NAIFA 20/20 lays out a series of goals – to empower NAIFA, its members and the industry; to improve the NAIFA business model; and to diversify NAIFA's revenue structure – that will ensure the long-term strength, success and sustainability of our association. It also provides a clear path for our national, state and local associations to achieve those goals.

I would like to thank the members of the NAIFA 20/20 Task Force for their hard work and creativity. Led by Chairman Dave Beaty, these dedicated members gave their time and talents to ensure NAIFA 20/20 addresses our current needs and offers the best chance for success. Their passion for NAIFA and for their industry colleagues is an inspiration.

I am confident that NAIFA 20/20 gives our association, under the leadership of CEO Kevin Mayeux and your board of trustees, the blueprint we need to build upon our past and grow a strong and prosperous future. And I cannot overstate the importance of our success. A strong NAIFA breeds successful insurance and financial advisors, who in turn create a financially secure America.

Jules O. Gaudreau, Jr., ChFC, CIC
NAIFA PRESIDENT, 2015-2016

NAIFA 20/20: The Process

In October 2015, a Task Force of NAIFA members, leaders and executives began work on this five-year strategic plan to strengthen NAIFA’s success and sustainability as it serves members through 2020 and beyond. Led by President Jules Gaudreau and Task Force Chairman Dave Beaty, the task force represented a broad cross section of leaders from across the federation. The group participated in two summits – facilitated by Professional Association Executive Leslie Murphy, FASAE, CAE, of Raybourn Group International – which covered the following areas:

- How NAIFA can thrive as a “purpose driven” organization.
- How NAIFA can help members protect their clients in increasingly competitive and rapidly changing business and marketplace conditions.
- How NAIFA can enhance the impact of its advocacy mission.
- How the business and financial model can better meet the needs of members and the profession in 2020.

From November 2015 to January 2016, the strategic plan underwent two consecutive review-and-comment periods by key stakeholders, including the Board of Trustees, company partners, financial services associations, members, executives and staff. Each time, the plan was revised accordingly, and the third and final version of the strategic plan was submitted to and unanimously approved by the Board of Trustees in February 2016. Development of a business plan – containing strategies, tactics and annual success metrics to advance the goals and deliver on the outcomes identified in the plan – is underway.

Acknowledgements

NAIFA thanks the many dedicated industry professionals who invested their time and expertise in the development of the NAIFA 20/20 Strategic Plan. Hundreds of stakeholders spent countless hours reviewing and providing input through one or more of the following activities:

- Task Force Participation (in-person summits, conference calls)
- Board of Trustees (in-person meetings, conference calls)
- Company representatives (in-person meetings, live webinar, conference calls)
- State Association Executives (live webinar, Q&A)
- NAIFA Past Presidents (live webinar, Q&A)
- NAIFA members and leaders (feedback submitted via NAIFA.org)

Members of the NAIFA 20/20 Task Force

Chairman Dave Beaty (Iowa)
NAIFA-CEDAR VALLEY

Aamir Chalisa (Illinois)
NAIFA- DUPAGE

Tom Cothron (Florida)
NAIFA-OCALA

Sara Decatoire (Illinois)
NAIFA-CENTRAL ILLINOIS

Paul Dougherty (Maryland)
NAIFA-PRINCE GEORGES

Steve Forman (Oregon)
NAIFA-PORTLAND/NORTHWEST
OREGON

Jules Gaudreau (Massachusetts)
NAIFA-WESTERN MASSACHUSETTS

Keith Gillies (Louisiana)
NAIFA-GREATER NEW ORLEANS

Larry Holzberg (New York)
NAIFA-GREATER METRO REGION

Brock Jolly (Virginia)
NAIFA-GREATER WASHINGTON DC

Jill Judd (California)
NAIFA-MONTEREY BAY

Ryan Pinney (California)
NAIFA-NORTHERN CALIFORNIA

Dan Reisinger (Delaware)
NAIFA-DELAWARE

Joey Ussery (Texas)
NAIFA-HOUSTON

About NAIFA

NAIFA 20/20 will re-energize NAIFA's historic mission. Founded in 1890 as The National Association of Life Underwriters (NALU), NAIFA is one of the nation's oldest and largest associations representing the interests of insurance and financial professionals with members from every congressional district in the United States. Members assist consumers through highly competent and ethical advice and by focusing their practices on one or more of the following: life insurance and annuities, health insurance and employee benefits, multiline, and financial advising and investments. NAIFA'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.

Vision Statement

The National Association of Insurance and Financial Advisors protects and promotes the critical work of members, whose role is to provide financial advice and protection in helping consumers develop sound financial guidelines and strategies, essential for their financial security.

Mission Statement

The National Association of Insurance and Financial Advisors advocates for a positive legislative and regulatory environment, enhances business and professional skills, promotes ethical conduct and positions members as consumer advocates for financial security.

Executive Summary

Introduction

For 125 years, NAIFA has been committed to developing informed, educated and ethical insurance and financial advisors by offering products and services to advance their profession. With members in every congressional district, NAIFA is one of the most effective lobbying organizations in Washington, with the 12th largest political action committee (PAC) in the nation.

The services provided by NAIFA members are needed now more than ever. Americans are woefully under-insured and the retirement crisis is growing. Too many U.S. households are ill-prepared for the future with too little insurance coverage and inadequate retirement savings.

NAIFA members are uniquely positioned to shape and affect future savings patterns and consumer demand for insurance and financial products by educating consumers and delivering affordable products and advice to those who need them most. As an organization, NAIFA is positioned to raise consumer awareness of advisors' critical role in educating, advocating and securing the financial futures of 75 million American families and businesses.

The future success of insurance and financial advisors will lie in their ability to redefine and reinvent the value they bring to their clients, as a trusted advisor, through 2020 and beyond. The retirement of baby boomers, growth of the middle market, changing face of the traditional family and the use of technology are among the factors that will significantly affect who advisors' clients are and what products advisors will need to guide their clients to secure financial futures. In addition, the demand for insurance and financial advisors will outpace the average growth of the U.S. workforce by 2020. To meet the nation's needs for financial advice and protection, the profession will need to grow more than twice as fast as the overall workforce by 2020.

Legislative and regulatory changes at the federal and state levels also will continue to challenge members' ability to manage their businesses and serve clients, with increasing need for the industry to assure policy makers and regulators that advisors look after the best interests of their clients and provide indispensable advice to their clients.

“Great things in business are never done by one person, they're done by a team of people.”

- Steve Jobs

Executive Summary (continued)

Strategic Plan Objective

NAIFA has a unique opportunity and responsibility to foster a sense of urgency and action in promoting and improving retirement savings and risk management strategies among U.S. citizens and businesses. Yet declines in membership and revenue will hinder NAIFA's ability to operate, adapt, grow and respond to meet the changing business needs of its members and consumers.

The strategic plan is a blueprint to transform NAIFA with a new financial and business model that diversifies revenue and grows membership, and strategies that empower NAIFA to maintain its position as a relevant, nimble and forward-thinking professional development and advocacy organization. Strategies will ensure that NAIFA is and will continue to be the pre-eminent and unified voice in the insurance and financial services industry.

The **NAIFA 20/20 Strategic Plan, 2016-2021** identifies three goals and outcomes to be achieved over the next five years.

Goal A: Empowerment

The plan seeks to position NAIFA as the premiere advocacy, empowerment and awareness organization that attracts talent and prestige to the profession and advocates for consumers. It will create and foster the proper legislative and regulatory environment so members can empower consumer choice and foster financial stability in a diverse environment.



Outcomes

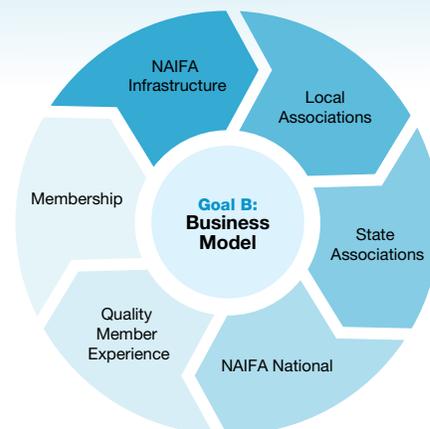
- **Advocacy.** Members are able to conduct business in a legislative and regulatory environment at the federal and state level that assures consumer access to affordable insurance and financial advice and products.
- **Diversity.** A diverse population of advisors is recruited to the profession and engaged in member services and benefits. NAIFA's formal partnerships with diverse organizations allow the exchange of ideas and best practices.
- **Training and Professional Development.** Programs include workforce recruitment and retention, quality training and certifications and financial literacy programs for consumers.
- **Awareness.** Lawmakers, the public and other key stakeholders perceive NAIFA as an advocacy organization whose members succeed in helping consumers become more financially-literate while securing their futures.

Goal B: Business Model

The plan seeks to improve the NAIFA business model to more effectively and efficiently deliver member value and grow membership across the Federation.

Outcomes

- **NAIFA Infrastructure.** The infrastructure supports nimble decision-making and flexibility across all levels of the federation to adapt their business models to meet member needs while delivering member-valued services and benefits.
- **Local Associations.** Locals have the flexibility to strengthen their business models to meet member needs and facilitate participation in state and federal grassroots advocacy.
- **State Associations.** States have the flexibility to strengthen the business models to meet member needs, and the ability to support local associations in doing the same. States coordinate grassroots activity and provide a robust presence in the state capitol with legislators and regulators.
- **NAIFA National.** National has the flexibility to strengthen its business model to meet member needs, and the ability to support states and locals to do the same in professional development and advocacy. National also develops programs to raise consumer awareness of members' role in protecting and securing futures.
- **Quality Member Experience.** NAIFA ensures a baseline of quality member services through established standards for success at the local, state and national Levels.
- **Membership.** NAIFA has at least 50,000 dues-paying members by 2020.

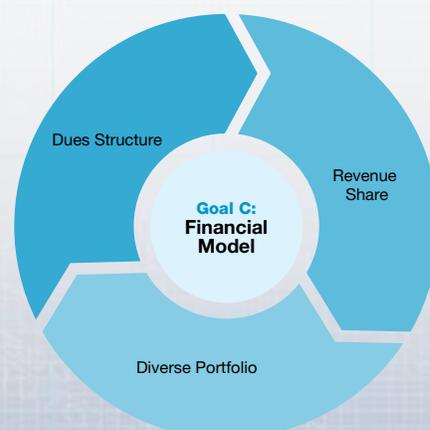


Goal C: Financial Model

The plan seeks to diversify revenue structure to provide more resources to NAIFA and deliver member value through training, certification, dues and corporate support and sponsorship.

Outcomes

- **Dues Structure.** NAIFA has a unified and cohesive dues structure for implementation throughout NAIFA. Dues are adjusted for specially designated categories, as appropriate.
- **Revenue Share.** NAIFA has a uniform revenue-sharing model with states and locals.
- **Diverse Portfolio.** NAIFA has a strong financial model with a diverse portfolio of non-dues revenue.



NAIFA 20/20 Goals

The following goals to be achieved over the next five years respond to the issues, challenges, opportunities, and outcomes identified by stakeholders throughout the Strategic Plan review process.

GOALS	OUTCOMES
<p>Goal A: Empowerment</p> <p>Position NAIFA as the premiere advocacy, empowerment and awareness organization that attracts talent and prestige to the profession and advocates for consumers. Create and foster the proper legislative and regulatory environment so members can empower consumer choice and foster financial stability in a diverse environment.</p>	<p>Advocacy</p> <ul style="list-style-type: none"> Members conduct business in a legislative and regulatory environment at the federal and state level that assures consumer access to affordable insurance and financial advice and products. <p>Diversity</p> <ul style="list-style-type: none"> A diverse population of advisors are recruited to the profession and engaged in member services and benefits. NAIFA has formal partnerships with diverse organizations to exchange ideas and best practices in professional development, advocacy and thought leadership. <p>Training and Professional Development</p> <ul style="list-style-type: none"> Programs include recruitment strategies that attract and retain talent to a growing workforce. NAIFA is the gold standard for training and onboarding advisors that lead to sustainable and successful careers. A global workforce utilizes and benefits from training and professional development opportunities abroad. NAIFA is the go-to organization for training independent advisors on a variety of career tracks. Members are knowledgeable and trained on how to reach diverse segments of the population with needed insurance and financial services products. Members have resources to promote financial literacy to consumers. Members have resources to be positioned as consumer advocates for financial security. <p>Awareness</p> <ul style="list-style-type: none"> Lawmakers, the public and other key stakeholders perceive NAIFA as an advocacy organization whose members succeed in helping consumers become more financially-literate while securing futures. NAIFA is an organization that helps attract and retain a growing workforce of those providing financial advice and protection.

GOALS	OUTCOMES
<p>Goal B: Business Model</p> <p>Improve the NAIFA business model to more effectively and efficiently deliver member value and grow membership across the Federation.</p>	<p>NAIFA Infrastructure</p> <ul style="list-style-type: none"> The infrastructure supports nimble decision-making and flexibility across all levels of the Federation to adapt their business models to meet member needs while delivering member-valued services and benefits. <p>Local Associations</p> <ul style="list-style-type: none"> Local Associations have the flexibility to strengthen their business model to meet the programming, networking and business needs of members. Local Associations facilitate member participation in state and federal grassroots advocacy. <p>State Associations</p> <ul style="list-style-type: none"> State Associations have flexibility to strengthen the business model to meet members' advocacy, programming, networking and business needs. State Associations support Locals in meeting the programming, networking and business needs of members. State Associations coordinate political grassroots activity and provide a robust presence in the state capitol with legislators and regulators. State Associations are the conduit for information from National to Locals. <p>NAIFA National</p> <ul style="list-style-type: none"> National has the flexibility to strengthen its business model to meet the advocacy and programming, networking and business needs of members. Coordinates federal-level advocacy activities on issues impacting the industry and members' businesses. Supports state advocacy initiatives with more structured involvement, programs and resources that ensure success. Creates professional development offerings for State and Local associations to provide to members. Develops programs to raise consumer awareness of members' role in protecting and securing futures. Creates and administers a consistent and cohesive brand across States and Locals. Delivers administrative services to States to facilitate delivery of consistent member experience and value. <p>Quality Member Experience</p> <ul style="list-style-type: none"> NAIFA ensures a baseline of quality member services through established standards for success at the Local, State and National Level. <p>Membership</p> <ul style="list-style-type: none"> NAIFA has at least 50,000 dues paying members by 2020

NAIFA 20/20 Goals (continued)

GOALS	OUTCOMES
<p>Goal C: Financial Model</p> <p>Diversify revenue structure to provide more resources to NAIFA and deliver member value through training, certification, dues, corporate support and sponsorship.</p>	<p>Dues Structure</p> <ul style="list-style-type: none"> • NAIFA has a unified and cohesive dues structure for implementation throughout NAIFA (e.g. reducing number of structures from 600 to 50 to 1). • NAIFA’s complimentary introductory membership program is graduated with adjusted dues over time. • Dues are adjusted for emeritus members and those in other specially designated categories, as appropriate. <p>Revenue Share</p> <ul style="list-style-type: none"> • NAIFA has a uniform revenue-sharing model with States and Locals. <p>Diverse Portfolio</p> <ul style="list-style-type: none"> • NAIFA has a strong financial model with a diverse portfolio of non-dues revenue.



Annual Business Plan Follows Strategic Plan

A strategic plan is a dynamic document – a blueprint of where NAIFA plans to go. The strategic plan defines what will constitute success, and employs strategies and tactics to achieve the outcomes envisioned by each strategic goal. Time, circumstances and the environment will likely require periodic adjustments to ensure that the plan is meeting member needs and posturing NAIFA for organizational success. This will require continuous review and evaluation by the NAIFA board and staff, with rewrites and updates submitted accordingly in order to meet the changing business and market needs of members and the industry.

Based on the final version, NAIFA staff has developed strategies, tactics and annual success metrics to advance the goals and deliver on the outcomes as defined in the plan. An annual business plan will execute on the strategies and tactics for a given year to achieve the goals and stated outcomes. This plan involves resource allocation as required to keep NAIFA on pace for achieving the board-approved goals and outcomes that will lead to strengthening success and sustainability today and beyond.

Conclusion

Demographic shifts and the changing marketplace needs of consumers and businesses are having profound effects on insurance and financial advisors, and will significantly reshape the industry by 2020 and beyond. Implementation of the NAIFA 20/20 Strategic Plan will enable NAIFA to attract, retain and educate the talent necessary to meet America's needs for quality and affordable financial advice, while protecting advisors' ability to serve their clients in a legislative and regulatory environment that allows U.S. businesses and households to prosper for decades to come.

Strengthening Success and Sustainability through 2020 and Beyond



www.NAIFA.org