

NAILBA 2009 ANNUAL REPORT



The Voice of Independent Brokerage Distribution

ABOUT NAILBA

The National Association of Independent Life Brokerage Agencies (NAILBA) is the premiere insurance industry organization promoting financial security and consumer choice through the use of independent brokerage distribution. NAILBA member agencies represent 250,000 producers who deliver more than four billion dollars in first year life insurance premiums annually

LIST OF COMMITTEES

Government Affairs Committee

co-chaired by Leon Huffman and Christopher Greis

Marketing Committee

chaired by Tom Gilbert

Membership Committee

chaired by David Long

NAILBA PAC

chaired by Barbara Crowley

Professional Development Committee

co-chaired by Christi Daughenbaugh and Thomas Kirke

Strategic Communications Committee

chaired by Jeffrey Mooers

2009 BOARD MEMBERS



Gary S. Dworkin, CLU, RHU,
Chairman of the Board



Mark D. Rosen, CLU,
Chair-Elect/Chief of Staff



Christi M. Daughenbaugh,
Treasurer



Dexter S. Umekubo CLU, ChFC,
Secretary



Douglas A. Mishkin,
Immediate Past Chairman



Michael Cohen, CLU



Barbara Crowley



Paul C. (PJ) Doyle, Jr., LUTCF



Steven J. Finkle



Thomas A. Kirke, CLU



Robert Lombardo



Raymond S. Phillips, Jr

CHAIRMAN'S MESSAGE

President Obama certainly made good on his campaign promise of change this year. But to what end?

Through September, we have seen an historic tanking by the stock market with an equally historic rally of poor consumer sentiment, high unemployment, general business malaise and maybe an unprecedented level of potential threat to our industry generally—and our business as BGAs specifically.

As the independent life brokerage industry continues to attract more attention and visibility, it is more important than ever to be our own best advocates—to educate stakeholders about our value and role in effective regulation, financial protection, and consumer choice. And, over the past year, NAILBA has demonstrated its ability to help you do just that.

NAILBA will continue to be the leading organization promoting the freedom of financial choice by offering consumers access to multiple product options through independent agents. Through collaborative initiatives with our allied partners, NAILBA is fostering the responsible and effective distribution of life and health insurance and related financial services by helping shape the future of independent brokerage distribution through the creation of effective legislation and regulation.

It is important, however, to acknowledge that a great deal of work remains ahead. As long as there exist gaps in recognizing, understanding, and acknowledging the value of independent distribution to consumers, NAILBA will stand ready with professional development opportunities, industry standards and a collective voice for legislative and regulatory efforts.

I am proud to be part of such an accomplished organization. I invite you to share in that pride as we celebrate the past and look to the future with high expectations of great things for our profession and NAILBA.



Gary Dworkin, CLU, RHU

ADMINISTRATION

In February 2009, the NAILBA Board of Directors, Committee Chairpersons, and staff met to update the organization's strategic plan. Out of this meeting came a revised focus for the association on the areas of Government Affairs, Industry Alliances, Member Benefits, Education, and Membership Growth.

Government Affairs

- Grow NAILBA PAC contributions
- Inform and educate members about legislative issues and facilitate membership engagement as measured by involvement of members.
- Communicate membership positions to influence outcomes at the legislative and regulatory levels.

Industry Alliances

- Leverage our industry alliances to further NAILBA's efforts in education, government affairs, member benefits and member growth.
- Identify synergies with other organizations to benefit NAILBA's efforts.

Member Benefits

- Implement networking opportunities through structured programs and meetings.
- Create new and promote existing programs for principals and staff.
- Provide a forum for socially and politically responsible opportunities.

- Audit and evaluate existing programs and determine the usage and value.

Education

- Review content of current educational product offerings and make sure they still meet the needs of the member agencies
- Develop and execute the *Executive Forum*
- Improve the relevancy and quality of the educational content for the Annual meeting
- Develop, execute and evaluate the *Agency Management Institute*

Membership Growth

- Conduct ongoing review of membership criteria and make necessary recommendations to Board.
- Develop marketing plan to recruit eligible prospects.
- Maintain and improve retention program to drive neutral or increased retention percentages.

In March of 2009, NAILBA launched a new membership database system. This new database allows NAILBA members to register for NAILBA events, track their transactions and purchases, update their information in the database, and look up other NAILBA members in the database directory.

ADVOCACY

With the economic crisis and related Congressional activity, life insurance, as part of the overarching financial services industry, has received an inordinate amount of increased scrutiny. There has been tremendous legislative activity during 2009, and NAILBA has been working diligently to create membership awareness of these key issues and how these issues will impact the day-to-day business of NAILBA member agencies.

In early 2009, the Government Affairs committee created a formal strategy to describe the tactics necessary to deliver our key messages to opinion leaders in the life insurance and brokerage industries; NAILBA's members and potential members; agents, financial analysts; community and business leaders; and the public.

On April 22–23, NAILBA's Government Affairs Committee Co-Chairs, Leon Huffman and Chris Greis; NAILBA PAC Chair, Barbara Crowley; and Executive Committee members, Gary Dworkin and Mark Rosen converged on Capitol Hill to meet with key legislators and their staff to educate them about NAILBA and independent distribution.

NAILBA's ascent on Capitol Hill was a very successful event, providing NAILBA leadership the opportunity to make key policy makers aware of NAILBA and the important role we play in the delivery of life insurance products.

Most notably this year, we worked on continuing our focus on regulatory reform, tax reform, SEC oversight of financial products, and NAIC suitability issues. Our primary objective is to educate legislative and regulatory stakeholders about the role NAILBA member agencies play in protecting the consumer and providing the most competitive products during a time when Americans are working overtime to plan for their retirement with secure retirement savings vehicles.

In addition to our advocacy efforts, our political action committee, NAILBA PAC, gives us a proactive way to elect future policymakers who will make good decisions on our behalf—policymakers who actually know and understand our needs and concerns before they decide the policies that address them. NAILBA PAC is a voluntary, nonpartisan, nonprofit political action committee formed exclusively for NAILBA members. NAILBA PAC is registered with the Federal Election Commission and complies with all applicable federal and state laws.

COMMUNICATIONS

This year, the Strategic Communications Committee was tasked with the responsibility to execute a strategic communications plan, establish a comprehensive view of the state of the independent brokerage industry, develop competitive intelligence for the independent brokerage industry, and ultimately, position NAILBA as a thought leader in the industry.

The committee determined that in order to create a successful communications strategy that helped NAILBA grow in the future, they needed to understand where NAILBA is today. The tools that the committee used to conduct the assessment were a SWOT analysis, a PEST analysis, a member operations study, a “state of the industry” study, and a brand awareness study.

Based on the information gathered, a strategic communications plan was created focusing on the positioning statement *NAILBA is the premiere insurance industry organization promoting financial security and consumer choice through the use of independent brokerage distribution*. All key messages flow from this positioning statement and are incorporated into all NAILBA collateral.

Additionally, the group worked on a strategy that will capitalize on the existing social networking channels to build member communities, disseminate information, increase advocacy opportunities, provide research and development for future association programs, increase attendance at NAILBA events, identify future association leaders, nurture the next generation, and increase brand awareness.

As part of the overall strategy to reposition NAILBA within the industry, the association launched a new logo and new Web site at its annual meeting in November.

Our press releases have generated coverage in many communications mediums, whether it's online blogs, trade publications, or periodicals. In fact, NAILBA has been cited in over 60 industry articles this fiscal year. Additionally, the NAILBA Web site averaged 4,100 unique visitors per month—each of whom visit an average of 7.16 pages per visit. Our electronic newsletter, *NAILBA Now*, is averaging a 35 percent open rate.

We've had much success in ensuring NAILBA's voice is heard by the industry.

PROFESSIONAL DEVELOPMENT

Through NAILBA's professional development program, member agencies are given the resources they need to help them operate more productively, profitably, and responsibly.

In 2009, NAILBA saw the fulfillment of several important new educational initiatives, designed to meet the needs of agency staff at all levels. The first annual NAILBA Executive Forum, held in February 2009, brought together agency principals and NAILBA volunteer leaders from around the country for leadership training, personal development, and senior-level networking. The first annual NAILBA Agency Management Institute, held in May 2009, brought together representatives from over 35 NAILBA member agencies in a highly successful educational program specifically for agency staff.

This year also saw the update of the NAILBA Brokerage Desk Reference, as well as the continuation of the NAILBA/LIMRA AML Training; NAILBA University's BGA Training, Agent Training, and Staff Communications online series'; and the distribution of the NAILBA Field Underwriting Guide to over 250 member agencies.

The 2008 NAILBA Annual Meeting was the best-attended NAILBA meeting ever, with nearly 1400 attendees and 150 exhibit booths. General Sessions featured Bernard Shaw, Dick Vitale, and The Afterburners. The Mooers Dinner was wonderfully attended, and guests were entertained by The Fabulous Earrings. The recipient of the 2008 Douglas Mooers Award for Excellence to George C. Van Dusen III, president of Diversified Brokerage Services Inc.

Future Annual Meeting Locations

- 2010.....Gaylord Texan
Dallas, TX
- 2011.....JW Marriott Desert Ridge
Phoenix, AZ
- 2012.....JW Marriott Grande Lakes
Orlando, FL
- 2013.....Gaylord Texan
Dallas, TX



MEMBERSHIP

During the 2008–2009 year, NAILBA has been fortunate to maintain a 96% retention rate. It is rare for an association of this size to have that kind of retention and it is due in full to the benefits of membership. During the 2008–2009 membership year, NAILBA added 24 new regular agency members and two provisional agency members.

In a special promotional effort this summer to highlight the association, its activities and benefits, another eight regular agency members joined, along with one provisional agency member.

Additionally, NAILBA added a new category of membership to recognize the industry contributions of long-time members. The Emeritus category is for a retired principal from a NAILBA member agency who is no longer involved in the day-to-day operations but wants to remain in communication with the industry. During its first year, Emeritus membership totaled seven.

Currently NAILBA has 371 member agencies, which compares to 364 member agencies in 2007–2008.

MARKETING

The purpose of the Marketing Committee is to promote NAILBA to its internal and external audiences by developing message strategies and ensuring the relevance and resonance of those strategies through constant evaluation.

This year, our key objective was to ensure that our member agencies not only became aware of NAILBA's programs, but also how to utilize them effectively. As such, the committee created project-specific working groups to create and execute marketing plans designed to effectively and efficiently promote NAILBA's programs and services to our core audiences.

NAILBA CHARITABLE FOUNDATION

The NAILBA Charitable Foundation is a public charity that serves as the philanthropic arm of the association. With the support of its members and corporate partners, the NAILBA Charitable Foundation has been able to advance worthwhile community projects for organizations that would otherwise not receive funding. The mission of the Charitable Foundation is to encourage volunteerism among NAILBA members and provide grant funds to worthy charitable organizations.

The financial services industry is a major contributor to the health and vitality of the world and its economy. As such, the grant programs of the NAILBA Charitable Foundation are designed to provide support to organizations that serve to enhance the quality of life for those less fortunate, with a special emphasis on children.

In 2009, the Foundation awarded \$237,000 in grants to 12 organizations that are making a difference in the communities in which NAILBA members operate. The following are the grant award recipients for 2009:

*Children’s Oncology Services, Inc. \$35,000 *Recipient of Col. J. William Felton, III Grant <i>Chicago, IL</i>	Beginning with Books \$20,000 <i>Pittsburgh, PA</i>
LIFE Lessons—LIFE Foundation \$25,000 <i>Arlington, VA</i> five student scholarships of \$5,000 each	Nurses for Newborns \$20,000 <i>St. Louis, MO</i>
Brain Tumor Foundation for Children, Inc. \$25,000 <i>Atlanta, GA</i>	Camp Kemo \$15,000 <i>Columbia, SC</i>
Cornell Cooperative Extension Dutchess County—Relatives As Parents Program (RAPP) \$25,000 <i>Millbrook, NY</i>	Rainbows for Kids \$15,000 <i>St. Louis, MO</i>
Amos House \$20,000 <i>Providence, RI</i>	Saint Louis Crisis Nursery \$15,000 <i>St. Louis, MO</i>
	Down Syndrome Connection of the Bay Area \$12,000 <i>Danville, CA</i>
	Delta Gamma Center for Children with Visual Impairments \$10,000 <i>St. Louis, MO</i>

NAILBA STAFF

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