



This article is the fourth in a series dedicated to helping you better understand and use the power of marketing communications.

**The Future: New Power in Partnering**

There is one very old, very tired and extremely overused concept in business that, for all it has been abused, looks to be due for a genuine resurgence. The concept is partnership. It's not the kind of one-sided lip service that some cynics rightly define as "Be my *partner* and ship me some money," but the kind of innovative, aggressively involved business relationship that can help everyone in the life brokerage business build both sales and profits.

When it comes to marketing, general agencies/carrier partnerships today are about more than communications. Increasingly, they go beyond traditional co-op programs to encompass initiatives such as information development and sharing, product customization, education on selling to non-traditional markets and much more.

In fact, while talking to various industry sources over the course of these series of articles, it has become apparent that general agencies who are willing to create a consistent, in-depth dialogue with carriers can largely create their own unique definition of what such a partnership should look like.

In this article we'll hear from two companies with different approaches to breathing new life into sales through more inventive partnering. And, we'll examine several key considerations that can help general agents maximize the benefit of working with providers.

1. Leverage the power of listening.
2. Look for partners with new ways to put your agents in front of prospects.
3. Communicate, communicate, and communicate.

**Leverage the Power of Listening**

Perhaps the most powerful set of marketing tools ever "invented" is a good pair of ears. After all, listening produces insight, and insight produces new opportunities. The more a carrier listens to your needs, concerns and ideas, the better able they will be to deliver solutions that best fit your organization. In addition to finding a carrier who is willing to

**Putting More Life in Your Marketing**  
*Fourth in a Series*

by Chuck Kent,  
*Principal and Chief Creative Officer,  
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really listen; general agencies need to be actively seeking out dialogue.

Mark Smith, senior marketing director, External Distribution for One Life Insurance, describes one instance where listening and being open to new ideas paid off for all concerned. "We had a distributor come to us with a product and a distribution opportunity that was outside the traditional BGA universe, with a different distribution. They shared a compelling story and we built and implemented a product that was specific to that distributor and channel."

It is also critical that BGAs not only demand, but also provide, good listening by continually soliciting the input of their writing agents, the people on the front lines who can provide the most accurate view of what the end consumer really needs and wants. Armed with this information, BGAs can not only better serve and attract agents, but also provide better direction to carriers as to what they need to drive sales and profits.

**Look for partners with new ways to put your agents in front of prospects**

As in the One Life Insurance example, it pays to go to provider partners with your own ideas of how to expand your sales opportunities and get in front of new prospects. It also pays to keep educating yourself and your agents on new, or newly important, reasons for staying in front of current clients.

Alan Buerger, CEO and co-founder of Coventry First, a leader in the secondary market, said, "Anything that helps producers get in front of their clients or prospects will enable that agent to do more of their core business."

One producer segment they serve specializes in affluent seniors. Buerger provided this example of how agents can leverage their new approach to life settlement products and expand all selling opportunities. "We've created a program called Life Gain for agents to have their prospects' policies appraised – and this is at our expense. Sixty percent of the time, in getting a client's assets appraised, the producer is able to provide new transactions, whether it's annuities, long-term care or other business with the client or prospect. We're empowering agencies to do more of their core

business with Coventry First.”

**Communicate, Communicate, Communicate**

Identifying new areas of opportunity is, of course, only the beginning. To get the sale, you first have to communicate those opportunities – and a good provider partner will help you.

The help starts when a provider does their own advertising, to educate agents and consumers, thereby creating a brand awareness that will create receptivity. Smith at One Life Insurance notes that his company’s own advertising is an asset for general agents. “Our ability to help BGAs quickly communicate our core brand value is extremely important.”

Partnership also means identifying the best way to cooperatively get the word out. For leading carriers, that often means providing co-op marketing dollars and resources. “Our regional vice presidents are out there developing opportunities with BGAs. We’ll help underwrite the cost of those initiatives and assist with the development of marketing communications,” says Smith.

For providers like Coventry First, it can also mean education. Buerger says, “We’ve seen enormous results in agencies that let us educate

**“We’ve seen enormous results in agencies that let us educate their producers to the benefits of secondary insurance. We’re licensed to provide continuing education courses in every state and can become part of the CE program an agency provides.”**

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part of the CE program an agency provides.”

**Breathe New Life into Your Partnerships**

One consistent theme heard throughout the interviews conducted for this series is the need for general agents to actively, aggressively get out there and talk to providers – take them your ideas, create the expectation that they should be constantly bringing new ideas to you, and push, push, push the envelope together to continually seek expansion and improvement. As Smith says, “If we as an industry do not continue to practice “kaizan,” the Japanese discipline of constant improvement, we will all fall behind.”

Do you have comments? Please send them to [marketinglife@nailba.org](mailto:marketinglife@nailba.org).

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The NAILBA Technology Committee has completed the development of the Commission Statement Implementation Guide. The guide was created using the Life Insurance Industry Technology Standard ACORD XMLife. Various working groups in ACORD since 2000 have been creating the commission standard in the ACORD Life Model. By 2003, the commission standard was mature enough for NAILBA to start to put together the requirements for an Electronic Commission Statement. The NAILBA Commission Subcommittee completed the research and development for the Commission Statement Implementation Guide. This was a collaborative effort of experts from carriers, brokerage general agencies, Agency Management System (AMS) vendors and ACORD.

The process of commission reconciliation represents a necessary, but labor-intensive process for all agencies. GAs have relied upon the carrier to deliver the full accounting of agent commissions, GA overrides and bonuses via paper commission statements. There is also a carrier dependency for case audits, which are initiated by producer complaints. With no true bookkeeping, the BGAs and producers can't objectively appreciate the full monetary value of their book of business.

The solution offered by AMS vendors is commission accounting administration, which integrates with the BGAs AMS System. These commission administration systems are designed to reconcile commissions, track agent payables, analyze commission income and forecast expected commissions. The time and money spent by the BGA on these commission accounting systems do not provide an adequate ROI (return on investment). It is a simple fact that the process is too labor intensive and cost prohibitive, because each line item of a paper commission statement needs to be matched up to a record manually.

Not so long ago, administration systems were designed to make data input simple and efficient. This statement still holds true, except today, data input is not about sitting in front of a computer, entering information manually, it's about exchanging data electronically. In the case of receiving an electronic commission statement, you can automatically process thousands of commission transactions

## Technology Guide: Win-Win for Agencies, Agents and Carriers

Ken Leibow  
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in a matter of minutes. When exchanging information electronically, it is critical to use a common framework of communication. ACORD XMLife standards allow the efficient and seamless sharing of information between industry trading partners who use a variety of different systems.

The electronic transmission of commissions provide many benefits to the carrier, general agency, and for the agent. This improves the effectiveness and efficiency of commission processing by eliminating and reducing time delays, costs and potential errors, with manual processing. The result of an electronic commission statement is automated reconciliation. The data in the electronic commission statement enables BGAs a commission administration system to verify if all participants in a case hierarchy were paid correctly on the expected modal premium; identify charge back of commissions and adjustments; match the transactions total against the commission check

amount; and list expected commissions on cases that were not received at all. Another benefit is persistency management, which provides an opportunity to improve and stabilize long-term income. The carrier can reduce expenses by eliminating the printing and mailing of paper commission statements, not to mention all the urgent "special requests" for commission information. The commission data empowers the BGA to handle more efficiently commission status calls from agents by providing better service, resulting in less status calls to the carrier.

"For years, GAs have often wondered if carriers were paying them properly for business. Commission administration resolves all doubts about correct payment. But, more important, GA's can now use electronic ACORD XMLife outputs to provide their best customers with complete commission information consolidated over a number of carriers. This truly is a time saving competitive advantage," says George Van Dusen, principal at Diversified Brokerage Services, Inc.

BGAs can also gain a competitive advantage with adequate bookkeeping. Creating bonus incentives for agents can encourage their producers to place more business they now do elsewhere. With electronic access to the commission data and the ability to audit commissions quickly and easily, ultimately strengthens the relationship between the agent, agency and carrier.

The next steps are related to implementation. The carrier will continue its current commission cycles, but will now send electronic commission statements. The BGA will receive the commission detail immediately, without having to wait for a paper statement to be mailed to them. With the advent of Commission Electronic Fund Transfers, along with the Electronic Commission Statement, the entire commission process becomes quick, efficient and automatic.

The Commission Statement Implementation Guide provides a business and technical road map. Because of the confidentiality of the policy and financial information that is included in the electronic message, the guide addresses the secure methods of transport. The picture of the electronic commission statement is drawn, which organizes and describes all of the data ele-

ments. The NAILBA Subcommittee has specified which commission detail data elements are required and which are optional. For those carriers and vendors that may have been using the old NAILBA Commission Standard 900, there is a table in the guide which shows the one-to-one mapping to the ACORD XMLife Standard. The old NAILBA standard data element list is much shorter than the ACORD list.

There is a sample electronic commission message in the guide, as well as appendices that provide all the necessary technical information to implement the electronic commission statement. The Commission Statement Implementation Guide can be found on the NAILBA Web site at: <http://www.nailba.org/technology-committee/subcommitteeminutes.html>.

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Graphic design and printing play integral parts in our work in the financial services industry. The design and print of your logo, stationery, brochure, and advertising speaks to the credibility of your member agency. “A well-conceived partnership with a graphic designer and commercial printer makes the investment of time and money worthwhile,” commented Michael Marcian, president of Corporate Press, Inc., an employee-owned flagship of print communications companies based in Landover, Md.

According to the Printing Industries of America/Graphic Arts Technology Foundation, “Printing is America’s largest manufacturing industry in terms of establishments, with over 44,000 printing plants in 2003. These plants provide 1.1 million jobs and produce around \$157 billion in products and services annually.”

If you plan, design or pay for commercial printing, this article can help you understand the printing process. It also includes technical advances that could cut costs dramatically.

### Planning Your Next Project

Keep the following phrase in mind as you prepare your next print project: Proper Prior Planning Prevents Poor Performance. Use the outline below to prepare your next project.

#### Part I: Overview

*Think long term.* How does this project fit into your overall plan?

*Determine deliverables.* How can the material be used elsewhere?

*Establish contributors.* Who will be writing the piece?

*Determine style.* The look and feel should be directly linked to your audience.

*Require an estimate.* Get written cost estimates from designer and printer.

#### Part II: Communications Planning

*Schedule.* What is your deadline?

*Audience.* Who are you most trying to persuade? Identify your primary audience.

*Message.* What is the primary idea or fact you want your user to take away?

*Distribution.* How will you get your communication to the audience?

*Budget.* How much time and money do you have to invest? Money available is usually what makes or breaks a project.

## Effective Print Management Solutions

Estelle E. Allen

#### Part II: Estimates

*Quantity.* How many copies do you need? Larger quantities mean lower per unit costs.

*Format.* Should the publication be a brochure, booklet, flier, postcard, poster, or a combination of these?

*Shelf life.* How long do you expect to use the printed piece?

*Materials.* Use the expertise of your designer and printer to determine the type of printing and paper used. These decisions directly affect the cost of the piece.

*Distribution.* Will it be mailed? Who will handle mailing?

#### Finding the Right Firm

Once you have carefully planned your print project, your next step is to find the right commercial printer and/or graphic designer to communicate your print management solution. Mike Jiron, sales representative at Corporate Press, who has 10 years of experience working with NAILBA, says finding an appropriate commercial printer can be narrowed into three steps:

- Identify the printing process needed.
- Locate companies with the equipment to execute the process.
- Identify people who know how to get the most from the equipment.

“Corporate Press has four divisions that offer specialized services and professional advice on a variety of services, including design, printing, mailing, storage and fulfillment,” said Jiron. “We believe in formulating partnerships with our clients to help them effectively and consistently communicate their vision. By offering a full line of services, we are able to complete projects from concept to distribution.”

Mary Flannery, founder and president of Flannery Studios, commented “The first step I employ when working with a client to develop a new design, or altering an existing one, is to determine the needs of the client, the ultimate function for which the design is intended, and its appeal to its targeted audiences. I begin by researching the design characteristics, such as size, shape, weight, color, materials used, cost, ease of use and fit.”

Jiron and Flannery reiterated simultaneously a large percentage of new clients have been personal referrals. “In this industry, your reputation is everything,” said Flannery.

Interview several designers and commercial printers before making a commitment. Request and obtain samples. Check references for a history of professionalism and the ability to meet deadlines.

#### Types of Presses

*Offset Printing* – For accurate reproduction, offset printing is used. The job output is high quality and is recommended for jobs over 500 in quantity. Once you get below 500, it’s not economical to run on this type of press.

*Web Printing* – If you print in large quantities this printing press works best. Web printing is used for large magazine and newspaper runs.

*Digital Printing* – This is an excellent choice for lower quantity production running a handful to a few hundred pieces.

#### Technological Advances

Marcian, who started Corporate Press in 1988 and served on the Board of Directors of the Printing Industries of America, has adapted well to the digital evolution.

“Our ready-when-you-need-it management techniques, when applied to printing, have saved clients thousands of dollars,” said

Marcian. "Print on-demand solutions provide clients with exactly the printed materials you want—exactly when you need them."

### **NexPress 2100**

Combining the power of a press with the flexibility of a printer, the NexPress 2100 performs like an offset press, providing high uptime for maximum productivity, delivering consistent high-quality images. "Corporate Press uses the NexPress 2100 for new higher-value digital services such as: on-demand, and

web-fulfillment printing, short runs, quick turnarounds, completely customized brochures, and production of full-color collated pages that are ready to be finished instantaneously," said Marcian.

For NAILBA member agencies, carriers and vendors, NexPress 2100 can:

- have product brochures printed in short runs or on-demand to reduce or eliminate warehousing costs and provide up-to-date information;
- have print businesses use intranet sites to

let a client's sales staff order and customize their own pieces electronically via automated fulfillment; and

- have designers of direct mail materials use fully-customized pieces to generate increased response rates by appealing to the individual needs of their customers.

"The NexPress 2100 can make these printed materials available in hours instead of days or even weeks—another factor enabling print service providers and their customers to ultimately achieve greater success," said Marcian.



*"We landed one insurance agency that was doing business with 400 banks because we had SOFTWARE that they wanted and needed."*

— John Rupright, President  
Producers XL, Salina, KS

*"In one week, we got 250 brokers appointed with a variety of our companies because of SOFTWARE that had sales ideas that most brokers would kill for. If they became appointed, they got the software."*

— Tony Lampert, President,  
Professional Planners Marketing Group  
North Palm Beach, FL

*"We spent thousands on software development and we got only dollars in overrides back."*

— Anonymous

**T**hese are the actual experiences that some NAILBA members experienced last year using technology. Unfortunately, using technology to recruit, sell, and train can be disappointing . . . very disappointing.

However, if you sidestep the frequently made mistakes and embrace its strengths, technology can give your organization the growth and profits you never thought possible.

Technology can give us the fastest and most economical and compliant way to increase sales, profits, and our longevity in the financial services industry.

### Why Must We Embrace Technology?

Technology allows you to tell YOUR story the way that you want it to be told, convincingly and repeatedly, day after day after day.

Using technology can also be a way to distinguish an organization from another. Kathran J. Martin, president of Elite Advisor Group, says:

*"Our Web site offers all the tools the leading advisor might need on a daily basis. Detailed product data feeds, news briefings, virtual coaching, full seminar client seminar presentations, customizable financial planning concept pieces and a full array of multimedia sales ideas and calculators are available on a 24/7 basis without the need for contracting, licensing or sales."*

Since the term technology is broad, this article will focus primarily on the technology that

## Recruit New Brokers, Receive More Business From Existing Brokers

William V. Harris  
President, W.V.H., Inc.

NAILBA members are using today like web sites, web conferencing, e-mails, CD-ROMS and DVDs.

### Your Web Site

Your Web site is only one example to how you are presently telling your story BUT your story is ONLY being told to those who visit your web site. Therefore, you must embrace technology and allow technology to increase how many brokers visit your Web site. Bo Johnson, vice president of marketing at FIG Marketing, discusses how his organization's Web site has changed over the year.

*"We are putting a lot more information on the website to draw interest in having independent agents have conversations with us. The web has become a storefront for us, where people can browse around and see what we are about. It is our responsibility to put something out there that will intrigue an agent to call us."*

— Bo Johnson, vice president  
of marketing, FIG Marketing

Here are six popular ways to get more brokers to visit your Web site:

1. Add a hyperlink to your web site at the bottom of every e-mail sent.
2. Have your next web conference ON your present Web site.
3. Narrate the benefits of visiting your Web site and allow brokers to hear those benefits when they call you and they are on hold.
4. Use that same narrated script for a mass multimedia e-mail.
5. Sprinkle your CD-ROM with your Web site address.
6. Double-check to see how prominent your Web site address is on your letterhead, business cards, fax cover pages, memo pads, and any other literature that you use to communicate with brokers.

Before you send more and more brokers to your web site, make sure that your Web site does what it is designed to do. Embrace technology and allow your Web site to tell your story in an inviting, interestingly and convincingly way. You want to show prospective and existing agents who you are, as Scott Wheeler at Life Sales mentions,

*"Our Web site allows us, in a very short time over unlimited distances, to show prospective and existing agents who we are, and what we can do to help them increase their incomes."*

Here are three ways to make your Web site more inviting, interesting, and convincing:

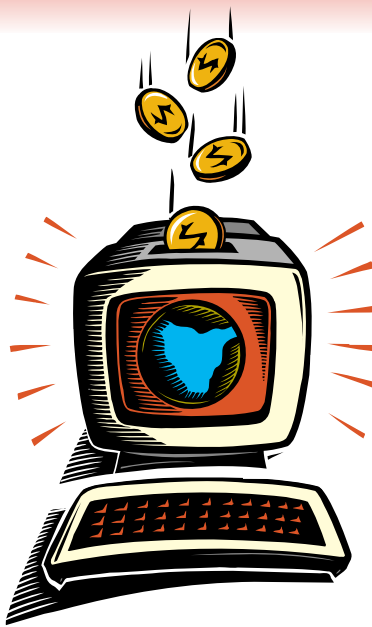
1. Remove all clip art (sorry, even the pink piggy bank and the cartoon characters with the long noses).
2. Use graphics with soft shadows instead of HTML language.
3. Add audio, video-like presentations, and video (naturally, you will give the broker the option to identify the type of internet connection they have like T1, ISDN, Cable, DSL, or Dial-Up).

### Your Web Conferencing

Whenever you can give 20, 40, 60 brokers the opportunity to HEAR and SEE your story in 30 minutes, that is smart business. That's web conferencing.

Here are three popular ways to achieve greater results with web conferencing:

1. Schedule web conferences for the next 6 months at the same time like the first



- Monday of every month at 12:00PM. (12:00 p.m. gets you producers from each time zone).
2. Include a special speaker, either an author, high end-producer, a coach or mentor on selling, or a motivational speaker for only about 10-15 minutes since we want YOU to speak too (no speaking fee should be necessary for the guest speaker). These speakers will bring value to the broker plus increase the number of brokers that are part of your web conference.
  3. Promote your web conference daily on your Web site, on your on-hold messages, and, each of your internal marketers should say at the end of every conversation on every Tuesday and Thursday, "By the way, will you be part of our web conference next Monday. Our special guest speaker is . . . and you will learn . . ."

Many companies are having success with web conferencing and/or web seminars such as Jefferson Pilot.

*"Jefferson Pilot instituted a program this year which utilizes web conferencing to provide education to agents on a variety of topics. We call the program WebEd. Personal visits to each of these agents would not be possible, so WebEd is providing us a great alternative."*

— Sharon Havener, Jefferson Pilot

In addition, Jerry Hraban, Principal at Premier Insurance Partners mentions,

*"Being an insurance backroom for national independent broker dealers, web-based seminars have been instrumental in allowing us to reach more reps nationally."*

Speaking of brokerage, do you remember an act that often appeared on the Ed Sullivan Show where an individual had 10 poles and a dish on the top of each one? He would get the first dish spinning and then he would move to the second dish and get that dish to spin. Then, he would quickly return to dish number one before it almost fell to the floor but then rushed back to dish number three to get that dish to spin. That is brokerage. However, for us, our dishes are Web sites, web conferences, e-mails, CD-ROMs (and soon, the satellite dish that all brokers will have in their office at home where they will see YOU live on their cell phone screen or office wall or 60-inch LCD/TV set).

In closing, the way that you embrace technology, in other words, how you use it and how often you use it will allow brokers to accurately determine whether YOU are the organization they want and need.

You can either allow brokers to think that you are a CONTEMPORARY or you can allow them to think that you are a TRADITIONIST. Both are fine.

As a Contemporary, you successfully attract the younger broker plus the entrepreneurial seasoned broker who recognizes (or his willing to recognize) the power of technology in the 21st century.

As a Traditionist, you successfully attract the mature broker who prefers giving presentations the same way that they did in the 20th century like an overhead projector instead of a LCD projector or a flip chart presentation with nice shiny paper instead of a laptop computer presentation with a telestrator, zoom in feature, and lightning speed access to important relevant drill-down information.

Catering to either type of broker is fine for the IMMEDIATE future. For the distant future, there is a problem since the mature broker has been replaced by his contemporary daughter, son, and grandchildren. And, they won't know what a flipchart is.

In summary, embrace technology. Use technology as the fastest, most economical, and compliant way to increase sales, profits, and extend your corporate identity in the financial services industry for generations.

Speaking of generations, so many of us want our spouses, children, and grandchildren to think that we were pretty smart. Which way

will they think is the smarter way to build your marketing organization . . . using 21st century technology or 20th century technology?

### Types of Content Best Suited for Recruiting, Point-of-Sale and Seminar Software

While most CD-ROMs, (DVDs and Web sites) can contain a wide variety of material where you can use the same CD-ROM to recruit, present, and train, the content material should be dramatically different.

### Recruiting

For recruiting, you must deliver a compelling reason why brokers should do business with you.

We have outlined below a list of possible content for recruiting. You should only select between five to seven of these, use the same colors and fonts for each and make each a little different by using two narrators, still images and moving images of financial professionals, slow-motion video, charts, and interactive calculators. In other words, give them variety but stay consistent with your colors and fonts incorporated within your branding message.

Types of Content About Your Company

- Aerial Tour of Campus
- Introductory Video
- Your Story
- Your Strengths
- Your Ratings
- Your Financials
- Website Tour
- Message from Officers
- Your Value Proposition
- Your Timeline

These can be used for your recruiting CD-ROM and/or (e)mail website.

An effective way to prepare for your recruiting section is to ask every employee of yours this question,

"Why should a broker do business with us instead of \_\_\_\_\_ ( name your largest competitor)?"

Then, spend one week asking each producing broker who calls in:

*"By the way, we're doing a CD-ROM and we have begun outlining some of the major advantages of doing business with us. Joe, if you were to name one distinguishing advantage or benefit about us, which one would you identify as the reason you do business with us?"*

Now, collect all of the responses and you are ready to begin writing copy for your NEW way to repeatedly and convincingly tell your story 24/7/365 by weaving together audio, video, imagery and text . . . all because of technology.

### Point-Of-Sale

For point-of-sale presentations, you want simple easy to understand presentations that address the benefits of owning life insurance, annuities, long-term care insurance, etc.

According to Bob Vandy, director of advanced markets and business development at NY Long Term Care Brokers, Advantage Financial Services, *"quality point-of-sales material is what brokers need most."*

Again, you use the same colors and fonts as you did with recruiting, but now use images, still and moving, of your target market. Use a collection of positive images of diverse people enjoying life to its fullest at work and at play.

The words to say for each point-of-sale presentation should be professionally narrated and the audio should not play automatically but should be easily accessible to your broker.

We want the broker to be the educator at the point-of-sale not a professional narrator. The narrator is there to simply educate the broker on the most accurate words to say or the narrator can be a lifeline if uncertainty surfaces.

Many brokerage agencies are using point-of-sale presentations included on a CD-ROM such as Signature Financial.

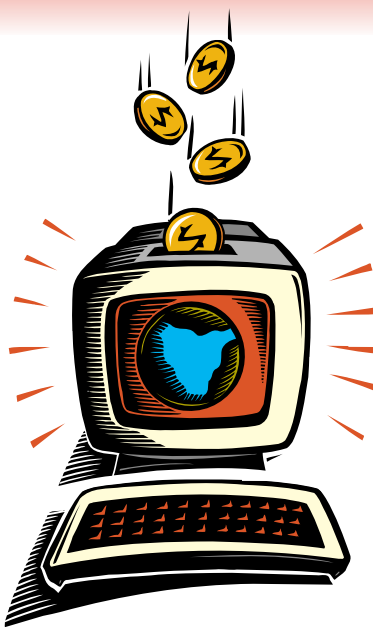
*"We are using a CD-ROM tool to help brokers make presentations to from 1 to 100 individuals. They are also using it for agent and employee training."*

— Mel Katz, director, annuity marketing, Signature Financial

### Client Seminars

For client seminars, we have two objectives. Firstly, you must remove most of the anxiety that many brokers have toward doing seminars.

We want to make it as easy as possible to do a seminar. One way of making it as easy as possible is to remove a lot of the guesswork. And, the best way to remove a lot of the guess work is to include narration with the seminar presentation. Use narration that is continuously



looped but narration that can be easily ignored at seminar time. Notice what you are doing for the broker. Your broker sees the visual and hears what they should say at the same time. In other words, the broker is seeing and hearing how their presentation will look and sound when they give it.

Secondly, your seminar presentation should not include 35 to 67 visuals. We, in the financial services industry, tend to overload a consumer with too much information initially. The purpose of a seminar is to only accomplish three things:

1. Build rapport and trust with the audience.
2. Give the audience two or three or four unforgettable ideas about money.
3. Create a link of dependency where the audience realizes that they must get together with the presenter.

Naturally, it is at the point-of-sale that we want the consumer to learn everything they should know about the concept or product we are recommending. The seminar is a just a nice conversation.

In closing, if you want to tell your story or the story of a product or concept, use technology so that it is told repeatedly and convincingly.

### Tips and Uses

The following includes a variety of useful tips when designing software tool.

#### Use passwords

Your software should require the end-user to enter a password every 30, 60, or 90 days. If a high-end producer wants to use your multi-media robust client seminar software, they

need to call you for the password . . . a password that you will readily give out to every broker WHO PRODUCES.

### Avoid having your software look like everyone else's

Unfortunately, the financial services industry is allowing all of their presentations to look too much alike. Therefore, more care should be given to providing less of a sterile look and more soft colors and warm shadows.

### Use the software as a premium for business submitted

Since 90 percent of your brokers gave you less than four pieces of business last year, use your software with the highest perceived value as a premium for their next piece of business as practiced by Premier Insurance Partners,

*"We have used CD-ROMs in the past with great success BUT ONLY when the distribution of the CD was based on becoming appointed or writing one more piece of business."*

— Jerry Hraban, principal Premier Insurance Partners

One organization received 3.1 million dollars in premium in the 30 days following a seminar.

### Increase broker count

Some feel that the number of brokers you have under contract can affect the purchase price of your organization. If that is true, use software as a premium to get brokers appointed with one of your insurance companies. At most seminars, you should be able to get 90 to 95 percent (embarrassingly only 50 percent if proof of E&O is required and it should) of the entire audience appointed with almost any company you wish by using software they perceive as high value.

### Develop new relationships

Hard to get groups like banks and broker dealers are hard to get because so many marketing organizations are after them. Use software to outline all of the distinguishing benefits of doing business with you by using audio, video, and high energy music. John Rupright, president of Producers XL says:

*"We landed one insurance agency that was doing business with 400 banks because we had SOFTWARE that they wanted and needed."*

### Add a telestrator and zoom-in feature to your software

At the point-of-sale and at client seminars, so many of us are guilty of looking at a word, number and phrase and erroneously thinking that the prospect is looking at the same word, number, or phrase that we're looking at. By using a telestrator and or zoom in feature, a presenter is able to circle in red or zoom in on any word, number or phrase that they are addressing at the seminar or at the point-of-sale. Remember, people buy simple things . . . things they understand. Let's make it simple.

### Use narration

Since people retain information 24 times longer if they see it and hear it, let's make sure that we are verbal and visual.

### Use auto-narrated tutorials

Add a special tutorial to many of your sales ideas. Hence, the broker is taught in this tutorial how he or she will be able to use that idea. Naturally, these tutorials should be password protected since this is internal chat between you and the broker. In fact, uniform messaging (in some areas of the country) will allow YOU to be the voice for these tutorials since voice mail can now be weaved into your emails. Yes, leave a message and 2 seconds later it becomes an email as a wav file.

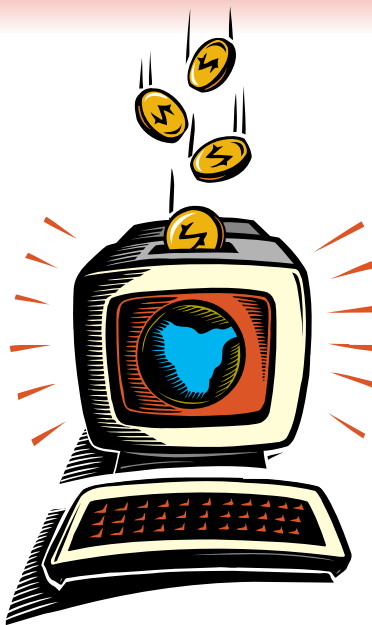
### Building your own seminar

Allow the end-user to include their name and logo at the bottom of each screen. Also encourage them to build their own seminar by giving them the capability of selecting any number of the ideas which are on your software and placing in any order and then saving them. Hence, you are giving them the ability of saving all past point-of-sale presentations and all past client seminars.

### Give the end-user conveniences

Allow them to pause narration so that probing questions can be asked at the point-of-sale. Allow them to loop the videos for pre-seminar and post-seminar presentations. As you are aware, brokerage is caring about the producer more than yourself.

If you give them "your all" by using technology, they will give you "some of their all." And,



that is all you need, "some of their all" to experience unbelievable growth and profit using 21st century tools.

### Software Tidbits

Here are some tips that you will certainly want to share with your programmers, graphic designers, and web masters when developing your own CD-ROM:

**Q: Which developmental software programs do you recommend?**

A: Macromedia Director 8.5 or higher, Macromedia Fireworks, Microsoft Word, Adobe Acrobat, Adobe Premiere, Adobe After Effects, Adobe Photoshop, and Sound Forge.

**Q: Since videos are so popular now, how can I compress videos to maintain the highest quality?**

A: MPEG-1 or Quicktime.

**Q: Everyday, more and more brokers are beginning to use laptops at the point-of-sale and for client seminars. What settings should a programmer use when designing the look and feel of an idea?**

A: 800 x 600 setting or 1024 x 768, the latter only if you know the type of computer that everyone will be using.

**Q: How do you compress audio for the best quality for the largest target market?**

A: Sound Forge offers many of the options that expensive studio software does at a reasonable price plus it is user-friendly. We use settings that range from 11,025 Hz 16 Bit Mono to 44,100 Hz 16 Bit Mono, depending on how the file will be used.

**Q: Since readability is always an issue, what recommendations do you make?**

A: Times New Roman, Arial, and Helvetica are all basic fonts and pleasant to the eyes as is 12 to 14 point size. For text in videos, san-serif fonts such as Arial or Helvetica tend to be more legible after compression.

**Q: What can be done today that you could NOT do last year economically?**

A: Give brokers the ability to select their favorite ideas and place them in any order and then save them; the end result being a collection of all past point-of-sale and client presentations. 2) Auto narrated and passcode-protected tutorials that give brokers inside tips on how to use that specific idea. 3) Three different layers of passwords so that your elite producers get to use every idea, chart, calculator and seminar and intermediate producers get to use a lot of them and the other prospective producers get only a few.

**Q: Name the two best things about technology and brokerage.**

A: A broker only being able to use your software for three months at a time by entering passwords (hence, you get a steady stream of phone calls from brokers needing the password from you and they get the next password if they are producing).

For compliance purposes, it is nice to have a marketing tool that can expire if you want it, either because of unintentional omissions or errors or just good changes. It is so hard to get back 25,000 brochures or videos mailed back to you when a mistake has been uncovered.

Bill Harris is the founder of five different independent brokerage organizations that did over 1.3 billion dollars in life, annuity, and health premiums. He has appeared in The Wall Street Journal, Money Magazine, and on radio and television shows. Harris has conducted over 2,000 seminars for some of the most respected marketing organizations, insurance companies, broker/dealers, and banks in the industry. He is president of W.V.H., Inc., a multimedia firm that has produced CD-ROMs, DVDs, video and audio-driven Web sites for some of the largest organizations, insurance and mutual fund companies in America. He can be reached at 1-800-800-SALE or at [wharris@adnc.com](mailto:wharris@adnc.com). Their overview Web site is [www.whinc.com/overview.htm](http://www.whinc.com/overview.htm).



Designers are people with a desire to create. By combining practical knowledge with artistic ability, designers are able to turn abstract ideas into formal designs by creating visual solutions to solve your unique communications problem.

A good designer's work will make something:

- work better
- look better
- sell better
- shed new light on an old topic

How is this accomplished?

Graphic designers use computer software to develop the overall layout and production design of magazines, journals, corporate reports, and other publications. They also produce promotional displays and marketing brochures for products and services, design distinctive logos for products and businesses, and develop signs and signage systems—called environmental graphics—for business and government.

The introduction of computer technology in the early 1980s has dramatically transformed the graphic arts industry. With features such as print-on-demand, NAILBA member agencies, carriers and vendors can print materials faster, quicker and better. In an effort to formulate hassle-free relationships with your graphic designer and printer, I've outlined several layout and printing formats that are industry standards.

### Page Layout Formats

Years ago, "camera-ready" art was called a "mechanical." Printing plates were burned with acid onto a water-repellent plate from film negatives. Negatives were photographed from black-on-white boards or "mechanicals." A separate mechanical was required for each color plate. The mechanical contained peripheral data like crop marks and registration marks for proper alignment.

Today "camera-ready" art is a digital file created with page layout applications such as QuarkXPress, InDesign, PageMaker and Publisher. These programs automate the mechanical production process. The computer monitor becomes the layout board. The artist places text and graphics on the board electronically. Graphics are created separately and

## File Formats Made Easy

Mary E. Flannery  
Flannery Studios

saved in an importable format. The page layout programs have powerful text formatting capabilities and require separate individual files for all of the different fonts used in the design.

These programs automatically add crop marks and registration marks and separate color so a designer can create without having to visualize what the final design will look like. The monitor very closely represents the final printed piece. I say closely because even very high resolution monitors cannot exactly reproduce the quality of the printed piece. One reason is the way in which color is represented. The printing press uses four colors—cyan, magenta, yellow, and black—to "build" a spectrum of color. The computer monitor creates color by emitting light through red, green, and blue phosphors.

Consequently, several files make up the final print job: the page layout file, all imported graphics, and all font files.

### Platform Dependence

Page layout applications provide a high degree of flexibility in art creation. They have powerful document creation capabilities such as pagination and indexing. They also make revision and updating a snap. They are not, however, drawing programs. They only support the creation of very basic graphics such as

charts and tables. And, they are platform dependent. For the most part, in order to print a job created by a page layout program, you need to use the same platform and the same application. Fortunately, the industry is fairly standardized and most large printers can accommodate multiple platforms and applications. The Macintosh platform is preferred because it will accept most files created on a Windows platform. QuarkXPress, InDesign and PageMaker will convert most of each others files with only minor problems, provided the files are not too complex.

For these reasons, platform independent file formats are desirable. Ads can be created using illustration programs such as Adobe Illustrator and Aldus Freehand. These are vector image programs with very powerful text manipulation capabilities.

The printing industry is moving in the direction of making PDF (Portable Document Format) a standard format for all printed materials. Adobe created Acrobat, an application for the creation, manipulation and viewing of PDFs. Acrobat Reader, the viewing utility, is available to anyone with a computer and access to the internet. PDFs are taking the place of hard-copy proofing. E-mail delivery of PDF proofs is saving companies the cost of expensive color proofs as well as express mail and courier costs.

### Graphic File Formats

Vector images are made up of mathematically defined lines and curves called vectors. Vector images are resolution-independent. They can be scaled to any size without quality degradation. Vector images are created with applications such as Adobe Illustrator and Aldus Freehand and are saved in encapsulated postscript or EPS format for placement in the page layout program.

Raster images consist of a grid, or raster, of small squares, known as pixels. Raster images are resolution-dependent. They are created or scanned at a specific resolution and the quality degrades when enlarged from their original size. Raster images are created with applications such as Adobe Photoshop, Corel Draw, and Paint and are saved in TIFF format for placement in the page layout program.

PDF, EPS and TIFF formats are the only for-

mats acceptable for print production. Other formats such as JPEG, GIF, PICT, BMP, and WMF should never be used for a print job. JPEG and GIF files are primarily for the Web. PICT, BMP and WMF files are fine for desktop printers but not sufficient for high-quality printing. The good news is that most of these formats can be easily converted to TIFF format.

**Font Files**

Font files consist of a “printer file” which draws the type character on the page, and the “screen file” which draws the type character on the monitor. Most Windows and Mac fonts are not interchangeable. However, a new font format has been created by Adobe and Microsoft called Open Type, which operates on both the Windows and Mac platforms.

**Glossary of Terms**

**Vector Images** – made up of mathematically defined lines and curves called vectors.

Vector images are resolution-independent. They can be scaled to any size without quality degradation. Vector images are created with illustration applications such as Adobe Illustrator and Aldus Freehand.

**EPS** – Encapsulated Postscript, a programming language which describes lines and curves called vectors. EPS files are resolution-dependent.

**Raster Images** – consists of a grid or raster of small squares known as pixels. Raster images are resolution-dependent. They are



NAILBA logo as EPS vector file, greatly enlarged, with no degradation of quality.



NAILBA logo as TIFF raster file, greatly enlarged. Notice the “bitmapping” of the edges.

created or scanned at a specific resolution and the quality degrades when enlarged more than 120 percent of original size. Raster images are created with applications

such as Adobe Photoshop, Corel Draw and Paint. Raster images use .tif, .jpg, .gif, .pic file name extensions.

**TIFF** – a raster image file format for high quality, resolution-dependent photographs and line art.

**JPEG** – a raster image compression format enabling full color photo representation for the Internet at a manageable file size.

**Image Resolution** – refers to the spacing of pixels in the image and is measured in pixels (ppi) or dots per inch (dpi). The higher the resolution, the more pixels or dots in a square inch. Higher resolutions allow for more detail and subtle color transitions in an image.

**Screen Frequency** – also known as screen ruling, refers to the number of halftone cells per inch in the halftone screen used to print a grayscale image or color separations. Screen frequency is measured in lines per inch (lpi). The detail in a printed image results from a combination of resolution and screen frequency.

Mary E. Flannery is president of Flannery Studios, a full-service design firm. For over 10 years, she has served as art director of NAILBA Magazine. Clients include the federal government, corporate businesses and trade associations. With over 25 years of experience, she has witnessed the transformation of mechanical “camera-ready” art to digital “camera-ready” art. She can be reached at 301-590-0994 or [flannerystudios@comcast.net](mailto:flannerystudios@comcast.net) for more information.



## E-Mail Marketing and the CAN-SPAM Act

Charles M. Watkins, Esq.  
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In December 2003, President Bush signed into law the Controlling the Assault of Non-Solicited Pornography and Marketing Act of 2003, commonly known as the “CAN-SPAM Act.” The CAN-SPAM Act is Public Law 108-187, and is codified at 15 U.S.C. §7701 et seq. This article addresses FAQs about the key issues arising under the CAN-SPAM Act.

### 1. Is this a replay of the unsolicited fax rules?

No. As discussed below, there are several important differences, but for commercial insurance brokerages, two in particular. First, the mechanism for people to decline to receive commercial e-mails is an “opt-out” approach, so no *advance* permission is required; (2) enforcement is by federal and state agencies and Internet Service Providers (“ISPs”) only. Consumers may not file private lawsuits against spammers, as they can under the federal “junk fax” rules.

### 2. What does the CAN-SPAM Act say?

The principal rule that is directly relevant to insurance brokerages prohibits the sending of bulk commercial e-mail messages unless: (1) the e-mails include a notice to recipients that they may “opt out” of future e-mails (and there is a mechanism for doing so); or (2) recipients have already given “affirmative consent” to receive the e-mails.

### 3. What is “commercial e-mail”?

The term used in the Act is “commercial electronic mail message,” and it is defined as “any electronic mail message the primary purpose of which is the commercial advertisement or promotion of a commercial product or service.”

### 4. What kinds of e-mails from brokerages does this definition apply to?

Congress provided limited guidance. The legislative history says only that the “definition is intended to cover marketing e-mails. Advertisements for content on an Internet Web site operated for a commercial purpose are included within the definition . . . however; the definition is not intended to cover an e-mail that has a primary purpose other than marketing, even if it mentions or contains a link to the Web site of a commercial company or contains an ancillary marketing pitch.”

The Federal Trade Commission has been directed to issue regulations not later than

December 2004, defining the relevant factors to be considered. However, brokerages should assume that any e-mail messages whose principal purpose is to promote the purchase of insurance or related services will be treated as commercial electronic mail messages.”

### 5. What typical e-mails from insurance brokerages would *not* be considered “commercial”?

E-mail messages whose principal message is *not* the promotion or sale of insurance. For example:

- Newsletters and other informational materials (even if they include ads since the “primary purpose” would still not be “commercial”);
- Client surveys;
- Promotions for client seminars that are offered without charge;
- Invitations to noncommercial events sponsored by the brokerage, such as charity fundraisers or other community events (even if the brokerage is publicized as a sponsor); or
- Requests for proposals.

The CAN-SPAM Act also excludes certain “transactional or relational” e-mails from the

definition of a commercial e-mail message. These include messages whose primary purpose is, with respect to an existing commercial relationship, to:

- Facilitate, complete, or confirm a previously agreed-upon transaction;
- Provide product warranty, recall, safety, or security information to existing customers or clients; or
- Provide notice of changes in terms or features; notice of a change in the recipient’s standing or status; or notice of account information.

Recognizing that e-mail is an evolving service, Congress authorized the Federal Trade Commission to expand or contract the categories of messages that are treated as “transactional or “relational” messages “to the extent . . . necessary to accommodate changes in electronic mail technology or practices and accomplish the purposes of this Act.”

### 6. Assuming an e-mail is “commercial” under the Act, what is the definition of “bulk”?

A commercial e-mail is a “bulk” e-mail, and therefore regulated by the Act, if it is sent to more than 100 addresses during a 24-hour period, more than 1,000 addresses during a 30-day period, or more than 10,000 addresses during a 1-year period.

### 7. Do we need advance approval to send a bulk commercial e-mail message?

No. The Act adopts an “opt out” approach. That is, if there has been no advance permission, then bulk commercial e-mails can still be sent, but the sender must establish a mechanism for recipients to opt out of future emails and so notify recipients. Prior “affirmative consent” (discussed below) is permitted, but not required, and may be superseded by a subsequent “opt-out” described below.

### 8. What “opt-out” mechanism must be established?

Any bulk commercial e-mail that is sent without advance written consent from the recipient must include a functioning return e-mail address or other conspicuous Web-based mechanism by which the recipient can request not to receive future commercial e-mail at the recipient’s electronic mailbox. The mechanism must be functioning for at least 30 days (with allowances for temporary and unexpected tech-

nical problems) after the commercial e-mail message was sent. The reply mechanism may also permit the recipient to select from a menu of types of e-mails, electing to receive some and not receive others.

**9. When does the recipient’s “opt-out” request become effective?**

In general, the sender may not transmit any additional commercial e-mails more than 10 business days after receiving an “opt-out” request from a recipient. Of course, good customer relations may suggest that the sender should implement the “opt-out” request sooner.

**10. What other rules are in the CAN-SPAM Act?**

Senders of commercial e-mail are prohibited from deceiving or misleading recipients as to the origin of messages, materially falsifying information in the header, and using deceptive subject headings. In addition, without prior affirmative consent to the receipt of the e-mail from the recipient, the message must include “clear and conspicuous” identification that the message is an advertisement and notice of the opt-out opportunity, and the sender’s valid physical postal address.

**11. What is “affirmative consent?”**

“Affirmative consent” means that the recipient expressly consented to receive the message either in response to a clear and conspicuous request for consent, or at the recipient’s initiative. Affirmative consent may be obtained at any time, and should be obtained from new clients at the outset of the relationship. This may avoid problems if the rules are changed in the future.

**12. Can State anti-spam laws also be enforced?**

The Act preempts State anti-spam laws, so there will be uniform nationwide regulation.

**13. How will the CAN-SPAM Act be enforced?**

The primary enforcement body is the Federal Trade Commission. State Attorneys General may bring civil actions, and Internet Service Providers, such as AOL, may also take spammers to court. Some lawsuits have already been filed.

The good news for marketers is that no one else, including recipients of commercial e-mails, will be able to sue. Consumer lawsuits have been a significant problem under the federal law prohibiting unsolicited faxes, and many senders have been compelled to pay to settle claims in what amounts to legalized extortion.

**14. Will there also be a “Do-Not-Spam” registry?**

Not in the near future. The CAN-SPAM Act required the FTC to report to Congress by mid-June, setting forth a timetable for establishing a “Do-Not-E-Mail” registry, and explaining any technical, privacy, and other concerns. The FTC report concluded that present technical issues would probably prevent a “Do-Not-E-Mail” registry from reducing spam, might lead to an increase in spam, and could not be enforced effectively. If the technical problems are solved, the FTC believes that a registry would be unnecessary.

**15. What are the penalties for violations of the CAN-SPAM Act?**

In addition to civil penalties that may be enforced by the FTC, a State Attorney General may obtain statutory damages of \$250 per resident per e-mail, up to \$2 million. Criminal penalties may include fines and up to three years in prison. Injunctive relief and forfeiture of hardware and software used to transmit spam in violation of the Act are also available

remedies. Penalties may be mitigated if the offender has implemented commercially reasonable practices and procedures to prevent violations.

**16. When was the Act effective?**

January 1, 2004.

**17. Based on the above, is there any specific action we should be taking now?**

Brokerages that communicate with customers by e-mail should review their bulk e-mail practices to ensure that they are in compliance with the Act. Various types of bulk e-mail should be identified and classified with respect to its primary purpose—advertising and promotion, other information, “transactional and relational,” etc. Bulk commercial e-mails should be reviewed to ensure that they include the required “opt-out” information, and that all header, subject matter, and other identifying information is truthful. As new initiatives are begun, these should be reviewed against the CAN-SPAM Act rules to ensure that violations do not occur.

Before contracting with a third party that will perform e-mail advertising for the brokerage, the brokerage should conduct due diligence regarding the contractor’s operations to satisfy itself that the contractor is committed to compliance with the CAN-SPAM Act, should require the contractor to provide appropriate warranties and indemnifications in the event of violations of the Act, and should be able to suspend or terminate the contract immediately if violations are alleged or have occurred.

*Readers with questions about the CAN-SPAM Act may contact Mr. Watkins at (202) 785-9500, Ext. 34, or at [cwatkins@wc-b.com](mailto:cwatkins@wc-b.com).*



## Taking Ownership of Technology Improvements

Jeff Kraber,  
NAILBA Technology Committee

The NAILBA Technology Committee has set as its guiding implementation principal, “To enable the member agencies in the brokerage community to run their businesses more efficiently and effectively than ever before through their Agency Management Systems.”

A new buzzword in the industry is SEMCI—Single Entry, Multiple Company Interface. This was envisioned over 20 years ago with the introduction of the first agency management systems. Today, this vision is taking giant leaps forward, and it is being realized in a form that can provide agencies with broader and more immediate benefits than originally envisioned. The initiatives under way, as discussed and demonstrated at the recent NAILBA Technology Committee and ACORD LOMA meetings, are truly exciting. Agencies can benefit significantly today by implementing the expanded download information that is already available through their agency management systems, and there are many additional carriers with new download functionality in the pipeline.

What we are worried about, however, is that agencies will not seize this historic opportunity to change the way they do business with their carriers—for the better. It is so clear to us that the broad agency community needs to start to drive the expanded carrier downloads (and dare we say) real-time interface movement. Up until now, there has been a remarkable group of dedicated people representing agencies, carriers, and technology service providers pushing for this progress and making the considerable investments required. The continued efforts by these folks are very important, but they are not enough. Their efforts and investments need to be validated by large numbers of agencies that take ownership of the information revolution and make it happen on a broad scale.

By taking ownership, we mean agencies everywhere need to take these steps:

1. Familiarize yourselves with what your carriers are doing to implement all of the available information and transaction capability through your agency management system;
2. Implement these transactions in your agency when your carriers make them available; and

3. Make real-time functionality through your agency system a priority issue in your discussions with your carrier marketing representatives, company senior executives, and technology service provider representatives, as well as at NAILBA and other industry meetings.

The expanded download information available today is only the beginning. Real-time interfaces are starting to be implemented by carriers and agency management systems focused on new business submissions, including agent appointment and licensing transactions. We are beginning to move from a batch model to one that can respond in real-time. The full vision will include an array of real-time transactions to transform the agency of today to become the most cost effective distribution outlet in our industry! It is also increasingly clear that we are moving toward this vision with incremental steps— each of which can bring immediate benefits in terms of quick responses, a reduction of duplication, and time saved.

To us, our new vision for improved agency-carrier interfaces should enable the agency to interact electronically with its multiple carriers

through the agency’s system in a consistent manner; any needed logons to the carriers’ systems and navigation are handled electronically and automatically by the agency system. The data in the agency system can be used by the carrier system without the agency having to re-enter it. The data in the agency and carrier databases synchronize with each other following transactions.

From 2002 to present, the industry’s primary focus was to upgrade the legacy information standards that existed to Internet friendly information standard – the ACORD standard. The areas of common forms, online new business submission, requirements ordering and reporting, pending case status, agent appointment, imaging, and illustrations are all business processes benefiting as never before from the history making collaboration efforts using these newly created data standards. Agencies are able to save considerable time by implementing this functionality as soon as it becomes available, even when some of their carriers have not yet made this improved workflow available. The technology service providers report that overall requests and usage of download information, and requests for more, continues to increase dramatically month after month. It is important for the broad agency community to implement all available functionality now, to send a strong signal to the carriers and technology service providers, that all of these new capabilities are important to us and we want to see more of them.

At the ACORD LOMA Conference and NAILBA Technology Committee meetings, agencies, carriers, and technology service providers reported on their efforts to expand their technology capabilities, and are demonstrating significant cost savings as a result of those efforts. This is the SEMCI that agencies have been waiting 20 years for. Agencies should jump on this development and push for additional carriers to come onboard. The good news is that there are already some additional carriers who are live with this capability.

Another real-time transaction that is now being worked on, is in the area of illustration and agency management system (AMS) integration. Information will only need to be keyed in once – either into the AMS or the illustration system. The electronic integration allows

the AMS to seamlessly get quotes, either one at a time or in multiples using multiple carriers. The illustration information can be captured and stored in your AMS for future reference. Three major AMS systems (Agency Works, E-Z Data, and IIT) and two illustration vendors (LifeLink and COSS Development) who have committed to implementing this are working together on this integration now. Never before have such collaborative efforts made such progress. This is how your NAILBA Technology Committee works for you.

We are working on designing a new tool for



agencies to use to ascertain which download and real-time capabilities your specific carriers offer for your system. We will communicate to you when this tool is available.

Your NAILBA Technology Committee is making incredible advances on your behalf. This is an extremely fertile time for new technology developments to advance us toward our vision for greatly improved electronic interfaces with our carriers. We have an unprecedented level of cooperation and commitment in place among carriers, vendors, user groups, and agent associations. All of this is good, but it is not enough. We need the active involvement of the broad agency community. Please commit your agency to push for these improvements. Then, implement them promptly!



Lars Nordstrom died suddenly at the age 50 leaving behind his wife of 20 years with four children to nurture and educate. Forced to sell the family home, Edythe shares a three-bedroom apartment with her four children. She works two jobs to keep her family financially afloat.

While this is a fictional story, a recent study of widows and widowers whose spouses died prematurely (between the ages of 30 and 55) found 50 million Americans lacked the life insurance coverage needed to achieve a secure financial future for their families.

Ownership of life insurance has been declining for more than two decades. According to the Life and Health Insurance Foundation for Education (LIFE) only 4 in 10 adults in America own individually purchased life insurance.

Based on these sobering figures, the life insurance industry is planning a month-long public awareness campaign aimed at encouraging consumers to take stock of their life insurance needs. NAILBA is proud to be among trade associations and carriers partnering with LIFE to support this industry-wide effort. September will mark the first-ever Life Insurance Awareness Month (LIAM) campaign.

**Overview**

NAILBA will be working with Prudential, Principal Financial, Liberty Mutual, John Hancock, ACLI, NAIFA, MDRT, SFSP, TAC, GAMA, IMSA and state insurance departments to elevate the importance of life insurance. September marks the beginning of the key selling period of the fall when many companies have sales contests and competitions. Building a campaign around LIAM could help jump start the end-of-year sales push. September is also a time when consumers put summer behind them and concentrate on what they need to do to take care of their families.

An intense publicity campaign, in conjunction with an equally intense sales and market-

**Get Ready for Life Insurance Media Blitz**

Estelle E. Allen



ing effort, can increase awareness of the need for life insurance, get consumers to seek advice from insurance professionals, and drive product sales.

**Proactive Plan for Member Agencies**

LIFE has provided NAILBA with a turnkey kit for communicators to promote LIAM. A magazine/newsletter article, several targeted full-page ads, a PowerPoint presentation, an Internet video presentation, and LIAM logos are featured in the kit. NAILBA will provide a tip sheet,

*Working with the News Media*, templates for a news release, an op-ed, a letter to the editor, and copy for two public service announcements to increase awareness within your community.

**Create Buzz**

There are a variety of tools available to help you get your message out about LIAM. They range from vehicles over which you have a great deal of control to public service announcements and letters to the editor, which are granted life only by the goodness of the media gatekeeper. Consider incorporating the following vehicles in your strategic media plan:

- news releases
- media advisories
- public information packets
- fact sheets
- news conferences
- individual briefings with reporters and editors
- visits with editorial board
- op-ed articles
- letter to the editor
- public service announcements
- appearances on radio and television programs
- Internet access from Web sites to online forums and newsgroups

**Plan Ahead**

The possibilities are endless in creating a memorable media campaign for LIAM. As September marks the beginning of the school year, it's the perfect time to give educational presentations to schools, colleges and universities. Perhaps you'd rather conduct a presentation instead at your local library on financial planning and include information about LIAM and your agency. Plan ahead for an effective media campaign. Look for LIFE's realLIFEstories *Newsweek* special section in September.

Are you ready to promote life insurance?



Many gray beards in the NAILBA community will remember when we began our Technology Committee with one simple goal: to be the leader in research and development of life insurance standards, technology efficiencies, and to streamline the process of forms. This goal was to go beyond life brokerage and well into life insurance itself.

We have come a long way from the initial efforts of early Technology Committee chairman Don Cravitz and his son, Tony. Many of our standards are still in use today. Through the foresight of Jon Shaw and Alan Musselman, who suggested the formulation of a strategic alliance with the leading technology standards organization, the Association for Cooperative Operations Research and Development (ACORD), we have been able to make significant strides in research and development (R&D).

Over the years, NAILBA has held detailed and aggressive developmental meetings with carriers, technology vendors and member agency leaders. Conversely, we led the industry in the development standards which eased the flow of paper and helped speed to market products, up loads and commissions.

Due to logical constraints, we were unable to take the next logistical step – to move standards on a full-time basis to the entire life industry. At the same time, we needed to make certain the R&D we created was efficient and meshed smoothly with technological advances. In order to complete this task, we would not only have to hire a technology advocate, but we would have to enhance our new relationship with ACORD.

NAILBA hired Jeff Kraber, a seasoned IT veteran with over 24 years in the financial services industry, as our technology advocate. We freely transferred our old standards to ACORD, thereby picking up a crucial decision-making “seat at the ACORD table” which former NAILBA chairman, George Van Dusen, currently occupies. His leadership alone has advanced the issues of life insurance and life brokerage. Van Dusen’s tireless efforts have been recognized by ACORD. He is now on the ACORD Board of Directors and chairs the ACORD Operations Committee for the organization.

Being recognized as a technology leader is part of NAILBA’s long range plan, and we are

## NAILBA & ACORD A Partnership that Makes Sense

Joe Normandy  
*Executive Director, NAILBA*

moving quickly to this goal. I am extremely proud of the advances in which the entire industry has benefited from as a result of our R&D efforts.

Take a look at some of the life industry standards and forms in which NAILBA has played an extremely important leadership role:

1. Standardization of Life Insurance Forms
2. Electronic Case Status Information
3. Electronic Commission Statement and Reconciliations
4. Electronic Agent Licensing and Appointing Information
5. Electronic Document Exchange Imaging Standards

These are just the beginning. Our accomplishments, as it relates to forms, will streamline the life business, thereby saving the life industry millions of dollars each year. NAILBA sits at the forefront on this undertaking.

The reason for the partnership with ACORD is to take advantage of their area of expertise. The standards are given to ACORD to enhance from a technological perspective, and make sure they are all in XMLife format ...

easy to use ... and representative of today’s carrier community. They have taken our forms project and made sure it is in a format which most can use. They are pushing the forms through the state regulatory process. As I write this column, nearly 35 states have approved Part 1 of the process. Part 2 is already on its way through the approval process. Can you imagine the efficiencies gained when just one form is being used?

You should know the investment in the Technology Committee is the largest investment NAILBA has for a committee. Your board has been unwavering in its support for these projects. Candidly speaking, sometimes the jargon that is used to explain the standard is lost with those of us who are not technically inclined.

We see our relationship with ACORD as a true partnership. Aside from the efforts highlighted above, there has been talk about holding a joint leadership seminar. Carrier decision makers and technology leaders can meet with NAILBA and ACORD to hear about the advantages of the new efficiencies and find out in economic terms what direct advantages there are in working with these standards and forms. Needless to say, our membership will be most active in helping to promote the standards and forms to their carriers. We feel carrier leaders will not necessarily want to know what makes the watch tick, they will want to know it tells the right time and can save them money and manpower.

NAILBA unites member agencies, participating carriers, and technology service providers together like no other life organization by integrating the latest technology standards and innovations in a cooperative manner. We bring forth tangible benefits to the entire life insurance industry.

ACORD’s forte is creating, establishing, and maintaining industry standards. They are not in the life R&D business. On the other hand, NAILBA is not in the business of moving the process down the line. We are dedicated to bringing the right people together to make independent brokerage and the rest of the life insurance marketplace the most efficient and profitable distribution system in the financial services industry through technology and leadership. Together, we can make magic happen,

change the technology face of the life insurance industry and make advancements far beyond what we ever dreamed of 15 years ago.

Through ACORD's commitment to NAILBA our industry will gain greater efficiencies

more rapidly. ACORD can pave the way for us to reach deeper into the total life insurance community. They can help us bring new partners to the NAILBA Technology Committee, develop solutions, answer tough questions, and

advance projects back to ACORD faster. All of this means real solutions to your technology questions. That's why the NAILBA and ACORD partnership makes good sense.



The three of us were on our way to a wedding—mom, dad and home-from-college-for-the-weekend daughter. In response to a particularly tantalizing tidbit of gossip, the college student exclaimed, “Shut up!” Mom went ballistic for a few seconds until it was explained that the two seemingly offensive words were really an exclamation — “You don’t mean it!” or “Are you serious?”

It isn’t just generational lines that form generational walls. The meaning of words is a significant problem in business—particularly when it comes to employee and customer communications, marketing and sales.

Is making a “thing” out of words really worth it? Absolutely. If employees don’t use words the same way, they can’t go in the same direction. If words confuse customers, they react negatively.

CEOs often talk about “enhancing shareholder value.” What do the words mean? In many instances, they’re used to announce layoffs. Or, take “competitively priced.” Does this term send a specific, understandable message or is it just used because someone feels it’s necessary to make a price statement? Including “your satisfaction guaranteed” may make management nervous. What do the words mean? Are there as many definitions as there are customers? Will they open a virtual Pandora’s Box of costly complaints?

Then, of course, there’s the most frequently-used term of all—“full-service.” Although it appears everywhere in ads, flyers and brochures does it really carry a message? It’s one of those “catch-all” terms that’s bereft of meaning. If a company’s employees don’t have an accurate understanding of “full service,” how can they deliver on the promise? If a company’s employees lack a common understanding of the meaning of “quality,” how can they deliver on a common expectation of quality?

As he took off on his Harley-Davidson bike, a perceptive University of Wyoming professor said, “Those who say they know what they mean, but can’t say it, don’t know what they mean.” Far too often, we don’t know what we

## Using Words the Same Way

by John R. Graham  
President, Graham Communications

mean when we speak—and that costs us customers, sales and credibility. To persist in assuming everyone understands the words we use, a simple exercise can reveal just where we are with our words.

**Measuring the mission statement.** It seems as if CEOs are enamored of mission statements. Never leave the office without it. There’s a flurry of activity and countless meetings until the wording (which is often plagiarized from other mission statements) is finalized and quickly

printed on everything from walls to the backs of business cards. But what impact do the words have on employee behavior? How do they translate into better service and increased sales?

*Exercise #1: Ask employees, customers, management and directors to write three or four paragraphs of how they understand the company’s mission statement or mission.*

**Understanding the corporate culture.** In some companies, the culture is quickly apparent, while in others it may be less well defined. When acquisitions occur, however, the differences in culture can surface almost instantly. One firm that made four acquisitions in a matter of two years assigned a seasoned executive to work on developing a common language to facilitate a common culture.

*Exercise #2: Ask employees, customers, management and directors to describe their understanding of the corporate culture.*

**Recognizing a company’s core values.** While a discussion of mission statements and corporate culture seems more obvious, “core values” deserve even more attention. They often lurk, unarticulated, below the surface of business activity, holding sway over the way every aspect of a business operates. For example, while a company may say publicly that it’s “customer focused,” everyone knows that doing whatever it takes to make a sale is the real “core value.”

*Exercise #3: Ask employees, customers, management and directors to share their perception of the company’s three most important values and what each one means?*

**Answering the customer’s question.** We may think we understand what’s going on in our customers’ heads, but our perception may be more distorted than we would like to think. Asking one question can help expand our understanding of what customers are thinking and how that compares to our views.

*Exercise #4: Ask employees, customers, management and directors to answer the question: “Why do customers buy from us?”*

**The heart of the company.** Is there a common thread that binds everyone together, including employees,



customers, management and directors? Is it an idea, a way of doing business, a feeling or is it something else? Is it positive or even possibly negative?

*Exercise #5: What is the one quality that everyone in our company—employees, management, customers and directors—all agree on—and why?*

The objective of this five-question exercise is to find out if the road map (the words we use) matches the actual territory. While we all approach jobs, ideas, opportunities, the future and problems from an individual perspective, a shared understanding gives a business an accurate picture of itself and where it's going.

Can this exercise in understanding help a company improve its customer relations and better focus its marketing and sales? Absolutely. Consider all the letters and e-mail messages that go out every day. Do they send a common message? One division of a company sent out a fax blast with a message that portrayed the company in a way that undermined the image it was attempting to develop with customers and prospects. If it had not been caught by a consultant (someone from the outside), the message would have hit thousands of customers.

It's not surprising that the most common question asked by Disney World visitors is "Where's the restroom?" But the number two question might cause us to scratch our heads:

"What time does the two o'clock parade start?" Even though the answer may seem obvious, Disney people take the question seriously. Those asking it may mean "What time does the two o'clock parade pass *here*?" Or just as likely, "When can we expect to see Mickey?" We talk about making sure everyone is "on the same page." That's an important issue, of course. But to get there everyone must use the same "dictionary."

There was a time when you checked into a hospital, the admitting person asked, "What is your religious preference?" At least in some medical facilities, incoming patients are asked a less invasive question: "How important is religion to you?" Sensitivity to personal privacy may be driving the change. If the patient responds, "Very important," then there are more questions. Just the way a question is asked creates a feeling about the institution.

What does this have to do with a business? A business administrator asked an advertising agency to meet with him regarding an upcoming project. When he was told that the only available date was almost two months out, he decided not to get together with the firm. The words told him everything he needed to know.

The medical profession seems to recognize that the right words can reduce patient complaints. For example, both physicians and nurses are taking time to explain procedures slowly and clearly, indicating what to expect.

The words are great medicine when it comes to reducing stress and the number of telephone calls, while increasing patient satisfaction.

Then there are the words on a résumé. Most people list a detailed employment history. Is the reader left to figure out what that means? What about specific skill sets, areas of experience and competence? If they are not described, it's as if they don't exist.

There's also the résumé cover letter. Most read as if "one size fits all." They're devoid of anything interesting, exciting and alive. There are no word pictures. A *Wall Street Journal* columnist tells of a woman who finally figured it out and poured her soul out in the cover letter, even saying to the prospective employer, "This is my dream job." Passion is missing in most letters. And that takes the right words.

What's the next step? Take words seriously by having everyone in the company participate in the five-question exercise. Then, have a representative group of five to 10 people review and analyze the responses. Once that's accomplished, ask them to prepare a brief report on their findings that also includes a plan for involving the entire company community in a discussion of the issues.

If everyone in a company uses the same words the same way, chances are that everyone will be going in the same direction with a sense of what everyone wants—a mission.



**W**hat happens when associations join forces to answer an industry's needs? They have great successes and propel that industry forward by providing solutions. And that's what ACORD has been able to do for the Life and Annuity industry in partnership with NAILBA.

By design, ACORD can only achieve its mission through collaboration with the widest array of industry players. For any standard approach to sharing information between business partners to fly in the insurance space, the groundwork needs to include all affected parties: carriers, agents, brokers, vendors, third party administrators, regulators.

NAILBA has been a strong and faithful partner to ACORD, bringing its members' formidable knowledge, skills, and business process awareness to the table. The collaboration led to much-needed standards for real time business messaging over the Internet. Most recently it has brought standard Life Forms, such as the Life Application – Part 1, to the market place. Each of these accomplishments offers the industry huge improvements in efficiency and productivity and real cost savings.

This shows what can be achieved when organizations work together and share the same vision for the industry.

When ACORD was first formed in 1970 by a consortium of Property & Casualty agent and broker associations, our focus was on improving communications through standardized paper forms. From a handful of ACORD Forms accepted by a small number of carriers to over 500 forms accepted by over 800 carriers in 50 states, this initiative has grown. Estimated savings to the industry are in the hundreds of millions of dollars, as the industry lost its dependence on upwards of 80,000 proprietary carrier forms – a success ACORD and NAILBA are trying to replicate with the new Life Forms. Our pioneering companies have continued this forward momentum for more than three decades, standardizing not only forms but creating the data standards used throughout industry everyday to share policy, claims and every other type of information. And as the membership grew, so did the standard, answering ever-growing business needs.

ACORD expanded into Life standards in

## NAILBA & ACORD

# Partnerships Lead to Successes

Gregory A. Maciag  
*President and CEO, ACORD*

1996 with life insurance data modeling work originally organized by Microsoft. It was designed to create middleware that would allow disparate applications on an agent's desktop to talk to each other. But the Internet was upon us, and it also provided a very solid foundation for building standards in XML that could enable the rapid, real-time transactions we enjoy today.

Beginning in 1998, NAILBA worked through ACORD to migrate its first generation EDI standards to the ACORD Life Standard, mapping each of the NAILBA EDI messages to an equivalent and enhanced ACORD Life Standard Message. The resourcefulness of the NAILBA Technology Committee deserves real credit for what has been accomplished.

The ACORD Life and Annuity Standards encompass more than 200 messages that cover the entire spectrum of the Life insurance cycle. Through the structure of the ACORD Life Standards Data Model upon which the standards are built, data sharing throughout a carrier

enterprise is supported, not only here in the U.S. but in life company offices throughout the world. Implementations can be found in Europe, India, Asia, Australia and South Africa.

Shared visions and cooperative efforts with other industry associations, such as NAILBA, and enabling each association to focus on their area of expertise, while sharing the knowledge gained, has helped propel the industry forward. ACORD prides itself on its ability to bring together a wide range of members and organizations, all focused on the improvement of the industry. Working together has made the rapid progress a reality. Recent work with a variety of associations has illustrated just what is possible when combining forces.

For example, ACORD and the Mortgage Bankers Association worked together to produce a ground breaking Evidence of Commercial Property Insurance form, responding to the specific needs of both the insurance and mortgage industries. We are also working closely with the American Institute of Certified Public Accountants (AICPA) on XBRL (eXtensible Business Reporting Language) standards to enhance financial reporting and enable straight through processing. ACORD also works with the Risk Insurance Management Society (RIMS) to improve the data quality and availability of tool sets for risk managers.

The reason for our success is cooperation and sharing a vision with partners to improve and enhance the industry. ACORD's Life Forms Initiative was launched with NAILBA in 2000 with the help of many insurance companies. Just a few years later, the first form, Life Application Part 1, was accepted in the vast majority of states and acceptance of the more recently released Part 2 has grown to over a dozen states. Additional forms and filings are already in the works and the number of Life and Annuity forms is expected to increase rapidly. At present, more than 20 forms are approved, pending approval or in development.

This vision...one shared by NAILBA and all our members is what makes ACORD's success possible. Seeing the potential and responding to the needs of the industry make the ACORD and NAILBA partnership valuable for everyone.

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