

**NAIFA**

20/20

**QUALITY MEMBER  
EXPERIENCE**



Draft for Pre-Exposure | **MARCH 2017**

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# NAIFA 20/20 Quality Member Experience Task Force Report & Recommendations

## Background

In spring 2016, the NAIFA Board of Trustees adopted the **NAIFA 20/20 Strategic Plan**, a five-year blueprint to empower members and transform NAIFA with a new business and financial model that streamlines the federation, grows membership, diversifies revenue and positions NAIFA as a nimble and forward-thinking professional development and advocacy organization through 2020 and beyond.

NAIFA 20/20 has three primary goals to be achieved over the next five years:

1. Establish NAIFA as the premiere advocacy, member empowerment and awareness organization
2. Improve the business model to more effectively deliver member value and grow membership; and
3. Improve the financial model to diversify revenue and provide additional resources to members.

Implementation of NAIFA 20/20 is underway, with **phase one** on track for completion at the close of Fiscal Year 2017. Business plans are also mapped out for future fiscal years, as well as accountability measures, performance goals, and quarterly reports on the progress made on implementing the plan.

# NAIFA Quality Member Experience Task Force

In November 2016, the Board of Trustees appointed a broad cross section of NAIFA leaders, members and executives to serve on the Quality Member Experience Task Force. Creation of the task force served to implement the next phase of NAIFA 20/20. The primary goal of the task force is to examine and recommend how to improve the NAIFA business and financial models to deliver a quality member experience for all NAIFA members across the country.

Led by NAIFA President Paul Dougherty and Trustee Tom Michel, the task force convened via conference calls in 2016 and held a two-day in-person summit at NAIFA headquarters in January 2017.

## Members of the NAIFA 20/20 Task Force

**Tom Michel** (California)  
NAIFA-LOS ANGELES

**Jules Gaudreau** (Massachusetts)  
NAIFA-WESTERN MASSACHUSETTS

**Randy Scritchfield** (Maryland)  
NAIFA-GREATER WASHINGTON (DC)

**Jennifer Alford** (Ohio)  
NAIFA -TOLEDO

**Larry Holzberg** (New York)  
NAIFA GREATER METRO REGION

**Mike Struebing** (Nebraska)  
NAIFA-OMAHA

**Tom Cothron** (Florida)  
NAIFA-OCALA

**Jill Judd** (California)  
NAIFA-MONTEREY BAY

**Jason Talley** (Texas)  
NAIFA-SAN ANTONIO

**Sara Decatoire** (Illinois)  
NAIFA-CENTRAL ILLINOIS

**Dan Reisinger** (Delaware)  
NAIFA-DELAWARE LOCAL

**Greg Toscano** (Minnesota)  
NAIFA-LAKE SUPERIOR

**Paul Dougherty** (Maryland)  
NAIFA-PRINCE GEORGES

**Adam Sachs** (Massachusetts)  
NAIFA-BOSTON

**Mimie Yoon-Lee** (California)  
NAIFA-MT. DIABLO

**Keith Gillies** (Louisiana)  
NAIFA-GREATER NEW ORLEANS

## Challenges and Opportunities

Based on their active involvement and experience with NAIFA, the task force identified challenges and opportunities connected with the current business and financial models. Task force participants' history of engagement with NAIFA members also provided valuable insight into how members might define a "quality member experience."

### Challenges:

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- NAIFA's current business model of one national organization and 600 state and local entities results in an inconsistent delivery of member services from national, states and locals in the form of meetings, events, training programs and conferences.
- The current business model hinders NAIFA's ability to deliver unified and consistent messaging on subjects relating to the association, industry trends, issues, and practices; and legislative and regulatory updates.
- The governance and administration requirements at every state and local level are taxing on dedicated volunteer leaders whose talents should be focused on association programming and political activities rather than on organizational bureaucracy and burdensome state and federal reporting requirements.
- The 600+ dues structures pose a range of administrative challenges.
- There are no established standards for success in the delivery of programming and services.
- There is insufficient accountability for quality programming and services.
- The business model challenges NAIFA's ability to be nimble and adapt and respond to changing business needs.

### Opportunities:

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- An association structure with significantly fewer – and significantly stronger – entities would enhance NAIFA's ability to deliver consistent messaging and quality programming for members.
- Fewer, stronger entities would reduce the number of administrative burdens across NAIFA.
- Fewer, stronger entities would provide greater flexibility to facilitate member participation and improve engagement with NAIFA.
- Governance requirements among a smaller number of associations would provide greater flexibility for volunteer leaders and offer a wider pool of leadership candidates.
- The use of technology could be better leveraged to increase member access to products and services.

# Recommendations from the NAIFA Quality Member Experience Task Force

In developing its recommendations, the task force recognized the need to ask difficult but necessary questions, many of which look beyond the status quo and the traditional way of doing business. Participants' discussions rose above the perceptions of individual associations, leaders and priorities; to the larger policies, practices and procedures that they believe should be put in place to ensure quality member experience and growth from one coordinated, streamlined NAIFA enterprise.

Guided by NAIFA's mission to protect and grow members' businesses and promote ethical business practices, task force members determined how best to move NAIFA forward in accordance with the NAIFA 20/20 Strategic Plan. They present the following three recommendations with the overall theme of creating "one NAIFA" for all members:

**New Structure • Establish Standards for Success • Unified Dues**

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## New Structure

NAIFA is a professional association for insurance and financial advisors, with a national association, state chapters, and local affiliates. Members join and pay dues to the national organization, with a portion of dues shared with the state chapter to which a member belongs.

### Structure Will Strengthen Associations, Maximize Resources, Grow Efficiency

- a. State associations become state chapters of NAIFA, with chapter agreements that provide the roles and responsibilities for national and each state.
- b. Through merger or dissolution, local associations are restructured as "affiliates" of state chapters and are organized as appointed local-area teams, committees, or units of the state chapters. They are not separately incorporated organizations with boards or other governance requirements, and their activity is coordinated by the state (or regional) chapter.
- c. Without a formal structure, local affiliates have flexibility to assemble in-person, virtually or in connection with state events to deliver programming, networking and business needs of members according to the member marketplace in their community.

- d. State chapters will be incorporated and have their own board and operate according to the terms of the chapter agreement as well as state law.
- e. Regional organizations can serve multiple state chapters, if appropriate to make more effective and efficient use of available resources.
- f. States/regionals will strengthen their support for local affiliates to meet member needs.
- g. States/regionals will work with national on grassroots coordination.
- h. States/regionals will be a conduit for member information from national.
- i. National will support state advocacy and programming needs with more structured involvement and resources that ensure delivery of quality services and products.
- j. National will create and administer a consistent brand and unified message across NAIFA.

This new model proposes an enhanced role for national to support states, and for states to support and coordinate activities in local markets. The model will eliminate bureaucracy and redundancy, optimize use of volunteer time, maximize association resources and ensure consistent and high-quality programming and branding across NAIFA.

With this model, there will be an expanded National Council, with all members eligible to vote on matters presented at the NAIFA annual business meeting.

YEAR	NUMBER OF LOCAL ASSOCIATIONS
2010	655
2011	638
2012	594
2013	572
2014	551
2015	540
2016	522
2017	517

“Each month a state is requesting one or more locals be dissolved because they are either underperforming or lacking leadership and volunteer engagement. This is not a morale boost, and it puts us in the position of ‘waiting’ for the inevitable to happen rather than being proactive and being decisive about what we want to have happen.”

– Member, Quality Member Experience Task Force

# Establish Standards for Success

NAIFA ensures a baseline of quality member services through established standards for success at the state and national level

## Standards will Ensure Quality Services, Require Accountability, Deliver Success

- a. Standards for success for quality member services will be clearly defined, transparent, measured and tracked at the national and state level.
- b. Based on member-wide research of training and programming needs, national will develop and provide quality programs for states to administer in their statewide and local markets.
- c. National and states will provide quality member training and engagement in advocacy and political involvement. If appropriate, the work of one or more states may be coordinated through a regional organization.

The new structure will necessitate and require transparency and accountability at national and states for delivery of quality member services throughout the enterprise.

“Instances of infrequent, inconsistent, or low-quality in-person programming may be barriers to members engaging in NAIFA, and this can occur at any level of the enterprise.”

– Member, Quality Member Experience Task Force



## Unified Dues

NAIFA reduces the number of dues structures from 600 to one.

### **One Dues Structure Will Simplify Operations, Reduce Administrative Costs, Promote Cohesion**

- a. There will be one dues amount set for all members regardless of their state.
- b. The Board of Trustees will be empowered to set the unified dues and the revenue share amounts between states and national will be set at 60%-national and 40%-state beginning January 2019.
- c. States will determine how best to allocate their dues portion to support statewide and local-area programs and activities.
- d. The Board may create special dues categories that pay a different rate, such as emeritus, new advisors, etc.

The dues amount will not be stated in the bylaws. The Board will establish a policy to provide states with sufficient notice of the specific dues amount so states may plan and manage budgets accordingly.

“We are one NAIFA  
and you join one  
NAIFA and pay the  
same dues regardless  
of where you live.”

**– Member, Quality Member  
Experience Task Force**

## Conclusion

The NAIFA Board of Trustees and members of the Quality Member Experience Task Force are committed to ensuring that NAIFA thrives as the premiere organization for insurance and financial advisors and the industry. They recognize that NAIFA members are an incomparable community whose dedication to securing the financial futures of their clients is unmatched.

To some in the NAIFA community, the recommendations will be considered drastic, while others will call them long-overdue. In the view of Task Force members, they are essential, and rooted in thoughtful exploration and deliberation from an experienced group of dedicated stakeholders. In forwarding its report, the task force requests that NAIFA leaders support the recommendations and move them from an idea championed by a cadre of members to one that informs all of what NAIFA does and determines how NAIFA will prosper – as one NAIFA – in 2020 and beyond.

The recommendations, if adopted, will modernize the way NAIFA operates by creating an efficient, focused, streamlined member-centric structure that results in a more transparent system of accountability and responsibility to ensure a quality member experience and membership growth. These changes will not solve all obstacles ahead for the association, but, like NAIFA 20/20, the recommendations will position NAIFA for success so it can continue to serve as a strong, indispensable voice and professional association for advisors for many years ahead. They are a blueprint for lasting change. Success will be up to us.

NAIFA will prosper  
– as one NAIFA  
in 2020

## NAIFA Code of Ethics

**PREAMBLE:** Helping my clients protect their assets and establish financial security, independence and economic freedom for themselves and those they care about is a noble endeavor and deserves my promise to support high standards of integrity, trust and professionalism throughout my career as an insurance and financial professional. With these principles as a foundation, I freely accept the following obligations:

- To help maintain my clients' confidences and protect their right to privacy.
- To work diligently to satisfy the needs of my clients.
- To present, accurately and honestly, all facts essential to my clients' financial decisions.
- To render timely and proper service to my clients and ultimately their beneficiaries.
- To continually enhance professionalism by developing my skills and increasing my knowledge through education.
- To obey the letter and spirit of all laws and regulations which govern my profession.
- To conduct all business dealings in a manner which would reflect favorably on NAIFA and my profession.
- To cooperate with others whose services best promote the interests of my clients.
- To protect the financial interests of my clients, their financial products and my profession, through political advocacy.

and beyond.



“People in the industry are scrutinizing us closely. Our reputation is at stake. Our organization is at stake. All we’ve worked for is at stake. More significantly, if we fail in securing our place as the organization of choice for advisors, our clients’ futures are at stake. We have an opportunity to demonstrate the power of NAIFA to our industry partners and to show companies just what NAIFA can do. We need to harness the strengths and commitment of our states and locals and create a format that delivers the highest caliber of benefit in the industry.”

– Member, Quality Member Experience Task Force

