

NAIFA-ND Executive Committee Meeting Minutes
May 1, 2009 – Gladstone Inn, Jamestown

Present: President Ted Haugan called the meeting to order at 10:05 a.m. Members present were Ted Haugan, Jeff Case, Pat Saltsman, Keith Phillips, Pat Hoffman, Harlynn Bjerke, Jaford Burgad and Nancy Buechler.

Discussion: *At-Large Associations:* Discussed if this is something we want to pursue. Discussed requiring a certain distance from a local association as there are concerns that local members who do not attend meetings would join due to the cheaper dues. Discussed requiring 60 miles or more from an existing local. Noted that the purpose is to provide potential members with the option to join. Suggested we look into further and provide information to the board before proceeding. Concerns that it is not a priority right now, discussed the need or lack of need for establishing an at-large noting it would still require local dues and bylaws. Consensus to review over the next year, but table for now.

State Convention Budget: Jeff addressed the previous discussion to have a stand-alone budget for the state convention and a standing committee so that eventually the quality and content could be improved and ultimately share proceeds with local associations. Noting that the local now has total responsibility and not all locals can host. Discussed holding in Bismarck every other year and the need for a state committee to take the pressure off the local. Jeff stated once enough revenue is raised, could share profits with the locals. Removing the budget will allow for growth to be able to spend more on better speakers. Discussed increasing the amount in the state budget or having a separate account. Discussed the appointment of the Convention committee and what powers they would have. Noting that it could be established by the board with representatives from each local and chaired by members of the Executive Committee. Discussed need to increase attendance perhaps by profit sharing with locals. Need a state committee to keep the continuity to work with locals and need people that have the talent and passion to serve on the committee. Discussed if speakers will increase attendance, need to market better and earlier. Need people to know well in advance of the dates. Consensus that we need a convention committee and to have a better convention. Questioned if the bylaws would need to be changed and if members could serve regardless of association affiliation.

The meeting adjourned at 11:00 a.m.
Respectfully Submitted,

Ted Haugan, CFP, LUTCF
NAIFA-ND President

Pat Saltsman, CLTC
NAIFA-ND Secretary/Treasurer

Nancy Buechler, Association Executive

Date

NAIFA-ND Board of Directors Meeting Minutes
May 1, 2009 – Gladstone Inn, Jamestown

- Order:** President Ted Haugan called the meeting to order at 11:05 am , voting proxies were received from Traver Silbernagel for Shawn Gruenberg and from Carroll Holmen for Jonathan Spilde.
- Present:** Ted Haugan, Keith Phillips, Jeff Case, Pat Saltsman, Harlynn Bjerke, Pat Hoffman, Dave Falk, Hank Prien, Todd Ringoen, Norbert Mayer, Frank Greff, Mitch Ostlie, Shawn Gruenberg, Rick Wallace, Jonathan Spilde, Gregg Webster, LeeAnn Galster, Jim Simons, Dave Middaugh, Jay Burgad, Jason Middaugh, Elaine Schilla and Nancy Buechler.
- Absent:** John Halstenson, Kim Zinke, Kevin Vistad and Dave Bjornson.
- President's Comments:** Ted thanked everyone for attending, noting the meeting will address questions from across the state. Asked that brief input be provided and positive suggestions made.
- Consent Agenda:** Jeff moved, seconded by Frank to approve the consent agenda that included the minutes, financials, local association and committee reports. Motion carried.
- Agenda:** Norbert moved, seconded by Hank to approve the agenda as presented. Motion carried.
- Ratification of NCP:** Ted asked the board if there were other nominations for the State National Committee Person. With no other nominations, the board voted unanimously to approve the appointment of Pat Hoffman to complete the term of National Committee Person.
- Legislative Update:** Norbert noted that a report is included in the packet and stated it was a good session and the support from our members was appreciated. Noted that HB1209 which provides the \$250 tax credit for partnership LTC plans was signed and in place, noting that it had received a Do Not Pass recommendation in the House committee but that was turned around on the floor. HB1284 was amended to include provisions of HB 1397 providing the best STOLI legislation possible. SB2276 which mandated that anticipated loss ratios for health insurance plans be disclosed to the consumer was defeated. SB 2306, the Blue Cross bill passed the Senate, but was asked to be defeated in the House by Blue Cross. SB 2330 which would have prohibited the use of credit scores in underwriting was defeated. HB 1192 changes the due date to report CE to birth month, the Insurance Department is working on how to implement. HB 1477 increased pre-need funeral service contract to \$6,000 when being considered for Medicaid eligibility, noting it was at \$7,000 but was amended to \$6,000 and passed. Dave Middaugh addressed HB 1010 which was the Insurance Department budget, noting that it had an ARRA COBRA subsidy tacked on as part of the Federal stimulus package. The employer or the group policyholder must notify terminated employees that they have a second chance for continuation of coverage. Noted this does not apply to Medicare. Discussed publicizing the passage of the LTC tax credit. Harlynn shared a letter he has written to the editor and encouraged others to do so also. Norbert noted that we will be meeting with the Insurance and Human Services Department to communicate this to consumers.
- National Issues:** NAIFA Trustee Juli McNeely called in to address the three issues from the NAIFA board meeting. Delegates for the national convention: noted that now each local and state has 2 delegates and that some states do not dissolve inactive locals in an effort to keep those votes. The board is proposing that no state lose votes, and have the option to choose the higher of the 3 choices: 1) retain the votes that the association had last year; 2) based on a calculation of 20 votes per state plus 1 additional vote for members over 500; 3rd) 40 to 1 ratio of members to delegates. If this is passed, it can increase the number of delegates for each state. The second issue is the AHIA board recommended AHIA be integrated back into NAIFA, currently AHIA members pay an additional \$120 in dues and as all members benefit they would like to make it part of NAIFA. The AHIA delegate Council will have to approve, this would take effect January 1st, noted that the health care reform battle is looming and the need to be able to respond to it. The third issue addressed is a dues increase, by absorbing AHIA, and the legislative battles looming for Regulatory Reform and Taxation issues, NAIFA has hired an outside firm to handle. There have been enhancements to the PIC program and Professional Development programs that add value to NAIFA membership. The building is ½ not rented which equates to a loss of \$700,000 in rental income. The building is on the market now, they are looking at leasing or buying

a smaller building. The board is trying to operate on a 3 year budget and has proposed a dues increase of \$110 the first year with \$20 going to the local association and \$20 going to the state association, a \$15 additional increase in years two and three. Noted they decided to revenue share with the states and locals as legislative battles are happening in the states also and they need to be prepared. Also, states and locals have already concluded their annual meetings prior to the National convention. States and locals have the option of not taking the \$20 which would reduce the dues by that portion. Discussed the need to increase dues to fight the legislative battles, concerns that this increase will create a loss of inactive members. Discussed the telemarketers and pilot program for a recruiter. Discussed the indexed increase that was voted down a couple years ago and the amount of increases since 2000 and declining membership. Questioned what has been done with previous increases, Juli noted that NAIFA 21 has created significant advances and changes though it needs to be marketed better to both members and non-members. Discussed how much other professional dues are. Discussed tax expenditures, noting that 1.7 trillion of annual exemptions are from our industry. Congress has said that 1/3 of those expenditures will have to go away in the next few years. Noted the importance of protecting clients by keeping these exemptions. Questioned if some programs could be cut rather than relying on dues increases solely to fund. Discussed contacting non-members to inform them of the crisis we are facing. Discussed creating a recruiting piece that shows what other professional associations pay for dues.

Break

Legislative: Norbert addressed the letter to the editor that Harlynn wrote, noting that some legislators were concerned that we were pushing for this tax credit in order to increase sales. Noted that the Insurance Department and Human Services Department will be working to put out informational pieces to consumers, the meeting will be at the end of May. Encouraged thanking Senators and Representatives for their support and the Long Term Care association for their work. (Hank Prien left the meeting, giving voting proxy to Dave Middaugh.)

Dues: Ted asked for feedback on the proposed dues increase. Asked if other cuts could be made and questioned the building as a revenue source. Questioned if the State will take the \$20, suggested that it be taken for the FBF which currently gets \$7.50 per member. Reviewed the available funds of the FBF to spend, noting that ½ of the previous two years contributions can be spent along with the interest income. Discussed SD and Montana having paid lobbyists and if members should be paid to lobby or if a lobbyist should be hired. Discussed putting an additional \$6.00 per member towards the FBF and increasing advocacy efforts. Noted that we have about \$13,450 available to spend from the FBF and have spent about \$3500. Pat Saltsman moved to provide \$3,000 to Norbert for the lobbying efforts this year. Jeff seconded. Motion carried. Discussed the need to keep growing the account in order to pay in future years. Discussed having a policy set for future years. Suggested legislation be monitored between sessions to see what legislative council is doing. Suggested we send a strong message to national that they should also bring costs under control rather than always going for a dues increase. Dave Middaugh moved that we get the NAIFA budget and distribute to the board. Jeff seconded. Motion carried.

2009 Convention: Reviewed attendance of 70 members, noting that 53 were NAIFA only, 13 were NAIF/FC members and 4 were FC members only. Overall net profit of about \$9,400.

State Convention Budget: Jeff distributed a document addressing the feasibility of creating a separate NAIFA-ND Convention budget independent of the NAIFA-ND operating budget. Discussed having a state convention committee, noting if it is held in Bismarck every other year, need state rather than local oversight. Discussed having an aggressive marketing campaign to increase attendance and participation. Dave Middaugh moved, seconded by Jeff that a committee be formed to explore the options and report back to the board in the Fall. Motion carried.

2011 Convention: Questioned the number of NAIFA members attending the 2009 convention, noting that it was lower than normal with 66 members attending. Noted that winter weather is a problem and that it was the first time doing this. Discussed member attendance at previous legislative receptions, noting that has been lower. Dave Middaugh moved to hold the convention in Bismarck in February in conjunction with the Legislative Reception. Mitch seconded, motion carried.

2010 Convention: Keith announced the dates of April 26-28th in Fargo.

ALC/LSP: Keith asked what we need to do for locals to participate and reviewed the Minnesota schedule. Discussed adding something fun so that people look forward to coming, and allowing more time to work together as a team and time for camaraderie. Noted the local Presidents and local National Committee Persons need to get local leaders to attend. Discussed inviting local Presidents Elect to the final state board meeting of the year. Discussed including a session on membership growth in the ALC.

LILI: Jeff noted that we do not have a class yet. There are 2 from Bismarck that will attend, 1 from North Valley and 2 from Fargo. If no class is held by July 1st, we have to reimburse national for the training. Discussed having at Jamestown College, noting they charge \$100 for room rental. Suggested checking with the KC club as an alternative. Noted moderator training is not needed every year now.

Break

At Large Associations: Noted the Executive Committee had discussed and decided to defer until a later date. Jason noted his conversations with National which they now say that boundaries can be set for membership. Discussed having lower dues to encourage those not close to a local to join. Dave Middaugh moved to form a committee to bring recommendations to the board, Jeff seconded, motion carried. Keith will appoint a committee, Jason will serve on the committee.

NAIFA Convention: Ted noted that early registration is July 2nd and reminded each local that they have 2 votes at the convention. Attendance was encouraged.

Officer/Committee Chair reports: Noted fillable reports have been sent to the current local president and presidents elect. Need to be completed and returned by June 19th.

Technology Committee: Ted questioned who owns the NAIFA-ND website, noting it is the associations. Discussed ideas to improve the legislative center and that there were some disagreements. Rick moved to appoint an oversight committee for the overall procedures at the state office to encompass some of the following but not limited to the following listed below in addition to have an eye to reduce costs where possible: A) Website content for Legislative Contact Center, B) Email formats for legislative alerts, C) Enhance efficiency of website to include some of the following: a) all board minutes plus several years of archives, b) current and past financials, c) duties of all officers and committee persons, d) blogs/forums. Rick stated that a standing committee is needed as there are undefined procedures and policies and the oversight committee could review web design and content to recommend enhancements. Todd seconded the motion. Discussed if the committee will bring recommendations to the board or if they have authority to make changes. Noted the committee would study and bring recommendations to the state board to be implemented. Discussed need to have it maintainable in the future. Discussed what would need security clearance, noting that it is an option that is available if needed. Norbert discussed legislative emails and encouraged individualized contacts, noting that State legislators are different from contacting Federal. Questioned the cost effectiveness, Rick noted if volunteers donated the time it could save money, noting that Minot has minutes and agendas posted on their website. Discussed using Capwiz and the fact that some find it easier to use and some don't. Suggested providing training to educate how to use and why, noting this board needs to make that decision. Noted the board did not decide to change this at the meeting, but that it was done in an email vote later. Asked for the results of that vote. Rick stated he felt he met with resistance in trying to implement changes. Dave reviewed the board minutes, Jay noted that he thought the board discussed not proceeding until after the session was over, noting that we need to advance technology but the board need to make the final decision. Discussed having non-technical people on the committee also. Keith thanked Rick for his efforts and noted the need to have policies set. Dave Middaugh moved to amend the motion to make Rick the chair of the technology committee, Frank seconded. Jason asked that the committee make recommendations to the board. Rick withdrew the original motion, Dave withdrew motion. Rick moved to appoint a technology committee to come to the board with recommendations to improve the state website. Dave Middaugh seconded, motion carried with one opposed.

Legislative Reception Contributions: Dave noted that he was asked why the legislative reception contributions did not count as Freedom Builder Fund contributions, noting that FBF contributions are not deductible, but the advertising is deductible. Pat Hoffman questioned why we are obtaining sponsors for the reception since it is a line item in the budget. Dave noted that it gives some the opportunity to give back a little. Noted that we had more members attending by having in conjunction with the convention and were concerned that it would cost more.

State Office Performance Appraisal: Harlynn asked all board members to complete the performance appraisals and return to him before leaving.

Ratification of Email Vote: Ted reviewed the votes received by email to allow changes to the Legislative portion of the website. After listing the votes, Pat noted that the bylaws require 20 days to vote by email and concerns with votes being disqualified for replying after the imposed cut off. Pat moved, seconded by Dave to disqualify the votes. Motion Carried.

Bylaws/Policy manual review: Keith noted that there are some discrepancies in the bylaws and policy manual and that a committee will be formed to address and bring to the board for ratification. Keith asked if anyone is interested in serving on this committee to contact him.

Association Executive Concerns: Ted asked for a review of duties performed and time allocated. Dave questioned who has concerns and what they are, noting that it should be discussed openly. Rick stated the board has the right to know what is being done at the state office. Discussed this being a contracted position and that the association puts the contract out. Ted asked how the board can know if the pay is adequate if they don't know the duties. Dave Middaugh moved to appoint a committee to study the situation to verify pay and duties. Rick seconded. Nancy read the contract that was written in 2001 and renewed in 2006. Noted the contract ends in 2009 and should be reviewed prior. Dave withdrew the motion stating the Executive Committee should be responsible for the review. Ted noted that having more things online would alleviate the burden on the state.

With no further business, the meeting adjourned at 3:50 p.m.

Respectfully submitted,

Ted Haugan, CFP, LUTCF
NAIFA-ND President

Pat Saltsman, CLTC
NAIFA-ND Secretary

Nancy L. Buechler
Association Executive

Date