

DAKOTA ADVISOR

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Al Fabricius, LUTCF
NDAIFA President

President's Message **By Al Fabricius, LUTCF**

Congrats to our Local Associations!!

The year of my presidency is well under way and I need to say "Thank You" to each of the Local Association's Leadership. We held the ALC's at each Local and what a response we had. It was a great way to gather momentum going into the Fall season. We were able to share ideas that pertained to each situation. It was great and I say thank you for the opportunity to meet with each of you.

Now what we have to do is continue to build on this momentum these next few months and focus on membership. We really need growth in virtually every Local and I am counting on you to keep up the good work. Our state membership chairperson Keith Phillips is doing a terrific job BUT he cannot do it alone. He needs all of us who are in leadership positions as well as the general membership. I have said all along that those of us in Leadership roles need to "walk the walk and not "talk the talk" Having the privilege to be our states leader this year, I want to help you with your goals in any way possible. Let's get ready for a terrific state convention in May in Bismarck!!

As each Local meets through out the year, I ask that all of take time to attend these meetings and support your Local Association. Have a super Thanksgiving and make it a good finish for 2006!

Don't forget to mark your calendars for the
NDAIFA Legislative Day & Reception
Kelly Inn, Bismarck
February 5, 2007
and the
NDAIFA State Convention
To be held in Bismarck - Kelly Inn
May 9th - 11th, 2007

Central NDAIFA Holds Membership Blitz Event

"It's Scary Not To Belong" - October 26, 2006



Membership Blitz Committee left to right:

Mike Bergquist, Janet Thomas, Sandra Ellingsen, Dave Falk



Membership Blitz Committee with NEW MEMBER Jodi Goehner

This scary group visited licensed agents in Jamestown spreading the word that "It's Scary Not To Belong" to NAIFA. Central was able to meet its membership goal during this fun, 2-1/2 hour outing. Thank you to R.M. Stoudt of Jamestown who sponsored the use of a 2006 Ford Freestar minivan for the event!

NDAIFA Membership

By Keith Phillips, Membership Chair

As they say, "Time flies!" The NAIFA year is a little more than one third complete. As the state chair of membership, I try to get a picture of what membership activities are working and then encourage others to use them. I don't think there is any magic system to membership. It all boils down to "do something." If we all wait for individuals to approach us to join, we are in big trouble. I often hear of a member's frustration when he or she says, "I am tired of carrying the non-member." Let me ask you this....is the membership chair, or the membership committee, or some other small group in your Association carrying the entire load of working membership? Each year a very small percentage of our members actually sign up a new member. When was the last time you turned in a new application?

No one is asking you to make a major commitment to membership. If just a handful of members would just contribute a little, we would all see success. Here are just a couple of ideas and tips that would be so appreciated by your local membership chair:

- Give your chair two names of non-member agents that can be visited using you as a referral.
- Offer to visit a new member right after they get their first renewal notice. Thank them for being a member and encourage them to renew. Your membership chair can give you a list of renewing members.
- Just offer a helping hand to your membership chair. Any effort will be greatly appreciated.

Remember, increasing your membership is vital to NAIFA. Your Association is counting on YOU!



2007 ND Insurance Legislative Issues by Norbert Mayer, Government Relations Chair

Election day, November 7th, finally over, we want to share some of the issues that we will be monitoring. Please keep in mind this is only the beginning and more issues will surface, but this should give you some areas of interest to meet and discuss with your Senator and Representatives to the ND Legislature.

Rule of 85 This rule states that insurance agents, age 62 and older with combined continuous years of licensure and age are equal to or greater than 85, do not have to report continuing education hours. In order for ND to be compliant with the national uniform licensing standards legislation will be introduced to repeal this provision. However, the proposed legislation will include language that would allow agents who currently satisfy this rule to be grandfathered in.

Pre-licensing Classroom Instruction Currently, ND law requires pre-licensing education and the rules prescribe for 8 hrs of pre-licensing classroom instruction in each line of insurance for which a license is sought. Again, the national uniform licensing standards support elimination of this mandatory requirement and allow candidates seeking to obtain a license to prepare for the exam using any type of classroom, self-study or other study methods as deemed necessary to prepare for the taking of the insurance exam (s). Candidates will still be required to pass an examination for licensure and providers may continue to offer classroom instruction, but it would open other avenues for candidates to prepare for that exam.

Long Term Care Insurance The ND Department of Human Services is developing the Medicaid Plan Amendment to submit to the Fed's which will allow Long Term Care Partnership products to be sold in ND. If approved it would mean that for those who purchase long term care insurance and exhaust those benefits due to an extended stay, they could protect personal assets equal to dollar for dollar to the benefits provided by their long term care insurance.

Annuities and Medicaid Passage of the deficit reduction act has modified requirements for annuities which can be purchased and still permit assistance from Medicaid. These requirements are currently being reviewed by the ND Dept. of Human Services and no doubt will result in some new or revised legislation.

Property and Casualty Rates Currently, all rates are filed and cannot be used until approved by the ND Insurance Department. Commissioner Poolman is proposing a use and file approach for competitive commercial lines, and a flex rating (use and file) for changes of 5% or less for private passenger auto.

Interstate Insurance Product Regulation Compact (Interstate Compact) This is an initiative of the NAIC to improve the speed-to-market conditions for life insurance, annuity, disability income and long-term products. The goal is get insurance products to market faster by allowing companies to file new products in one place for approval in every state that enacts the compact law. It enables insurers who offer products in more than one state a more efficient product approval process. The Commissioner is proposing legislation that would allow ND to join the compact.

**2007 NDAIFA/FIC/FRATERNAL CONGRESS CONVENTION
May 9th - 11th, 2007**

Please print name exactly as you would like it to appear on your name badge

Name _____

Designation(s) _____

Phone _____

I am a member of (Please check all that apply)

- FIC Fraternal Congress
 NDAIFA Non Member

2007 State Convention
REGISTRATION

	Early Registration	Late Registration
<input type="checkbox"/> Member	\$125.00	\$150.00
<input type="checkbox"/> Non-Member	\$325.00	\$350.00

Total: _____

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May 2007

Sun	Mon	Tue	Wed	Thu	Fri	Sat
		1	2	3	4	5
6	7	8	9	10	11	12
13	14	15	16	17	18	19
20	21	22	23	24	25	26
27	28	29	31	31		

**Mark your calendars now
and plan to attend the**

**2007
NDAIFA/FIC/FRATERNAL
CONGRESS CONVENTION**

May 9th - 11th, 2007

In Bismarck

**More information will be
coming in future newsletters
and on the State website**

Www.ndaifa.org



State Convention Tentative Schedule

Wednesday, May 9, 2007

10:30 a.m.	Freedom Builder Fund Golf Tournament at Hawk Tree
4:30 p.m. – 8:00 p.m.	Registration Open
5:00 p.m. – 6:30 p.m.	NDAIFA Executive Board Meeting
6:30 p.m. – 8:00 p.m.	NDAIFA State Board Meeting
8:00 p.m. – 11:00 p.m.	Welcome Reception (50's Party)

Thursday

8:00 a.m. – 10:00 a.m.	Registration Open/Exhibits
8:00 a.m. – 9:00 a.m.	IFAPAC Board Meeting
9:00 - 10:00	FIC Meeting
10:00 - 11:30	Opening Ceremonies & CE (Honor Guard/Poolman)
11:30 a.m.	Lunch - Speaker
12:30 - 1:00	Exhibitor Break
1:00 p.m. – 2:30 p.m.	Speaker: Les Lee (CE)
2:30 p.m. – 3:00 p.m.	Exhibitor Break
3:00 p.m. – 4:30 p.m.	Speaker: Les Lee (CE)
4:30 p.m. – 6:30 p.m.	Exhibitor's Fair (with cash bar)
6:45 p.m.	Dinner/Awards Banquet - President's Reception

Friday

7:00 a.m. – 8:00 a.m.	Breakfast Buffet
8:00 a.m. – 9:30 a.m.	Les Lee - Ethics
9:30 a.m. – 11:00 a.m.	NDAIFA Annual Meeting/FC meeting

Leslie W. Lee, CLU

Les Lee combines thirty years of sales, marketing and financial services experience into presentations designed to motivate and encourage individuals to excel personally and professionally. He has addressed audiences throughout the US and Canada and taught insurance and related subjects at the University of Wisconsin and in the UW System in addition to presentations for continuing education in the insurance and accounting professions. He has also served as a consultant in litigation involving insurance issues. A popular industry speaker, Les was a speaker at the 2002 NAIFA Convention in Charlotte, NC and has addressed the NDAIFA in the past.

Les is currently the national trainer for Farmers Financial Solutions, the broker dealer affiliate of Farmers Insurance Group.

In addition to NAIFA and SFSP memberships, Les is listed in *Who's Who in Finance and Industry*, *Who's Who in America*, *Who's Who in the World* and is a Professional Member of the National Speakers Association and the Wisconsin Professional Speakers Association.

IFAPAC

"We are coming up to the end of the year, which means it is crunch time!! All monies were distributed to candidates prior to the election. This process magnifies the importance of soliciting IFAPAC contributions and what they do for us. If you have not yet made your contribution to IFAPAC, please do so today! Contributions can be made online (www.naifa.org) or sent directly to our office at PO Box 5010, Bismarck, ND 58502.

The IFAPAC Annual Meeting will be held December 1st, we will review the contributions that were made to candidates and election results.



10 Reasons *Not* to Give to IFAPAC

10. I'm really shy around sales people.
9. I'd rather spend my money on things I throw in the grocery cart at the last minute instead of my professional organization.
8. Tax the inside build-up on annuities and life insurance?!?! Why, Congress would never dream of such a thing!
7. I think the federal government would do a better job regulating the insurance business. Just look at what they've done with Social Security!
6. I think \$100 a year is far too big a commitment to protect my career.
5. I feel we need more adverse insurance legislation. The current work environment is not challenging enough.
4. National Health Care Insurance is inevitable. Why bother trying to defeat it.
3. I'm retiring soon. Let the newer agents take care of themselves.
2. The people currently giving now already contribute enough for all of us.
1. I want the U.S. Congress to run my business. I trust them to understand intuitively what I want without my input.

If you say you've never contributed to IFAPAC because no one ever asked you, make no mistake about it. You're being asked right *now*.

It's time to do your part.

Write a check to IFAPAC *today*.

IFAPAC contributions are voluntary and are not deductible as charitable contributions for federal income tax purposes. Corporate contributions to the political fund are prohibited.

With the election over and several new Senators and Representatives elected, we need to update our APIC contacts. If you have a relationship with a ND Legislators and would be willing to contact them if needed during the session, PLEASE let us know.

Please complete the APIC Legislative Contact Form and return to our office (the form can be found on our website - "Legislative Contact Form" <http://www.ndaifa.org/ND%20Legislative%20Contact%20Form.pdf>)



LUTC...What Works!

If you want the inside track to success, there's no substitute for the LUTC Program's proven combination of product-focused education and hands-on sales training. LUTC courses provide a solid foundation of product knowledge, while teaching agents the 'what to say, how to say it and when to say it' of insurance sales. Don't follow the leaders, set the pace with The American College's LUTC Program!

- **LUTC-201: *Exploring Personal Markets*** focuses on marketing that supports an overall client-focused selling strategy of building long-term, mutually beneficial relationships. It teaches newer advisors how to define target marketing, approach prospects, and provide service in the personal insurance market.
- **LUTC-202: *Meeting Client Needs*** offers an introduction to the life insurance sales career and the sales/planning process in the personal market. Topics include total-needs selling, the consultative selling process, and the need for personal life insurance. The course also reviews insurance products, policy provisions, underwriting, the taxation of life insurance and effective communication skills that will enhance an advisor's business.
- **LUTC-211: *Disability Income*** is a perfect complement to life insurance, offering cross-selling opportunities that can increase agent productivity. This course examines disability income insurance and the related products of business buyout coverage, business overhead expense insurance, and long-term care insurance.
- **LUTC-251: *Essentials of Business Insurance*** examines how business owners can use life insurance to continue a business beyond their death or the death of another key person. Students learn how to use sample letters and fact-finding forms, as well as presenting and closing techniques. We'll teach you effective words to use and 'what to say, how to say it, and when to say it' to capture the attention of the business owner.
- **LUTC-252: *Employee Benefits*** is designed to help advisors succeed in the employee benefits market. This course provides an overview of employee benefits related to life, disability, and group insurance; tax-advantaged retirement plans; and nonqualified deferred-compensation plans. In addition, the course presents ideas for identifying markets and prospects, working with prospects, and explaining product-related concepts.
- **LUTC-255: *Essentials of Long-Term Care Insurance*** provides an overview of long-term care insurance (LTC); the need and the market. The course discusses the sales skills needed to be successful selling LTC insurance. Structured around the 10-step selling process (introduced in other LUTC courses), the course describes how to select, approach and meet the prospect.
- **LUTC-256: *Essentials of Annuities*** provides a comprehensive overview of the uses of various annuity products both prior to and following an individual's retirement. The course also discusses the key sales skills needed for annuities; structured around the 8-step selling/planning process (introduced in other LUTC courses), including how to select, approach and meet prospects.
- **LUTC-261: *Retirement Planning*** provides an overview of the changing demographics that are creating increased numbers of prospects for retirement planning. The course addresses long-term retirement planning goals and explains how the responsibility for planning continues to shift to the individual.
- **LUTC-271: *Foundations of Estate Planning*** offers agents an introduction to estate planning and the role life insurance plays in the planning process. The course provides practical information for entering this market, including how property is transferred when a person dies and the tax implications of not planning.
- **LUTC-281: *Foundations of Senior Planning*** focuses on the primary concerns of this growing marketplace: financing long-term and health care, maximizing retirement income, tax planning, and facilitating seniors' estate and lifetime planning objectives. Ideal for both generalists and specialists, this course enables students to identify and pursue sales opportunities in the areas of medigap insurance, long-term care (LTC) insurance, life insurance, annuities, and more.

Contact your local association President or LUTC Chairperson today to find out more about classes that can be offered in your association! For further information on the LUTC Designation, courses and tuition or for general assistance, visit our website at www.amercoll.edu, and click on [Sales Training: LUTC](#) or call our Customer Service staff toll-free at 1-877-655-LUTC (5882).

Sales Ideas for the 21st Century

Insurance and financial advisors are uniquely positioned to provide clients and prospects with information about real financial crises looming in the coming decades. This sets you apart from accountants, lawyers, bankers, trust officers and others who are vying for your clients' business. Talking about real issues that affect people's lives is one of the most important services you can provide. It will also help you overcome clients' and prospects' fears that you are simply "trying to sell them something." Van Mueller, LUTCF, identifies the eventualities that insurance and financial advisors need to talk about, so that they can help their clients prepare for the future.

Give Your Clients the Bad News

Many agents shy away from discussing "gloom and doom" scenarios with clients and prospects. They don't talk about the coming insolvency of Social Security, increasing healthcare costs or the potential collapse of the real estate market because these topics seem too depressing. This is a mistake. These are just the sorts of things your clients want to learn about. In the long run, addressing your clients' real needs will lead to more sales and referrals.

The Three Paradigm Shifts

There are three key issues certain to affect everyone in the coming decades. These are things other advisors are not telling their clients, yet they are very powerful subjects that people care about. They also offer natural tie-ins to products sold by insurance and financial advisors.

Social Security and Medicare Funding

The federal government's unfunded Social Security and Medicare liability is \$74 trillion. Within decades the government will not be able to afford to care for the elderly. Inevitably, taxes will go up and benefits will go down. With such products as annuities, LTC coverage and flexible life insurance policies, insurance and financial advisors are uniquely positioned to help clients prepare for Social Security and Medicare shortfalls—if your clients are aware of the problem.

Increasing Life Spans

People are living longer and could easily survive 30 or 40 years after they retire. Many won't have money to live on. It is important for insurance and financial advisors to explain "the miracle" of compound interest, tax-deferred invest-

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ments and the leveraging power associated with life insurance products.

The Changing Economy

We are now in transition from an industrial age that required large amounts of labor to an information age that requires much less labor. It is crucial for advisors to help clients prepare for a future with diminished employment prospects.

Perils and Opportunities

These coming paradigm shifts are negative only if we don't do anything about them. They are not negative if we are aware and position ourselves and our clients to take advantage of them. For every problem you present to a client or prospect, you will have a solution to offer.

Information about an industry or service is more valuable to clients than the product or service itself. Agents who know about 21st century issues facing their clients and are willing to share this information offer a tremendously valuable service and will inevitably have greater sales success.

Van Mueller, LUTCF, is an active member and past president of the Milwaukee AIFA. A registered representative with the Wisconsin Agency of New England Financial Services, Mueller is also a member of MDRT; he qualified for Court of the Table in 1990 and Top of the Table for the last 14 years.

This article is based on the NAIFA EduCall, "Sales Ideas for the 21st Century," which took place April 19, 2006.

Calendar of Events

January 3, 2007	60th Legislative Session begins
February 5	Executive Committee Meeting IFAPAC Meeting Board Meeting Legislative Reception
March 1st	Deadline for Dakota Advisor articles Quarterly Reports due
May 9 - 11th	NDAIFA State Convention Bismarck
Sept. 8-12	NAIFA Convention Washington, DC

Legislative Reception February 5th, 2007

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