



Pat Hoffman, CLU, ChFC, LUTCF
NDAIFA President

President's Message By Pat Hoffman, CLU, ChFC, LUTCF

Hello all,

As I reflect over the past few months, I feel a need to express my appreciation to all those who have been busy helping make NDAIFA such a success.

As we approach the end of the legislative session, a sincere thank you to Norbert Mayer, Karl Rakow and Terry Weis for their devotion and accomplishments working with the session. I also want to thank the Legislative Reception sponsors with a special thank you to Dave Middaugh for his time and effort in arranging the sponsors, Bob Mason for providing the musical entertainment, and our members who understand the value of this reception and were able to attend.

I want to express my appreciation to the locals for participating in the National Membership Day. Special congratulations to Fargo, 13 new members, in one day, WOW!

I am also thankful to Todd Otto for all his efforts in planning what will be a great state convention and ALC held in Dickinson on May 5th and 6th. Please make your reservations and send in your registrations to Nancy. This will be a fun event you won't want to miss!

I encourage you to come out and experience the beauty of the North Dakota Badlands at the ND Freedom Fund golf tournament on Wednesday, May 4th. In addition to raising funds for a great cause, the amazing Bully Pulpit golf course in Medora promises an experience you will remember, even if your golf score is one you would rather forget.

I am looking forward to seeing you in Dickinson!

**Don't miss the
2005 NDAIFA Convention - May 5 & 6
Dickinson, ND**

**Federal Issues Update - Recent Developments
By Terry Headley, NAIFA Trustee**

Greetings NDAIFA Members:

I just wanted to take this opportunity to update you on several critical issues of importance to NAIFA Members. These two (2) issues are on the front burner and are currently demanding our time, focus, and resources.

1. A Resolution has been adopted by the NAIC Producer Licensing Task Force opposing any and all legislation in the various states that would establish a Term Life Insurance License only. This proposal to authorize legislation is being driven by Primerica and has been introduced in a handful of states (Illinois, Alabama, and Mississippi) with other states, including Missouri, giving consideration to such legislation. NAIFA is resolutely objecting to a Term Life Insurance License only on the basis that this type of license would adversely impact the NAIC's effort to achieve uniformity and reciprocity for Producer Licensing and would counter their efforts to avoid the addition of limited lines licenses, which the NAIC has worked diligently to streamline the number of licensing lines. Furthermore, NARAB (National Registry of Agents and Brokers) would mandate that any state would have to grant a non-resident license to anyone who qualified for a Limited-Life Insurance License. Our position has been and remains that consumers should be entitled to a full-range of insurance solutions, and not be restricted to a "one size fits all" needs and circumstances product. Our NAIFA Law and Government Relations Lobbyists have articulated our position to the NAIC Producer Licensing Task Force and their testimony appears to have carried the day -- now, it will be up to the full NAIC to adopt the resolution opposing any such legislation that would authorize a Term Life Insurance License only.
2. The "Three (3) Twisted Sisters" now have been resurrected once again and actually have Senate Bills that have been introduced, including S-545 (LSAs), S-546 (RSAs), and S-547 (ERSAs). Please keep in mind that LSAs are nothing more than a prescription for lifetime spending instead of lifetime savings and would severely undermine the viability and justification for permanent cash value life insurance and annuity accumulation vehicles. The RSAs (Retirement Savings Accounts) when used in tandem with the LSAs would totally disrupt the Employer-Sponsored Qualified Retirement Plan Marketplace and would place the entire Retirement System at great risk due to providing a disincentive for Employers to establish Qualified Retirement Plans. Please recall that the LSAs would have severe long-term consequences for our capital markets, since the providers of long-term investment capital in this country originates from the life insurance industry. The collective name of the three (3) Senate Bills are being called the SAVE Initiative which is the acronym for Savings Account Vehicle Enhancement Initiative (SAVE).

I will keep you apprised on any further developments on these two key issues -- I know the National Underwriter Publication has picked up our position statement through its on-line news service.

Best regards,

Terry

P.S. Your Insurance Commissioner, Jim Poolman, has been extremely instrumental in adopting the Resolution opposing the establishment of a Term Life Insurance License only, in his position as the Chair of the Life Insurance and Annuities A Committee -- he deserves our thanks and appreciation for his insight and leadership.

State Legislative Update By Norbert Mayer

The session is coming to an end soon and I would like to thank Pat, Rocky, Terry, Todd, Jonathan and our local associations for their time and assistance in protecting our industry. Below are some of the bills we have been monitoring - (a complete list can found on our website www.ndaifa.org).

SB 2396 - Would have allowed a person engaged in automobile repair or replacement of automobile glass to advertise, promise to provide, or offer any coupon, credit, or rebate any part of an insurance deductible. This failed in the Senate 6-39.

HB 1215 - Would transfer the existing \$100 LTCI longform tax credit to our short-form, encouraging more and younger North Dakotans to purchase LTCi when it is most affordable. Although this failed by a vote of 25-65, HB 1155 which would eliminate the longform tax return failed in the Senate by a vote of 11-35 after passing in the House 69-19.

HB 1208 – This would exclude high deductible health plans from mental health and substance abuse mandates in order to meet federal requirements for tax qualifications of health savings accounts. This passed both the House and Senate and was signed by the Governor on March 15.

HB 1181 - Increases the amount that can be deposited into a pre-need funeral account or pre-need funeral service contract from \$3,000.00 to \$5,500.00. This allows our ND citizens, who need to apply for Medicaid, to deposit a more reasonable amount of money into an account or pre-need funeral plan which can be combined with their \$3,000 asset limit to cover the costs of a modest burial. This has been amended by both sides and is currently in Conference Committee.

HB 1217 – Relates to protecting assets of an individual who has exhausted the benefits of a Long Term Care Insurance plan and then applies for Medicaid assistance. For a LTCI plan purchased in 2005 providing maximum benefits of \$164,250 with a 5% compound inflation rider, all assets would be protected. Another provision provides a one dollar increase in the protected asset limit for each dollar paid out under the individual's LTCI plan. Long term care plans are defined in section 26.1-45-01 of the ND Century Code and implementation of this legislation is dependant upon a federal government waiver. This was signed by the Governor on March 14th.

HB 1113 – Requires 3 hours of Ethics, reduces the number of continuing education credits for insurance producers to 24 per reporting period. This legislation is based upon model legislation from the NAIC in an effort to standardize educational requirements (average is 12 hours per year) and after passing both the House and Senate, was signed by the Governor March 15.

HB 1401 – Would prohibit the use of social security number in purchasing property & casualty or automobile insurance coverage. Failed in the House 30-63.

HB 1248 – Legislation passed by The Fifty-eight Legislative Assembly made it permissible to annuitize a sum of money to provide additional income for a non-institutionalized spouse. This bill further clarifies that; a) the annuity is irrevocable and not assignable to another person b) the annuity is purchased from an insurance company or other commercial company that sells annuities as part of the normal course of business c) it provides substantially equal monthly payments of principal and interest (5% or less variance) and does not have a balloon or deferred payment d) it will return the full principal and interest within the purchaser's life expectancy e) the monthly payments do not exceed the monthly income amount allowed the community spouse f) when combined with other income, the payments do not exceed 150% of

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the monthly income allowed the community spouse g) payments may be assignable to a minor or handi-capped child. This was sent to Conference Committee, the Conference Committee Report was adopted and has passed both the House and Senate.

HB 1249 - Would have increased the look back period to 60 months on all transfer of assets. This is currently five years for transfers into trusts and three years for other transfers. Failed in the House 1-90.

SB 2047 - Relating to medical records and no-fault motor vehicle insurance; excludes injury as the result of an individual entering or alighting from a stopped motor vehicle if the injury is not caused by another motor vehicle. Expenses for diagnostic testing are not included when determining whether the amount of medical expenses exceeds the two thousand five hundred dollar threshold. Services must be billed within one hundred eighty days after the date of treatment. Changes the time to commence action for loss from 2 years to 1 year after the injury suffered if no-fault benefits have been paid or not later than 2 years from the date of the accident (changed from 4 years) whichever is earlier. Reduces time from 4 years to 2 years for an action for recovery of further benefits for the loss by either the same or another claimant after the last payment of benefits. Repeals Section 26.1-41-17. Equitable allocation of losses among insurers. A basic no-fault insurer may recover no-fault benefits paid to or for the benefit of an injured person from the motor vehicle liability insurer of a secured person if:

1. The injured person has sustained a serious injury; or
2. The injury results from an accident involving two or more motor vehicles, at least one of which is a motor vehicle weighing more than six thousand five hundred pounds [2948.35 kilograms] unloaded. The right of recovery and the amount thereof must be determined on the basis of tort law without regard to section 26.1-41-08 by agreement between the insurers involved, or, if they fail to agree, by binding intercompany arbitration under procedures approved by the commissioner. The amount of recovery under this section may not exceed the limits of liability of the secured person's motor vehicle liability insurance policy or other security, reduced by the amount of the liability for tort claims against the secured person covered by the policy or other security.

This is currently in conference committee.

National Committeeperson Report By Terry Weis

The year is going along very fast again and before we know it we will be celebrating Labor Day. The new association year will be well under way and the new committee chairs will soon be on the job.

As this Legislative Session draws to a close, it is time to reflect on the effects and efforts of the session. We were able to effectively track and testify on the bills that had an impact on our members. As a volunteer organization goes, we have become the place that the legislators and the agencies go to for information and help on issues that pertain to our business. This is a very good indication of the professionalism that Norbert and Rocky bring to the Capitol for us.

I also would like to acknowledge Rep. Jim Kasper (a NDAIFA member) for the outstanding job he has done on the issues that affect our business. On SB2190 Jim was able to put an amendment on that allowed all annuities to be accepted by Human Services, not just SPIA's. This was a very big bone of contention in the Senate and I was called to the Capitol to help the Senate understand the issue, but Rep. Kasper did all the work. He has been the "go to guy" for our association this session - including getting the invitations out for our Legislative Reception and all the other things that came along, Jim was there for us. THANK YOU REP. JIM KASPER.



Missouri Slope Association Report By Beverly Feist, President

Our association is continuing our push for membership on an ongoing basis. We will also use our summer picnic in our membership recruitment efforts.

We are finishing the year with excellent speakers at our monthly meeting for CE credit. Our Program Chair has already set up several programs for next year—thank you Pat Saltzman for all your work.

We are recruiting members to serve on our board and also committee chairs for the upcoming year. We are planning on a strong delegation to the State Convention this year in Dickinson.

As I look back this past year at some of the new programs we implemented as a board: Mentoring, Table moderators and monthly sales tips along with great speakers and recruiting new members, also updating our Strategic plan for the Association. It has been a successful year for our Association.

As President it has been a very rewarding experience for me. I thank you for the opportunity to be President of this great Association of Insurance and Financial Advisors.

NAIFA Fargo-Moorhead Association Report By Julie Wilson, President

Fargo-Moorhead had a great March! March Madness rubbed off on us as our National Membership Blitz Day numbers were fabulous! Major high fives to all the participants! While the walls of my home bound medical leave have drove me to madness...the following wonderful players scored major points for our association: Cal Braun (6) ; David Klemisch (4); Traver Silbernagel (3); Julie Phillips (2); Al Rudel (1); Mike Eisert (1); John West (1); Keith Phillips (1); We had approximately 10 people helping recruit members throughout the day. The day started out with coffee and rolls and concluded with fine beverages and cheese, and 13 new members and 2 renewals.

LUTC Report By Keith Phillips

The current year will soon be coming to an end and your Association will be electing new officers and appointing new committee chairs. It is easy to fall into the old trap of feeling that this year is over and we know we could have done better, but next year we will really get things going.

Program Chairs, I encourage you to end your year on a high note. By offering an excellent and upbeat presenter at your last meeting of the year, you will help carry momentum through to our next Association year. But more important than that, is we owe it to our members to bring them quality meetings. We want our members to feel that they are getting their monies worth and we want them to feel proud they are a member of NAIFA.

Although it may be too late to start an LUTC class right now, it is not too late to find a moderator and classroom and start promoting a class to begin early in the fall. Once you get your moderator in place set a date and promote. As the saying goes, "They will come."

Finally, I would like to make another push for the Leadership in Life Institute or L.I.L.I. I ask that as Program Chairs you encourage and recruit at least two members from your Association as L.I.L.I. candidates. I promise that you will not find a more rewarding way to improve yourself and your life both personally and professionally. L.I.L.I. is truly a life transforming opportunity.

Whatever avenue you choose to take, do something for your Association. They will benefit by it and you will too.



2005 State Convention & ALC

SPEAKER BIO'S....

Wednesday, May 4th

- 11:30 -1:00 Tee Time—FBF Golf Tournament at Bully Pulpit—Medora
- 6:00 pm Executive Committee Meeting
- 7:30 NDAIFA State Board Meeting

Thursday, May 5th

- 7:30 - 10:00 Registration/Exhibits
- 8:00 IFAPAC Board Meeting
- 9:00 FIC Membership Meeting
- 10:00 Welcome/Opening Ceremony
Mayor Dennis Johnson
 4th Degree Color Guard
 Silver Sage
Speaker: Commissioner Jim Poolman
- 11:20 Lunch
- 11:30 **Speaker: Rich Keilman**
 Flex Plans
- 12:30 pm Exhibitor Break
- 1:00 **Speaker: Bobby Schneider**
- 2:00 Exhibitor Break
- 2:30 **Speaker: Bobby Schneider**
- 3:30 Exhibitor Break
- 4:00 **Speaker: Terry Headley**
 Managing Client Investment
 Behaviors and expectations in the
 21st Century
- 5:00 Exhibitor Breakdown/Cash Bar
- 6:00 - 8:00 Awards Banquet
- 8:00 - 11:00 Presidents' Reception
 Hosted by Fraternal's

Friday, May 6th

- 7:00 - 8:00 am Breakfast Buffet
- 8:00 **Speaker: Ben Nordman**
 Disability Income
- 9:00 **Speaker: Jeana Peinovich**
 Kids Now
- 9:00 NDAIFA Annual Meeting
- 10:00-Noon Fraternal Congress Annual Meeting
- 10:30 **Speaker: Jeana Peinovich**
 Kids Now
- 12:00 - 3:00 NDAIFA—Association Leadership
 Conference

Register now...

**2005 NDAIFA/FIC/FRATERNAL
 CONGRESS CONVENTION
 May 5th - 6th, 2005 in Dickinson**

Bobby Schneider, CLU, ChFC, MBA, PhD

Bobby D. Schneider began his career in the Financial Services Industry as an agent for Cal-Western Life on June 1, 1967 in the San Antonio, Texas agency and is licensed in both the Life Insurance and Investment fields. In 1972 he was elected to a four year term on the Board of Education in the San Antonio Independent School District. He attained his Chartered Life Underwriter (CLU) professional designation in 1975. During the early part of his career he became enamored with the Professional and Business Insurance market and began his specialization in these areas.

Having achieved success as an agent, Bobby expanded his experience by taking a position in the Home Office of USAA Life in San Antonio, Texas. He served in three different positions while there: first as a Sales Manager, then as Manager of the Estate Planning Department, and finally as Director of Outside Marketing. Bobby completed his MBA in Marketing in 1985 and his Chartered Financial Consultant (ChFC) designation in 1987. During this period of dealing with outside vendors and clients, he sharpened his skills in Business and Estate Planning issues and gained a reputation as an expert in these fields.

Bobby's next career move took him into private practice with Principal Financial Group where he was responsible for both personal production and Brokering Principal products to independent insurance agents.

In 1993, Bobby took the position of Regional Vice-President with American Express Financial Advisors. He served the San Francisco bay area for the first two years, then the Texas area for the next 8 ½ years. The demand for Bobby's expertise required his travel into 38 states to do specialty training of the companies advanced advisors. He has developed and delivered training materials on a variety of Advanced Underwriting issues including: Deferred Compensation, Split Dollar plans, Buy-Sell Redemptions, Revocable-Irrevocable Trusts and numerous classes on Sales Approaches and Closing techniques. Bobby has developed, sold and promoted the use of IRS approved Contributory Incentive Plans and the Survivor Option Strategy.

He attained his Philosophy Doctorate (Ph.D) degree in Business Administration with a concentration in marketing in 2003. During his career in the Financial Services industry, Bobby has produced, or assisted in producing well over \$860,000,000 in new Insurance premiums.

Ben Nordman

Ben is the Brokerage General Agent of Twin Cities DI Center, a disability insurance resource center for independent brokers seeking disability product and sales assistance. Ben has over 13 years of experience in individual disability insurance sales, marketing and sales training. He specializes in professional, small business and corporate executive benefits and can help brokers and sales organizations identify opportunities for new sources of sales revenue.

Ben's wife Belinda is the office administrator and has over 15 years of insurance background, most of it spent in life underwriting, marketing and sales support. Combined Ben & Belinda offer close to 30 years of combined insurance experience.

Ben is a member of NAIFA Minneapolis and a frequent CE presenter at NAIFA meetings. A native of Helsinki, Finland, Ben has lived in United States for the past 19 years, and completed his university studies at Upper Iowa University.

Terry Headley, LUTCF, LIC

Terry entered the life insurance business in January 1973 at age 19 for Bankers Life Company—Iowa. In 1981, he established Headley Financial Services, a diversified insurance and financial services firm in Omaha, Nebraska. Mr. Headley is the youngest Agent inducted into the Principal Financial Group's Hall of Fame. He is a Qualifying and Life MDRT Member. Mr. Headley was elected as NAIFA trustee in September, 2004. He previously served as the National Chair of IFAPAC and the Candidate Selection Group. He was the first Capitol Club IFAPAC Contributor (\$5,000/Annual) and is currently the largest lifetime IFAPAC Contributor in the Federation.

Steve Keilman

Steve has worked at TASC for the past 13 years providing benefits consultation to the approximately 1,000 insurance and tax professionals that refer business to him in the Dakota's and Minnesota. He has been involved exclusively in the pre-taxation of employee benefits both with 105, 125 and HSA's. With the recent changes in the Archer MSA's to HSA Steve and TASC both have become very involved in the HSA's and have begun to provide some very unique services in the group HSA arena. TASC is a nationwide company that has a relationship with nearly 10,000 tax professionals and insurance professionals. TASC also provides third party administration to over 100,000 people.

Jeana Peinovich

Jeana is employed by Dakota Medical Foundation through a 4-year Covering Kids & Families grant. This project is part of a national initiative led by The Robert Wood Johnson Foundation. As Outreach Coordinator, Jeana is responsible for the development of marketing materials and strategies that help connect uninsured children and families to existing low-cost or free health coverage programs. In coordination with the Covering Kids and Families initiative, Jeana manages the operation of a central, statewide helpline (1-877 KIDS NOW). This help line offers toll free information, referral, screening, and application assistance to uninsured families and to individuals who wish to assist others gain expanded access to healthcare services. Jeana was previously employed at Dakota Clinic for 16 years as a Managed Care coordinator. She maintains current licensure for health, accident, life and annuities in the states of North Dakota and Minnesota. She is an active member in her community, residing in Fargo with her husband and three daughters.

Legislative Reception Thank you to our co-sponsors

Sponsored by **NDAIFA**
and

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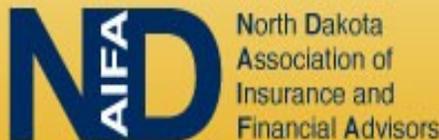
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Terry Weis Insurance

Terry Weis - Bismarck



Other contributors:
Missouri Slope AIFA
Marilyn Olson - Bowman
Cliff Weiler - Dickinson

NDAIFA Legislative Reception (more photos can be found at: www.ndaifa.org/photo_gallery.html)



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We are a financial services organization with a commitment to serving Lutherans, their families and communities.



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**North Country Regional
Financial Office**
3303 Fiechtner Dr, Ste 110
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888-241-9606

Don't forget to register for the 2005 State Convention

Calendar of Events

May 5 - 6th NDAIFA State Convention
Dickinson

Sept. 10-14 NAIFA Convention
Baltimore

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**We're on the
Web
www.ndaifa.org**

2004—2005 NDAIFA Board & Committee Chairs

Executive Board

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Association Executive NANCY BAYER	(701) 258-9525

Committee Chairs

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JOHN P. WEST	APIC	(701) 232-0708
DAVID B. KOLDING, LUTCF	Awards	(701) 255-6417
JAMES SIMONS	FBF	(701) 839-6669
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