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Welcome New Members

Our Objectives:

- Operate for the benefit of all members including producers, carriers, exam companies and other vital business partners
- Provide an open forum to facilitate networking and collaboration within the industry
 - Improve the process
 - Identify and gather market research data that is applicable to our niche
 - Improve Legal and Regulatory compliance and influence

Our Mission

LIDMA's mission is to be the innovative resource provider: helping our members grow and improve business performance

...LIDMA

Makes LIFE Easier.™

866.890.LEAD (5323)
www.lidma.org

President's Message

Pat Wedeking



Thank you for making LIDMA 2007! our most successful meeting. What a pleasure it is to serve such a fine group of people in the greatest industry we know.

Special thanks to all those that made it happen including the LIDMA eProcess team headed up by Todd Ewing. Also must thank our association manager Gina Grantham as well as Deb Smith and Jim Wilkinson for planning the event.

Feedback has been good and we've listened to some suggestions that we will invest into next years meeting.

A couple of things to draw emphasis to from our meeting include:

- Direct Marketers get your consumer brochures that we've designed to keep consumers engaged in the process until a policy is in force. It will have your logo displayed next to LIMDA's and really is a first class piece. Several direct marketers have put this piece to work – **you can too.**
- Cost / Benefit analysis...Central to the eProcess Flow project is making it **worthwhile for everyone.** I know Darrell Manning worked hard on the CBA worksheet so that you can see what implementing this process will save and earn for your company.
- OUR association has grown membership by **28%**, and attendance to the annual meeting grew by **35%**.
- LIMRA's Bob Baranoff gave an excellent presentation reminding us that the **opportunity to serve Middle America** is very real and quite significant. There is at least \$17 Billion of premium out there for us to generate if we simply fill the insurance gap Americans perceive they have.
- In our top producers panel I thought especially important to note that some of the leaders in our niche are having their best years ever! As the tide rises, all the boats go up and ladies and gentlemen, our tide is rising; **things are good and we can make them even better.**

From here we have definite plans for 2008 that involve many of you. You have come through for your industry by volunteering to help and we're committed to putting all this talent to work for our association. Thank you for volunteering; we'll be calling on you soon.

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President's Message *continued*

In 2008 LIDMA will:

- Stay focused on our largest initiative to Improve the Process. (see article on page _)
- Continue to grow membership.
- Work with LIMRA on some specific market research topics.
- Build out our member website to something we can all be proud of and use efficiently.
- Put on the best annual meeting we ever have
- Work with our Legal team to determine the best path for our compliance manual project and other opportunities.
- Continue to work hard to serve the industry we care about

It's all about **Improving the Process**

... Increasing Profitability

...and Protecting more Families.

Thanks for your support,

Pat Wedeking

Consumer Education: **Michael Rowell**



LIDMA welcomes Michael Rowell, founder of Efinancial, as our Consumer Education Chairman.

Two of the great take-a-ways from the conference in San Diego are the LIDMA Consumer Brochures designed for use in pre and post-sale education efforts for our clients. The PDF brochures can be personalized with your company information and logo, along with a "Member of LIDMA" logo at no cost through the end of 2007! Customized print files are also available. If you are interested, please contact the LIDMA offices and start using these wonderful resources designed to support LIDMA Members in the life insurance direct marketing process.

Michael Rowell



The PDF brochures can be personalized with your company information and logo, along with a "Member of LIDMA" logo at no cost through the end of 2007!

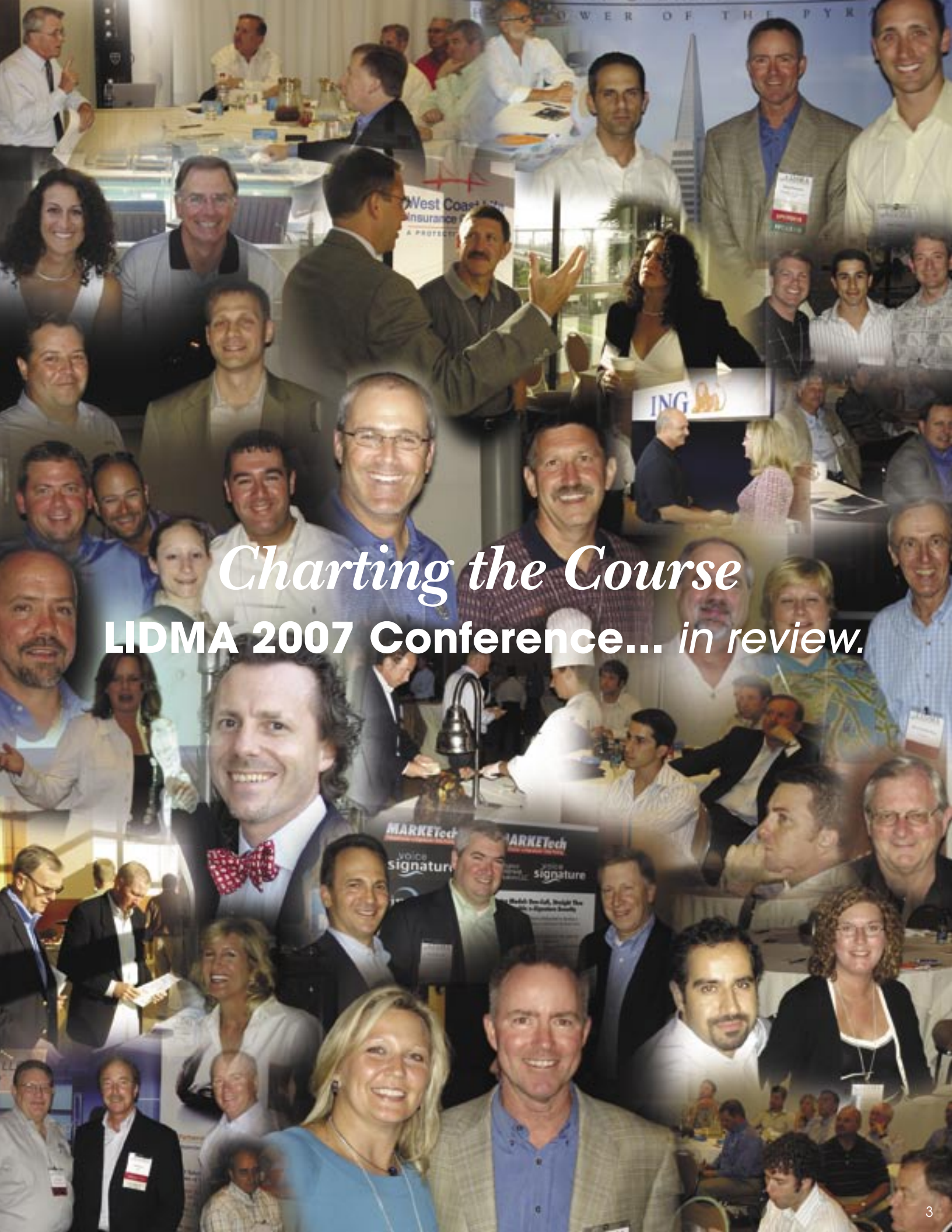


Brian T. Casey

Legal & Regulatory Recap

by Brian T. Casey, Esq.

At the conference I provided an update on legislative and regulatory developments impacting many of LIDMA's members. In addition, leading up to the conference, both I and my colleague Pat Hatfield worked with the Process Improvement Team to develop process maps for electronically signing applications for life insurance and e-delivering the fulfillment packages. Those process maps were unveiled and well received at the conference. From our perspective, the process maps covered the essential elements to be effective and compliant with the basic requirements of the esignature laws, recognizing that the processes must be tailored for each company's level of comfort in dealing with the authentication, repudiation and compliance risks. During the annual conference we fielded questions about developments in the esignature laws and provided an update on recent cases involving electronic signatures.



Charting the Course
LIDMA 2007 Conference... in review.

We're making Progress with Process! *by Todd R. Ewing*

Over the past year I have had the privilege of working with a team of dedicated and highly skilled individuals to create a number of tools to help our industry enhance the processing of our business. The LIDMA Process Improvement Committee (PIC), represented by key members from Direct Marketers, Carriers and Business Partners, focused on 3 core initiatives. Each initiative was assigned a panel leader and group of members to outline objectives and drive deliverables. The specific areas targeted for process improvement included:

- ⊙ Electronic Signature: how to create awareness of electronic signature options and outlining standards for implementation.
- ⊙ E-Delivery of Policy: how to make policies available electronically and defining the distribution and benefits of going paperless.
- ⊙ Credit Card Usage: how and when to accept credit cards, and defining best practices for all industry organizations

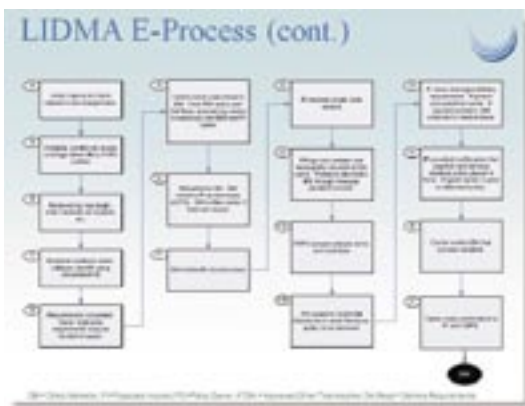
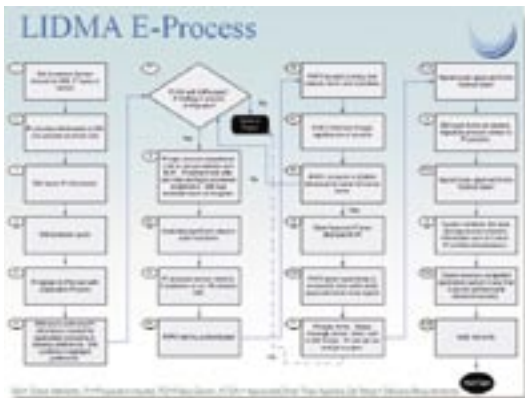
Todd R. Ewing



Accomplishments

With countless hours and unparalleled cooperation, the panels succeeded in developing strategic and comprehensive business flows as well as recommendations for implementation. Below are some PIC highlights:

- ⊙ With Grant Andrew as panel leader, the Electronic Signature team was able to create an overall process flow that deals with how to authenticate users, different methods of electronic signature, and things to consider when creating and transferring electronic signature archives. This effort was ultimately approved by Lord, Bissell and Brook – a LIDMA member and the preeminent legal voice on electronic commerce issues in the Life Insurance Industry. Further, the group was able to submit a Request for Information (RFI) to solution providers to gather feedback on e-signature and forms issues. This RFI will help LIDMA members to become better acquainted with solutions they can leverage to implement the LIDMA electronic processing standards.



- ⊙ The Policy E-Delivery panel, led by Stacey Tucker and Darrell Manning, was able to create an overall process flow for the delivery of policies electronically. In creating this model, the group was able to enlist the help of IT and compliance resources within a carrier setting to flesh out ways to: transfer documents to consumers, collect payment at delivery, acquire signatures at policy delivery and process any outstanding delivery requirements, and then maintain an online repository for customers so that they can access policy records online over the life of a policy.
- ⊙ Jeff McCauley and Jennifer Youngs facilitated discussions for the Credit Card panel. This team was able to define the areas within the direct marketing model where credit card usage would have the most impact on improving application return rates and placement ratios. Further, this group was able to poll carriers on credit card usage practices and then publish a summary of those practices for all LIDMA members. This analysis of process and carrier practices enabled the group to publish specific recommendations for best practices with credit card usage.

The cumulative contributions and progress of all panels enabled the Process Improvement Committee to generate the following:

- ⊙ A Cost/Benefit Analysis in Excel format to help LIDMA members define the incremental annual benefit associated with moving to an electronic process. Millions of dollars of savings and additional revenue are available by implementing PIC recommendations.
- ⊙ A Benefits Framework which outlines the benefits for all LIDMA members (Direct Marketers, Carriers & Paramedical Companies) by implementing all or part of the Process Improvement Committee recommendations. Cycle-time reduction, increased placement ratio and more sales were some of the key advantages of the "Everybody Wins" document.
- ⊙ An Overall Process Flow which brings together the process recommendations of all of the working groups to give LIDMA members a unified view of the electronic process recommendation.

Goals

Given our accomplishments and with proper execution, we believe that LIDMA members can achieve the following:

LIDMA Process Improvement Goals

- ⊙ Increase DM revenue by over \$20 million
- ⊙ Improve Placement Ratio by at least 3%
- ⊙ Reduce touch-points and cycle time by weeks
- ⊙ Increase "IGO" cases by at least 15%
- ⊙ Increase all conversion metrics for LIDMA members
- ⊙ Decrease administrative costs by at least 5%
- ⊙ Improve customer experience to levels

Next Steps

As it's very difficult to showcase all of the work that's been completed within a short newsletter article, I would encourage each of you to review the more detailed annual conference materials and to speak with the LIDMA members who participated in the process. Within each panel, there is a wealth of information available.

Moving forward, we are in the process of forming an E-Process Advisory Team that incorporates all 3 panels into an integration and implementation unit to help make the PIC recommendations a reality. More to follow in the near future.

Another major next step for LIDMA is to set the agenda for the Process Improvement Committee for next year. We will once again focus on key initiatives that will provide the greatest upside for all members. We will need volunteers to work on these initiatives so please let me know if you are interested in contributing once our panels are defined.

Also, please don't hesitate to contact me if you have any questions about the work of the Process Improvement Committee or opportunities to enhance our overall industry.

Best of luck to all of you over this next year and thanks again for all of your support of LIDMA's Process Improvement!

Best regards,

Todd R. Ewing
Chairman, PIC

2007 LIDMA Vision Award In Honor & Memory of George Vlasisavljevic



LIDMA president Pat Wedeking with Fidelity Life Association team members Michael Honeysett, Jim Harkensee and Jason Panitch

The LIDMA "George V Vision Award" was presented by Pat Wedeking, LIDMA's President, to representatives of Fidelity Life Association at this year's annual LIDMA conference.

The award was born out of a deep respect for George Vlasisavljevic who died suddenly just before Christmas, 2006. George represented all that is good in the industry that so desperately needs the attributes he possessed.

The award will be presented each year to an organization that is:

- Innovative. Specifically in improving the process of how life insurance is delivered to middle America
- Supportive. Specifically of the Life Insurance Direct Marketing Association and all that it stands for to include Distributing more life insurance, Enhancing the profitability and feasibility of making it work and protecting more American families.

- Integrity. The industry needs more people like George V who combined a keen business sense with care for other people, kindness, and a passion for the benefits of life insurance.

Fidelity Life won the award based on their support of LIDMA and the advancement of their product and process. The Rapid Decision Term product processed with the Rapid Application process gives middle Americans access to competitively priced life insurance without the delays and complications that often come with a life insurance purchase.



Market Research

by Byron Udell

LIDMA 2007! we all enjoyed hearing Bob Baranoff, from LIMRA, and all the interesting insights he shared regarding our marketplace. He was one of the better speakers in the program. Everyone seems to agree that our niche is growing and, as such, life insurance companies' interest in it is growing as well. As this happens, more research will be conducted by LIMRA which we hope will help to bring some answers to the questions we all ponder.

Some of the biggies are: What happens with all the applications that we send out, but never come back? Why do people abort the process of buying, after they seem so committed initially? Why would anyone complete their exam and never return their application? How big is our market niche right now, and how large is it predicted to be in the near future?

LIDMA is an exciting, young and relatively small association. We are elated to be working with LIMRA to help us find answers to questions that will help us better understand and better serve our markets.

Everyone seems to agree that our niche is growing and, as such, life insurance companies' interest in it is growing as well.

Welcome

LIDMA New Members

AMPAC Insurance Marketing, Inc.

EFinancial LLC

Goldberg & Associates

HSBC Insurance

IDP Financial & Insurance Services

Independent Funding

Lord, Bissell & Brook, LLP

MIB, Inc.

Mutual of Omaha

Pacific Benefits Group

Poterero Media Corp

OfficialQuote Insurance Services, LLC

QuickQuote Financial, Inc.

Realtime Solutions Group

Skywire Software

West Coast Life