



Dayton

NAIFA-Dayton
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LIFELINES

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President's Message

Thank you! Thank you for participating in our meetings, CE programs, and social events this past year. Thank you to Melissa Bowling, our Administrator, who has worked tirelessly in many directions in the three years of her work with our association.

Thank you to my fellow board members who have taken time out of their days to attend special board meetings, review budgets, make phone calls, and help promote and advance our local association. This is a difficult economy, and the Dayton region has seen many companies, our clients and prospects, struggle or shut down.

Despite the difficulties, our membership growth is horizontal, not downward. Yes, we have witnessed some long-term members retire and leave the association this past year, but we have some new members with new ideas. There are some very dedicated and creative board members taking over the leadership of our local association.

Check our website, www.Naifa-Dayton.org and please support our new leadership. There are continuing updates on the Obama-led health care reform on our website, and social activities such as a golf outing that are detailed there. We have launched a Facebook site (just search "Naifa-Dayton" and become a friend).

I pray that you will re-consider your involvement in our organization. Perhaps you have the ability to help connect our group with a C.E. speaker, or help plan a social event. There are local politicians and newspapers who need to hear from us, and I thank you in advance for your willingness to step forward and help us tell our story.

Thank you for allowing me to help your professional growth in any small way. I look forward to seeing everyone in the Fall, and wish you a happy, safe, and productive Summer!

All the best to you,

John R. Ferneding, President

Golf and Social Outing!



Come out and join us for some friendly competition at one or both of the golf socials planned over the summer. Whether you are a novice or consider yourself a semi-pro, everyone is welcome. Feel free to invite clients, friends, or family.

DATE: Friday, July 9th
TEE TIME: 12:51 P.M.
LOCATION: Beaver Creek Golf Club
2800 New Germany-Trebein Road
Beaver Creek, OH 45431
937-320-0742
RATES: \$45 ; \$30 seniors (55 and up)
(Payment can be made at the golf course the day of the event.)
RSVP: by Tuesday, July 6th

DATE: Wednesday, August 25
TEE TIME: 12:15p.m.
LOCATION: Heatherwoode Golf Club
88 Heatherwoode Circle
Springboro, OH 45066
RSVP: Friday, August 20th

To reserve your spot at one or both of the golf socials, please contact Melissa Bowling at (937) 298-5558 or email at naifadayton@yahoo.com.

We hope to see you there!

NAIFA DAYTON OFFICERS AND DIRECTORS 2009 - 2010

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Saying Goodbye To A Friend

By Alexander J. Scholp, CLU

I attended a memorial service today for a friend I had known for some 20 years. Our common bond had been a racquet game called squash. Squash could be described as an indoor game similar to racquet ball, but I think squash is somewhat more difficult to play well.

Phil was an avid squash player, a graduate of Yale with honors, worked for the CIA, was active in the Dayton Council of World affairs, and a religious man. However, most of his friends saw Phil as a gentle man who was well spoken, extremely friendly, and was the definition of the perfect gentleman. As another friend said, the word "regal" comes to mind.

As I experienced the service which Phil designed himself, I reflected on my own life. Here as we gathered to honor and pay respects to a true friend, I contemplated my own mortality. Like Phil, I have lived a life far greater than most people do in this world of ours. A life where luck played a significant part. I, like all people, have experienced successes, joys, and accomplishments, but not without escaping unanticipated mistakes and sorrows.

Life does not run completely great or terrible for any of us, but rather a constant fluctuation of good and bad; sort of like the stock market. No matter what we do, we will win and loose, be happy and sad, hit home runs and strike out. We can only hope to be right and be happy 51% of the time or maybe a little bit more. When all is said and done, our friends will say we were a good person, or hopefully they will say nothing.

My observation was Phil lived a good life; better than most but not trouble free. His children and grandchildren loved him for who he was, and how he treated them. Their experiences together are what they will remember the rest of their lives.

How we behaved while alive and healthy create the lasting memories for our friends and family. Life goes on for the living, but when we die, I hope we, in some way, made a positive difference for others. I am grateful Phil had a fun and positive impact on my life. And so, I will always remember my unique friend, "the man from Yale".

*When an
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day isn't
enough...*



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Our Disability Awareness

- W. Jeff Martin, CLU, ChFC

What is the #1 reason producers sell disability insurance? It's because they own it themselves. A study I saw showed that the single most important factor behind why producers sell disability insurance is because they believe in it and demonstrate that by owning it themselves.

In today's economy, producers (especially new ones) need to discuss the three motivating risk factors our clients face:

1. Concern for my family if I die prematurely (I love them)
2. Concern for myself if I can no longer work due to illness or injury (I love me)
3. Concern for myself/spouse if I live too long (I love us)

We offer products that fit those concerns through life insurance, disability insurance and annuities. But the one product that is extremely undersold is disability.

Take a look at the charts following this article. Workers were asked, "what is most valuable in helping achieve long-term financial security"? There were given 5 options and asked to choose one as the most valuable:

By far, the #1 reason was their ability to earn a living.

78% stated they would be "feel devastated" in a situation where they were disabled and could not work. Yet only 10% had purchased an insurance related product. By contrast, 88% would feel devastated if their home burned down and 73% had purchased insurance to protect themselves.

In a 2008 MetLife Study, more than 2/3 (68%) of respondents said that if a principal wage earner became disabled, they do not feel prepared for that event.

This is a problem that worries Americans but they are ill-prepared to deal with it. My only conclusion is.....we don't talk about it enough in our discussions and interviews with clients. In a lot of cases, we sell the term, the whole life, the universal life and we get out of there. Maybe we do some investments, maybe a 529 plan, maybe insurance on the kids. But are we addressing the deepest concerns our clients face and worry about? It would seem we don't.

Clearly then, there is a real disconnect between producers, planners and clients. In my experience, producers who were trained with career companies that offer disability insurance *tend* to be better at discussing it than most because they were or are exposed to the product and its' value daily.

They have regular training and receive 3rd party articles touting its' importance. They understand the underwriting and set client expectations for cost, potential riders or exclusions upfront. They know how to get their cases issued by providing income documentation and clearly defining occupational duties. They know if premiums are between 2% - 3.5% of gross income, that is a reasonable estimate of cost for a typical plan.

So, how do you get the disability discussion started? Bring it up as a matter of routine during your fact-finding interview:

- Mr/Mrs./Ms Prospect, what would happen to you and/or your family if suddenly your paycheck stopped? How long could you go without it?
- What % of your income would continue if you were sick/injured and could not work?
- Tell me your concerns about what would happen if your paycheck stopped?
- If you had a money machine at home that cranked out \$100,000 per year, would you insure it?
- If you owned a goose that laid golden eggs, which would make sense to insure, the goose or the eggs?

Our Disability Awareness —Cont'd

However you want to word it, the critical element is to ask. The client won't necessarily know to bring up the subject of disability unless you do. Much like a client may not ask a P&C agent about life insurance, they may not ask a life agent about disability insurance. Many don't even think of it as a problem they should plan for unless someone asks.

If we have our own house in order, it makes it a lot easier to bring up the subject and discuss it with confidence and conviction.

So take a good hard look in the mirror tonight.....do you own sufficient disability insurance? What would happen if your income suddenly stopped tomorrow?

Good Selling!

W. Jeff Martin, CLU, ChFC
jeffmartin@finsvcs.com

Jeff is Broker Director in Cincinnati for MassMutual and Past President of the Cincinnati NAIFA and SFSP chapter. He can be reached at jeffmartin@finsvcs.com.

MEMBER BENEFITS

MEMBER BENEFITS BUZZ: Your Source for NAIFA Member Benefits



The NAIFA Member Benefits Buzz is a new, monthly email/mobile-friendly newsletter developed to promote one or several of NAIFA's wide array of professional programs, products and services available exclusively through NAIFA. NAIFA's Member Benefits are designed to enhance your knowledge and skills, build your business, and increase your bottom line, at every stage of your career.

All NAIFA members will receive the monthly edition of NAIFA Member Benefits Buzz via email on or about the second week of each month. For the Member Benefits Buzz archive, please visit <http://www.naifa.org/benefits/buzz/index.cfm>.

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MDRT Minute

Ride the Retirement Wave

About five years prior to retiring, people start to seriously consider what their retirement will look like. I specialize in retirement income planning, and this is where I step in.

Determine their needs

The first meeting with the client sets the stage for our working relationship. I prepare an agenda to ensure I won't forget anything, and that I maintain control of the meeting. I ask, "What needs to happen during the next 45 minutes for this meeting to be successful in your eyes?" This gives the prospective client a timeline and reveals any issues that needs to be dealt with immediately. We also discuss their top three financial concerns.

This meeting is also a test to see if we'll be compatible. Make sure to ask them about their previous advisors and why they left them. This will give you a good idea of what level of service they expect.

Once I figure out what type of report they require, I quote a fixed price to prepare a financial plan for them. The fee encourages a buy-in to the process. It also reduces stress since they know their questions or concerns will be answered in the report, and they do not feel pressured to buy anything.

I send them home with a detailed questionnaire to complete. When we receive the questionnaire back, we book a meeting for two weeks later. This allows us time to do our work and gives the client structure to the process.

Discuss the plan

We present a financial plan for the client at this meeting. It includes a detailed retirement income planning illustration, describing how much income they can generate after tax and after inflation to age 95 of the younger spouse. I show them scenarios of differing returns and inflation rates, typically using a 3 percent and a 4 percent real rate of return. The report also includes an investment policy statement, offering some high-level guidance on general asset-class recommendations. Finally, an estate planning section deals with wills, power of attorney, living wills and any insurance needs they have.

Clients leave this meeting with a very good feel for their situation. They are now able to start planning their retirement because they have a better idea of what retirement can look like.

Plan implementation

At this point, my relationship with the client goes one of three ways:

1. We part ways because I have answered their questions and there is really nothing else for me to do, or they have chosen to implement my plan somewhere else.
2. We meet later. Some clients are in pension plans that do not allow access to the funds for three to five years. I continue to meet with them every year to review their situation up to their retirement date.
3. We set a meeting to start implementing some or all of the plan. Since they already paid for the financial plan, there are typically very few questions during the implementation stage, other than logistical questions (payment details, withholding tax, beneficiary designations, etc.)

It is important to keep in mind that, when dealing with retiring clients, they are more concerned about what type of lifestyle they can maintain during their lifetime than about the rate of return they can expect. Ultimately, they want to know what you are going to do to protect their income.

Clay Gillespie, CFP, is a nine-year MDRT member from Vancouver, British Columbia, Canada, with one Court of the Table and six Top of the Table qualifications. He is Chair of the Sales and Service Committee.

Membership Meetings & Events



July 9, 2010

Golf Social—Beavercreek Golf Club (Tee Time: 12:51pm)

July 14-15, 2010:

Academy for Leadership Strategies and Annual Meeting
(Cherry Valley Lodge, Newark, OH)

August 25, 2010:

Golf Social—Heatherwoode Golf Club (Tee Time: 12:15pm)

September 11-14, 2010:

2010 NAIFA Convention & Career Conference (Seattle, WA)

Note: No membership luncheon meetings scheduled for June, July, or August.

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NAIFA's Manager's Membership Award recognizes organizations that support a strong financial services industry by investing in NAIFA and its efforts. Life, health and multiline agencies and financial groups are encouraged to receive this award by ensuring that a certain percentage of their agents, based on the organization's size, are NAIFA members.

Click [HERE](#) for the 2010 Manager's Membership Award Online Application

All applications are due by 11:59 p.m. Eastern on June 30, 2010. All Manager's Membership Award applications must be submitted online – no mailed, faxed or emailed applications will be accepted.



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We look forward to speaking with you!