NEWSDIRECT

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Nontraditional Marketing Section

NUMBER 31 SPRING 1999

Multiple Distribution Channels within Banks

by James B. Smith, Jr.

Some insurance companies view banks as a monolithic channel for the distribution of insurance products. However, there are at least 20 ways that banks distribute insurance products (see Table on page 3). A bank will select those distribution channels that effectively satisfy its customers' needs and buying habits. Further, the bank's selection should be compatible with its size, culture, risk tolerance, time frame, and prior bancassurance experience.

An example of a channel that matches customer needs and habits is the sale of life insurance via direct mail to Generation X customers. This customer segment typically has a need for term life insurance; however, they infrequently visit a bank lobby where a face-to-face solicitation can occur. Therefore, an offer in the customer's monthly bank statement may be an effective way to reach this customer.

What are some other distribution channels that banks currently use?

Bank Employees

Platform Personnel

Platform employees are bank personnel located in a branch lobby. They sell insurance products on a part-time basis because they also offer a wide range of traditional bank products, including checking accounts, savings accounts, and CDs. For the platform employee, a natural extension of CD sales is the offering of relatively simple products, such as fixed annuities.

Consumer Lending Department

Another natural extension occurs in the consumer lending department, which supplements its lending activity with the sale of credit and automobile insurance. Because of

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In This Issue

Chairperson's Corner

Distribution is King?

by Edward F. McKernan

It is interesting how one's perspective of *value* changes depending upon your employer affiliation. My employment experiences have included life insurance companies, consulting firms (including one of the big—six, five, four … it's difficult to keep track), and an insurance agency. During my consulting experiences, clients not only included insurance companies and agencies, but also financial institutions (e.g., banks, thrifts and S&L's).

During these experiences, regardless of the enterprise, *value* has often been defined as return on assets, profit margin, return on investment, embedded value, and so on. Through these experiences, however, the focus has always been, either directly or indirectly, on a stream of expected earnings. This was always a comfortable notion as it is consistent with our actuarial training, which taught us to focus on the profitability of a product or the appraisal value of a book of business in force.

However, now that I have become entrenched in the world of distribution, a common phrase that I often hear is: "Distribution is King." Now, mind you, I do not hear that phrase from my colleagues, but rather from the product manufactures … the insurance companies. The focus has changed from value in terms of product profitability to the value of distribution. And, not only has distribution become King, but the goals of

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companies have shifted to become the King of Distribution.

This shift has been evolving during the 90s and will continue into the next decade. Look at the focus of company mergers and acquisitions during the last several years: Travelers and Citicorp, AEGON and Providian and now Transamerica, Berkshire Hathaway and General Re, Cendant and American Bankers. The list continues, which also includes numerous insurer acquisitions of broker-dealers.

During the 80s, acquisitions were targeted to use existing capacity—either administrative or surplus. The focus was the value of the book of business being acquired with little value assigned to new business. A common thread of the more recent mergers and acquisitions has been the value of distribution, and the investment community loves it—just look at the P/E ratios. Better yet, what about those internet stocks—they are offering only the potential of distribution!

One of the long-standing goals of the Nontraditional Marketing (NTM) Section has been to explore "nontraditional" distribution systems. At one time this was considered a specialty niche—Can you believe it! Now, "exploration of nontraditional distribution systems" is becoming a buzz phrase. It seems we are now in the mainstream … or better yet, we were ahead of our time. However, instead of becoming complacent, we choose to stay one step ahead.

Focusing on distribution strategies, this spring we are cosponsoring a seminar on bancassurance, as well as SOA Spring meeting sessions on electronic commerce, internet marketing, bancassurance, financial institution trust departments, and direct response. With these topics, you can't help but learn how to add more value to your distribution endeavors on the path of becoming the King of Distribution. Proceeding along the NTM Section's chosen path, we will continue to support our membership in this endeavor and welcome any contributions you may offer in this regard.

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NEWS DIRECT

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Nontraditional Marketing Section
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This newsletter is free to Section members. A subscription is $15.00 for nonmembers. Current-year issues are available from the Publications Orders Department. Back issues of Section newsletters have been placed in the Society library, and the Table of Contents are on the SOA website, www.soa.org. Photocopies of back issues may be requested for a nominal fee.

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the relative simplicity of credit insurance, the consumer-lending officer will usually initiate and close the sale. Since automobile insurance is more complicated, the officer may initiate and close the sale or may refer the customer to an agent associated with the bank.

Trust and Private Banking Departments

These departments target high income and/or net worth customers, who generally require more complex insurance planning because of their more complicated financial needs. These customers may be interested in wealth accumulation products (e.g., variable deferred annuities) and/or wealth transfer products (e.g., single premium universal life). Similar to platform employees, the personnel in these departments may be licensed to sell insurance, or they may make a referral to an affiliated insurance agent.

Commercial Lending Department

The everyday activities of this department can acquaint bank employees with the business owners' needs for commercial insurance, as well as personal insurance. The business owners may need products designed to address their unique buy-sell needs—as well as insurance to address their personal financial needs. Depending on the bank's preference, the commercial lending officer might serve as an insurance agent or make a referral.

Dedicated Specialists

The previous distribution channels involve bank personnel that typically sell bancassurance on a part-time basis. Bank employees selling insurance on a full-time basis are called dedicated specialists. Examples of such specialists are:

- Investment specialists focus on the sale of investment products, such as securities, mutual funds, and annuities. Often these people reside in the bank-owned broker dealer.
- Insurance counselors usually offer advice on the more complicated products, such as variable universal life. These counselors may also conduct financial planning seminars for seniors who need long term care insurance.
- Other specialists sell packaged insurance products at the work-site. Their products might include flexible premium deferred annuities, specialty health insurance, and simple forms of term and universal life insurance.

BANK CHANNELS

Distribution Channel	Sub-Channel
Bank Employees	Platform Personnel Consumer Lending Department Trust Department Private Banking Department Commercial Lending Department Investment Specialists Insurance Counselors Work-Site Specialists
Third Party Marketer	Managed Program Platform Employee Combined Program
Insurance Companies	Managed Program Platform Employee Combined Program
Direct Marketing	Mail Phone Center Statement Stuffers ATM Notices Internet Kiosks
Insurance Agency	Bank-Owned Agency Independent Insurance Agency

Third Party Marketer

Because of their unfamiliarity with the sale of insurance, many banks entering the bancassurance market elect to use third party marketers (TPMs). A TPM's role may take several forms:

Managed Program

The sales people in managed programs are the TPM's agents. Thus, the TPM performs not only the marketing function, but also the actual sales function, sales management, recruiting, and training. Because the agents typically sell insurance on a full-time basis, they can usually handle a wide variety of annuity, life, health, and property and casualty products.

Platform Program

The TPM (a) assists the bank in developing its bancassurance strategic and

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tactical plans, (b) selects the specific products and insurance carriers, and (c) trains, supervises and manages the bank's agents. The product of choice in recent years has been the fixed deferred annuity.

Combination Program
A combination program might unbundle the TPM services. For example, the TPM might perform agent training and carrier selection, and the bank might handle the agent sales function.

Insurance Company
Several insurance companies are offering bancassurance programs that include TPM services—in addition to the normal policyholder services. Such programs offered by insurance companies are similar to the TPM types described above. The programs focus primarily on the sale of deferred annuities, but life, health, and property/casualty products are gaining popularity.

Direct Marketing
According to the ACLI MAP study, approximately 70% of the U.S. population do not have a life insurance agent. Even for household incomes in excess of $75,000, 55% do not have an insurance agent. Banks may be able to reach the unserved market because they have banking relationships with many of these individuals. Because many customers do not frequently visit a bank's lobby, the following direct marketing channels are employed:

Mail
Products sold through this channel are usually simple in design (e.g., fixed annuities and term insurance) because products with complex issue and underwriting processes may not generate adequate sales penetration. A mail program is often supplemented with a phone center.

Phone Center
Inbound and outbound calls can be used for selling to new or existing bank customers. Inbound inquiries to the phone center may be initiated by the customer at a kiosk. The kiosk, which may be located in the bank lobby, will allow the bank customer to discuss insurance questions via a phone conversation with the bank's remote phone center. Usually simpler types of insurance products are distributed via a phone center.

Statement Stuffers
Monthly checking, savings, and mutual fund statements can initiate the sales process by introducing basic information about a bancassurance offering. The stuffer will give the customer an 800-phone number for further information.

ATM Notices
ATM notices generally offer the least amount of information about insurance, but provide a means for accessing the bank customer who frequently visit the bank lobby.

Internet
Banks are using the Internet to offer annuities, term life insurance, and automobile insurance. Some Web pages include preliminary applications, premium quotes, needs analysis, and insurance carrier information. Often Internet sales are integrated with a phone center for completing the application and answering questions.

Insurance Agency
Another approach for bancassurance distribution involves (a) the acquisition of an insurance agency, or (b) a joint venture with an agency that has an office located off-site or on the bank premises. Banks that have strong relationships with small business owners might focus on agencies that specialize in commercial insurance. Banks with strengths in mortgage lending might be attracted to an agency dealing with homeowners insurance. Banks with significant relationships through their trust and personal banking departments might prefer agencies specializing in advanced sales, such as wealth transfer products.

* * *

There is a wide array of distribution channels that a bank can select. Optimal bancassurance programs will consider the best channel for connecting the insurance product and the targeted customer segment.

James B. Smith, Jr., FSA, is senior vice president and chief actuary at American General Life/Accident in Nashville, TN. and a member of the Nontraditional Marketing Section Council.

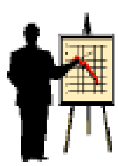
New Credit Disability Table

by Robert J. Butler

Today companies hold the gross unearned premium reserves as their statutory reserve for single premium credit disability insurance. On a nationwide basis, the current prima facie credit disability rates produce a 50% earned / incurred loss ratio. The industry pays commissions in the 30 to 40% range. For the most part, the commissions are charged back to the producer on refunded premiums. As a result, the industry holds statutory reserves that are very conservative and are an unnecessary drain on capital.

In light of this, the Actuarial Committee of the Consumer Credit Insurance Association (CCIA) asked me to head a subcommittee to develop a valuation table for single premium credit disability insurance. Steve Ostlund, Craig Squire and Chris Hause joined me in this effort.

The existing tables are the NAIC's 1968 and 1974 credit disability tables. Both tables are a composite of age and gender and therefore are not appropriate valuation tables. We also realized that developing a credit disability table could provide more benefits than just reducing surplus strain. A table properly constructed could provide a basis for rating by age and gender, give us a better relationship of rates by term of coverage, plus many other benefits.



We considered an approach similar to that used in the past two credit disability studies. It involves collecting detail claim and exposure data, by plan, age and gender of the insured. After researching this further we decided to abandon this approach for the following reasons:

1. Many companies do not record the reason a claim is terminated. It is crucial to know whether claimant's benefits terminated because of recovery, death or expiration of benefits.
2. Many of the companies' data processing resources were committed to solving the year 2000 problem.
3. The most recent 1974 NAIC table that was constructed in this manner had claim costs higher than what the industry in total was experiencing.

We decided to use an existing disability table and modify it to fit the industry's actual experience. A number of disabled life tables were reviewed, and the 1985 Commissioner Individual Disability Table was selected as the best choice from all available tables.

The CCIA asked its member companies to submit data on their credit disability single premium business issued in 1997. The data was separated by the elimination period, original term of coverage in months, age last birthday at issue (or date of birth and issue date) and, when available, gender. Collected premiums gross of refunds and original amount of insurance (insured monthly indemnity times the number of months insured) were provided for each of these categories. Sixteen corporate groups representing two-thirds of the credit market contributed their data, covering over $25 billion of gross insured indebtedness.

Each year the companies writing credit insurance complete the Credit Insurance Experience Exhibit (CIEE) as part of their annual statement filing. This exhibit is prepared for each state's own experience. The experience is separated between single premium and monthly business. The credit disability experience is further split into six elimination periods. Actual earned premiums are reported, as well as what the earned premiums would be if all business were written at the state's *prima facie* rates in force at the end of the year. The data for all states is submitted on diskettes to the NAIC. Only the single premium data for years 1992 through 1996 was selected for validation of the table. *Prima facie* rates in force at each year end by state, plan, and original term of loans in months were gathered and recorded. Using the new business distribution weighted premiums and claim costs were calculated by plan.

The 1985 CIDA has separate incidence and termination rate table for males and females, four occupation groups and for the 7-day elimination period, the 14-day elimination period, the 30-day elimination period and 90+ elimination period (along with 0-day accident). Three disability tables were constructed, one for the 7-day elimination period, another for the 14-day elimination period and one for the 30-day elimination period. For each table there are 8 subtables, one for each combination of the four occupation classes and two genders. Our studies show that 70% of the exposure is on

"Sixteen corporate groups representing two-thirds of the credit market contributed their data, covering over $25 billion of gross insured indebtedness."

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New Credit Disability Table

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males. No company recorded occupation in their records. We decided to use the distribution of the U.S. work force by occupation. This was determined from the July 1998 Bureau of Labor Statistics published by the U.S. Department of Labor. The distribution is outlined in Table 1:

TABLE 1

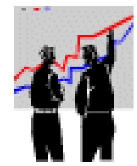
Occupation	Male	Female
Class 1	26.8%	30.7%
Class 2	19.5%	40.8%
Class 3	29.1%	19.6%
Class 4	24.7%	8.8%
	100.0%	100.0%

Using these distributions three composite tables were created for the three elimination periods. Weighted claim costs from these table were computed and compared to the actual experience with the results reported in Table 2.

We consider this a very good fit since the actual experience comes from an unusually strong economic period. We have released the full study to the Society of Actuaries (SOA) to review and comment. We are seeking their endorsement of a basic table for credit single premium disability insurance.

Once we receive the SOA endorsement, we can then put the full study out on the SOA Web site as an exposure draft. We have also released it to select regulators for comment. We want to involve the NAIC in the selection of proper loading to go from a basic table to a valuation table.

We have conducted various sensitivity testing and the impacts various loadings will have on the basic table.



How can you help?

We are interested in your feedback. Read the full study and give us your honest comments. If you agree with the study and the need to have a valuation table, then promote this to your friends in the NAIC and state insurance departments.

To get the study and attachments, send me an e-mail requesting the data and I will forward it to you. Write to me at *Bob_Butler@abig.com.*

James B. Smith, Jr., FSA, is senior vice president and chief actuary at American General Life/Accident in Nashville, TN. and a member of the Nontraditional Marketing Section Council.

TABLE 2

Plan	Prima Facie Premium Distribution	New Table	Net Single Premiums (Claim Costs) 1992-1996 Experience	1968 NAIC Study
7 day retroactive	16.2%	2.79	1.95	n/a
14 day retroactive	70.4%	2.52	2.13	2.26
14 day retroactive	2.9%	2.06	2.36	2.00
30 day retroactive	5.7%	1.79	2.41	1.51
30 day elimination	4.8%	1.45	2.11	1.24
Total	100.0%	2.46	2.12	n/a

Long-Term Customer Value Not Just Policyholders

by Jay M. Jaffe

Nowadays a company's best customers want and expect special treatment. If you fly a particular airline, you get cheap or even free upgrades, a special phone number to call for reservations, offers to buy flowers, hotel and car rental discounts, investment offers, additional miles if you take out a mortgage with the airline's mortgage partner, term life insurance proposals and offers for many other products.

But if you have more than one policy with an insurance company, you're treated basically the same as every other customer. There may be a few insurance companies with special programs for their most important customers, but, as a general rule, insurance companies don't use any of the proven programs for enhancing long-term customer value:

- Rewards
- Rebates
- Appreciation offers
- Partnership programs
- Affinity offers

Kurt Johnson's article in the June 1998 edition of *Direct Marketing* provides a simple and comprehensive discussion of these Long-Term Customer Value programs. He describes each of these programs as follows:

REWARDS: A rewards program aims to "borrow" the interest of a customer in an idea or concept that has nothing to do with the brand being advertised. For example, travel certificates are available to Sprint customers based on telephone usage.

REBATES: Rebates are the simplest form of value exchange and clearly state to your customers: "The more you purchase from me, the better price I'll extend back to you." One of the most effective programs of this type is promoted by Canadian Tire in Canada where its rebate certificates have even become collectors' items.

APPRECIATION OFFERS: Appreciation programs are similar to rewards programs except that the offer is for "in kind" services. For example, airlines provide their best travelers with free upgrades to first class.

PARTNERSHIP PROGRAMS: The objective of partnership programs is to acquire new customers with an interest in a partner's product and then reward the customers with more of the original product. An example of a partnership program is MCI phone service to airline frequent flyers who then receive frequent flyer miles for MCI usage.

AFFINITY PROGRAMS: Affinity programs increase the lifetime value of customers by building strong customer relationships without the use of rewards. These programs add value through information-intensive communications, value-added benefits and recognition. For affinity programs to be successful, customers need to be acutely interested in the product and willing to invest more time to learn about it. The Burger King Kid's Club is an example of an affinity program.

Because of the unfair discrimination and anti-rebate statutes, lawyers may cringe when preferential customer programs are suggested for use by insurance companies. These are laws with their origins in problems that are nearly a century old. It is a shame that proven Long-Term Customer Value programs such as rewards and rebates are not broadly available to insurers because of ancient legislation.

The unfair discrimination rules are not intended to prevent "fair discrimination." It seems that an insurance company that treats its least expensive

"Because of the unfair discrimination and anti-rebate statutes, lawyers may cringe when preferential customer programs are suggested for use by insurance companies."

customers (e.g., current customers with several products) differently isn't, by definition, being unfair! Rather, it is recognizing that it is less expensive to provide protection to certain customers.

What could an insurance company do for its best customers? Here are just a few ideas:

- Billing discounts when multiple policies are billed together
- Availability of policyholder data via the Internet
- A special unit to expedite the handling of new applications for preferred customers
- Special anti-lapse protection provisions to owners of multiple policies
- Access to special services related to insurance for your best customers
- Lower premiums for more persistent customers

P&C companies have multi-car discounts and other incentives for customers to carry both automobile and homeowners insurance with the same company. However, life insurance companies just don't seem to have found ways to reward and provide special treatment to their best customers.

Long-Term Customer Value

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Long-Term Customer Value Not Just Policyholders
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programs will increase insurance company sales and profits over time, but they don't provide instant results. While it makes good sense to add programs that tie an insurance company's most profitable customers to a company, in the short term the installation of these programs may require radical changes to the way the company is operated, and insurers may be forced to push for changes in current insurance regulations. However, companies can't flinch even if the required changes hurt for a little while. The old expression "no pain, no gain" applies in this instance.

A couple of possible impediments that insurers may have to address when installing Long-Term Customer Value programs are accounting practices and employee bonus formulas. Often these areas are oriented to achieving short-term results and will act as disincentives for Long-Term Customer Value programs. Accounting practices need to allow for amortization of any marketing expenses that are incurred to bolster Long-Term Customer Value, even though such expenses may exceed the marketing allowance for the initial product. Employee bonus formulas that only consider one year's results are obviously not consistent with the goal of developing long-term relationships with customers.

The insurance business needs to ratchet up the way it treats and serves its best customers if it intends to retain these people as clients. There are now alternative distribution channels available to customers and even alternative products that provide basically the same benefits as many traditional insurance products. If the insurance industry is not careful, it could find that "clone insurance products" issued by noninsurance companies that operate in less regulated and more flexible environments could replace products offered by traditional insurance companies.

Creating a vision of Long-Term Customer Value programs within an insurance company is not an easy task. But the insurance company that is successful in implementing Long-Term Customer Value programs will be the envy of the insurance industry.

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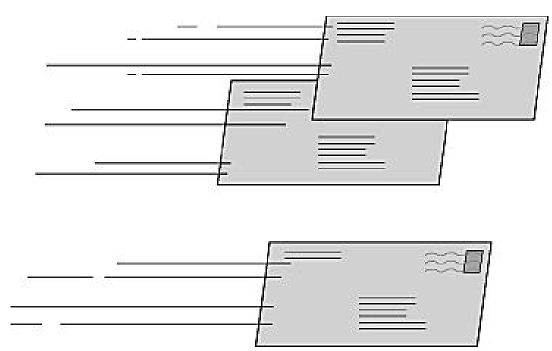
Direct Marketing: Part 1—Analysis of Solicitations

by Neil Lund



Editor's Note: This excerpt is reprinted with permission from Issue 15 in the June 1993 issue of NewsDirect.

Bob Stone, in his book, Successful *Direct Marketing Method,*[1] notes that " . . . underlying all direct marketing success is the ability to trigger a direct action, a measurable action at the right cost."

This brief article covers measurement of key actions by presenting an approach to the analysis of direct-mail insurance solicitations. The analysis also can be adapted easily to telemarketing, television, newspaper inserts, take-ones, and other forms of mass marketing.

The basic analytical approach is displayed in the table on page 9. The table sets out the data needed, the analysis performed and the formulas used in the various calculations. While the analysis and therefore the table are relatively straightforward, several items deserve some elaboration.

The key measurement in the approach is the ratio of converted premiums generated to marketing cost, commonly referred to as the TAP:MC ratio (item 21 in the table). The TAP:MC ratio approach is superior to using response rate targets only, because the TAP:MC ratio is a dynamic measure that adjusts for changes in costs, response rate, and average premium size. It also allows for a valid comparison of the cost effectiveness of various approaches. (Before we go further, a small discussion on terminology may be appropriate. Direct marketing, like much of the insurance industry, does not have a set of precisely defined standard terms; other terminology is equally accepted. For example, the term "TAP" also is known as "TARP" [total annualized renewal premium], as annualized premium, and as gross annualized premium. Similarly, some companies use the ratio of marketing cost to premiums as their measure. While the terminology may vary, the basic concepts remain the same.)

When using a two-or three-drop mailing, data should be captured and analysis performed for each drop and for the mailing in total. In such cases, mailing names such as “XYZ Drop 1,” “XYZ Drop 2,” and “XYZ Total” would be used. The budget should be prepared similarly for each separate drop and in total.

The cost of the mailing includes the costs of postage, printing (including overruns), the lettershop, and so on. Other costs that should be included as marketing costs, however, are not obvious and often subject to debate. My preference is to include the cost of any segmentation work, list fees or extraordinary expenses as part of the cost of mailing. The handling of creative costs is quite challenging. A good package can be used for many years over many mailings with great success, while some packages are used for one test and discarded. Still other packages can be customized with each use. My preference generally has been to include only any customization of creative in the cost of the mailing (partly to discourage meaningless customizing) and to carry the bulk of creative costs as part of the marketing area’s general expenses. Whatever the approach, the definition

Response Analysis

Line	Category	Budget	Actual	Formula
1	Mailing Name	Sample	Sample	Input
2	Mailing Code	50,007	505,392	Input
3	Number Mailed	507,000	505,392	Input
4	Cost of mailing	$218,000	$217,963	Input
5	Cost per 1,000	$429.98	$431.28	Line 4 / Line 3 x 1,000
6	Number of responders	2,390	2,327	Input
7	Annualized premium of responders*	$454,000	$477,043	Input
8	Average premium	$189.96	$205.00	Line 7 / Line 6
9	Gross response rate	0.3777%	0.364%	Line 6 / Line 3
10	TAP:MC gross	2.083	2.189	Line 7 / Line 4
11	Number issued	1,912	1,838	Input
12	Annualized premium issued	$363,300	$362,086	Input
13	Average premium	$191.01	$197.00	Line 12 / Line 11
14	Issued response rate	0.377%	0.364%	Line 11 / Line 3
15	TAP:MC issued	1.667	1.661	Line 12 / Line 4
16	Issued rate	80.0%	78.986%	Line 11 / Line 6
17	Number converted**	1,721	1,672	Input
18	Annualized premium converted	$327,000	$337,843	Input
19	Average premium	$190.01	$202.06	Line 18 / Line 17
20	Converted response rate	0.339%	0.331%	Line 17 / Line 3
21	TAP:MC converted	1.500	1.550	Line 18 / Line 4
22	Converted rate	90.010%	90.968%	Line 17 / Line 11
23	Marketing margin	————	$7,265.67	Line 18 (Actual) / Line 21 (Budget) - Line 4 (Actual)

* *Annualized premium is used rather than modal premium.*

** *Converted means that at least one premium of any mode has been paid. Converted is net for “free looks.”*

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and capture of mailing costs must be specified and consistently applied to all mailings.

The marketing margin (item 23) is an estimate of any excess over or a shortfall from expected profits for the solicitation. It is the difference between what theoretically could have been spent in solicitation costs to generate the converted premium at the budget rate and what was actually spent. Marketing margin is a very effective means of communicating with the marketing area and can be a major part of any “source of earnings” analysis you may perform.

Finally, as noted before, the TAP:MC converted is the key measurement, but it is not the sole measure of success. If the TAP:MC converted for an actual mailing exceeds that ratio assumed in pricing the product, the potential for higher-than-normal profits exists. However, a higher TAP:MC ratio for one mailing package does not necessarily mean a better result or more successful mailing than a lower but still acceptable TAP:MC ratio for another package. For example, if a company engages in significant cross-selling, a solicitation that generates a higher response rate at an acceptable TAP:MC ratio may well be more desirable from a total lifetime profits standpoint than a solicitation package with a lower response rate but with a higher TAP:MC ratio.

This analysis is very straightforward, easily programmed as a spreadsheet or in databases, and provides an objective measurement of your marketing actions.

Neil Lund, FSA, is a vice president & chief actuary at Montgomery Ward Life Insurance Company in Schaumburg, Ill.

Bibliography

1) *Successful Direct Marketing Method,* 4th edition, 528 p. (0-8442-3180, National Textbook), NTC Publishing Group, 1984.

NewsDirect *1999 Papers Contest*

The Nontraditional Marketing Section is still accepting papers for its 1999 incentive program. We are accepting original papers for publication in *NewsDirect* which would be of interest to Section members.

As an incentive, the Section is holding a contest for 1999. A cash prize of $250 will be awarded to the author of a paper the editorial board accepted for publication in 1999. *NewsDirect’s* editorial board will decide which papers are acceptable for consideration. It is not required that papers be submitted by members of the Section.

Articles should be approximately 500 to 2,000 words in length. It is suggested that articles be educational in nature, include real-world examples, and cover current issues or original research. A list of suggested topics include:

- Banks and Insurance
- Credit Insurance
- Direct Response
- Payroll Deduction
- Pre-need Life Insurance
- Other

This is a great opportunity to share your ideas and get some recognition. If you have an idea for a paper, but are not sure if it is appropriate, please contact us. Articles should be typed in Word or WordPerfect and submitted via e-mail to **joseph.e.brennan@prudential.com**.

News Flash! Keynote Speakers/Entertainment

Announced for SOA 50th Meeting

by Cecilia Green
SOA Director of Integrated Communications

Plan now to attend this special meeting, October 17-20, 1999, at the San Francisco Marriott, downtown at 55 Fourth Street. Call now to reserve your room for what is sure to be a sellout: 415/896-1600.

The outstanding program includes:

- Keynote speakers William J. Bennett, Ph.D. and Gov. Mario Cuomo, UNICEF Deputy Executive Director Stephen Lewis, and Gen. H. Norman Schwarzkopf
- Outstanding speakers in a full range of continuing education sessions
- 50th Anniversary Gala Dinner (black tie optional) with legendary entertainer Tony Bennett

Registration fees are:

- Members of actuarial organizations worldwide:
  $800 for early bird registration (before 9/17/99)
  $850 for late registration
- Nonmembers:
  $950 for early bird registration
  $1,000 for late registration
- Retired members of actuarial organizations worldwide:
  $250 for early bird or late registration
- Guests/spouses:
  $150 for early bird or late registration
  Includes 3 continental breakfasts, opening and closing general sessions, Exhibit Hall, Monday evening reception, Gala dinner

These events are being supported by 50th Anniversary Sponsors at levels ranging from $50,000 to $5,000. Visit www.soa.org for details on becoming a sponsor.

Here is the current list as of 5/05/99:

Platinum: $50,000

Equitable Life
LAI Worldwide
Lincoln Financial
William M. Mercer, Incorporated
Milliman & Robertson, Inc.
Swiss Re Life & Health
Towers Perrin & Tillinghast-Towers Perrin

Gold: $25,000

Aid Association for Lutherans
Lutheran Brotherhood
Prudential Insurance Company of America

Silver: $10,000

Actuarial Careers, Inc.
AFLAC Incorporated
Gerling Global Re
Hewitt Associates LLC
Munich American Reassurance Co.
Pacific Life Insurance Company
PolySystems, Inc.
Security Life Reinsurance
State Farm Life Insurance Co.
Teachers Insurance and Annuity Association-College Retirement Equities Fund (TIAA- CREF)
Watson Wyatt & Company

Bronze: $5,000

AEGON USA, Inc.
American Express Financial Advisors
American United Life Insurance Co.
Aon Consulting, Inc.
ASA, Inc.
Canada Life Assurance Company
Erie Family Life Insurance Company
Federal Life Insurance Co. (Mutual)
Gabriel, Roeder, Smith & Company
Guardian Life Insurance Co.
McGinn Actuaries, Ltd.
MONY Life Insurance Co.
Robert J. Myers, FSA
Nationwide Financial Services
Paradigm Partners International, LLC
The Penn Mutual Life Insurance Co.
Principal Financial Group
SunAmerica Inc.
Western-Southern Life Insurance Co.

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