SOCIETY OF ACTUARIES

NEWSDIRECT

NEWSLETTER OF THE NONTRADITIONAL MARKETING SECTION

NUMBER 44 SEPTEMBER 2003

Would You Like Fries With That?

by Jason B. Holman

This classic but clichéd phrase refers to how McDonald's employees routinely ask customers if they want to order larger-sized drinks or other additions to go with their orders. Great salesmen understand and actively apply the technique, as do many successful financial institutions. In the insurance business, the benefits of cross-selling are numerous, especially for companies developing the huge, untapped potential[1] of the middle market. Why is this the case? And, what can insurance companies do right now to increase their cross-selling activities?

There is a universal recognition that the middle market is notoriously difficult and expensive to serve[2]. Using proven techniques, cross-selling can help insurers defray the costs of serving the middle market by lowering acquisition rates and increasing policyholder retention.

Cross-selling generates substantially lower acquisition costs for insurers because marketing costs tend to be fixed, and offers to existing policyholders typically generate very high response rates—surpassing 15 or 20 percent in most cases. Intuitively, the success of cross-selling makes sense. Once a customer buys a policy, it becomes much easier to convince a policyholder to buy again. The main reason for this is that secondary marketing efforts tend to fall into the realm of "servicing," creating a friendlier buying environment for the policyholder.

The financial savings of increasing the number of products held by policyholders using cross-selling can be dramatic. Many studies have shown that the retention of customers increases as the number of products they have with the same provider increases. This is equally true in the insurance business. Higher policyholder retention means substantially lower underwriting and policy-issue costs. Higher retention rates also mean that acquisition costs can be amortized over a longer period of time and generate higher rates of policyholder portfolio growth.

Statistics for policyholder retention by number of products held are scarce.

(continued on page 4)

1&2) Middle Market Internet Use for Insurance and Financial Services, Society of Actuaries, May 2003.

3) Working Smarter, State Farm Insurance, October 1989.

Features...

Editor's Corner

A Look Ahead...

by Brian L. Louth

Brian L. Louth, FSA, FCIA, is vice president at RGA Life Reinsurance Company of Canada in Toronto, ON. He can be reached at blouth@gare.ca.

The summer is flying by and it has been fun putting this edition of Newsdirect together. I get a lot of questions about what exactly the NTM Section does and how *NewsDirect* fits into the picture. *NewsDirect* looks to inform an to get you to think about possibilities. By looking for ways to present different methods of marketing financial products through other than conventional channels or in presenting overviews of specialty products tha are well-suited to alternative methods of distribution, we hope to create a spark that leads to new ideas and opportunities. We are also looking to grow the participation in the section. Sharing new ideas and supporting new projects to go beyond the current way of doing things can be an exciting prospect. Check out the NTM pages on the SOA Web site. Consider participating in one of our think tanks. Getting involved is easy and your contributions are appreciated.

In this edition we cover an interesting range of topics. There is an overview of the recently introduced SOA member benefit offering and a piece on cross-selling to the middle market. If you are looking to supplement your reading, you can get a quick start with Ian Duncan's review of Maria Thomson's book "Insurance Coverage for All" on page six.

We have included a summary of sessions from the Washington D.C. meeting on voluntary products and debt cancellation and suspension agreements. More detail can be found on the SOA Web site. The NTM Section is also sponsoring sessions at the annual meeting in October. Look for them in the program and plan to attend.

We are planning a special hardcopy edition this fall. Let us know about your favorite articles from past editions. We would like to hear from you.

NUMBER 44

NEWSDIRECT

NEWSLETTER OF THE NONTRADITIONAL MARKETING SECTION

SEPTEMBER 2003

This newsletter is now electronic and can be found on the SOA Web site, www.soa.org. Back issues of Section newsletters have been placed in the Society library, and are on the SOA Web site as well.

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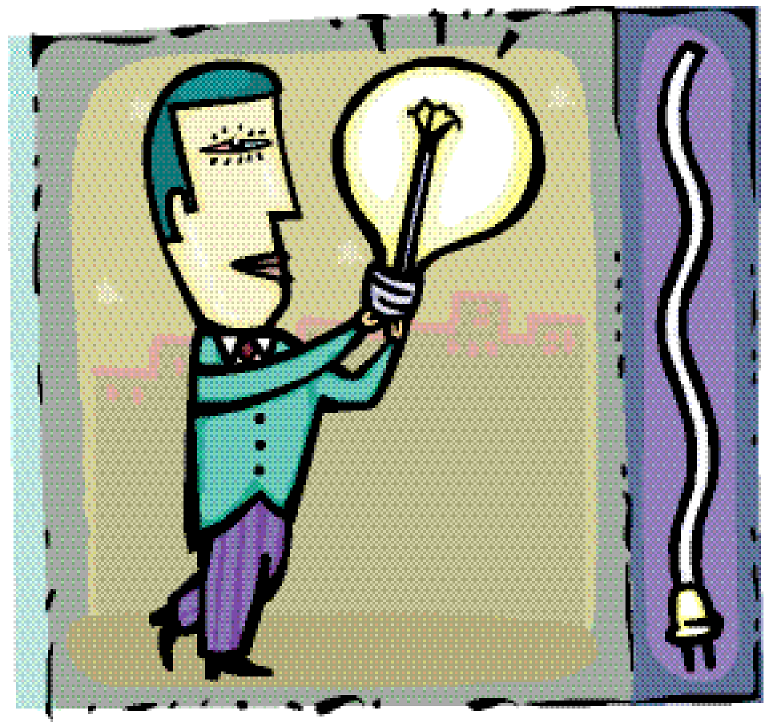
Chairperson's Corner

Is "Think Tank" the Way To Go?

by Diane McGovern

It is almost time for another annual meeting. The NTM Council has found some popular topics and enthusiastic speakers for the conference (see the enclosed article). We also want to invite you to a Think Tank discussion at this year's annual meeting on the topic of "Internet Marketing." This discussion will take place mid-afternoon Sunday, October 26, 2003 at the hotel site. All NTM Section members are invited, but we will be limiting total attendance to 20 members.

Our first try at a Think Tank discussion was a NTM Council meeting earlier this year. It was an open forum with no pre-planned agenda. Good conversation and thought-provoking ideas were shared. Please join the council members and other members of the section for what should be a lively conversation. (If you would like to attend, please RSVP to me at *DMcGovern@TIAA-CREF.org*. I will send you specifics on time and location when they are available.). If the Think Tank format works well, we will be extending its use to other topics and other venues.



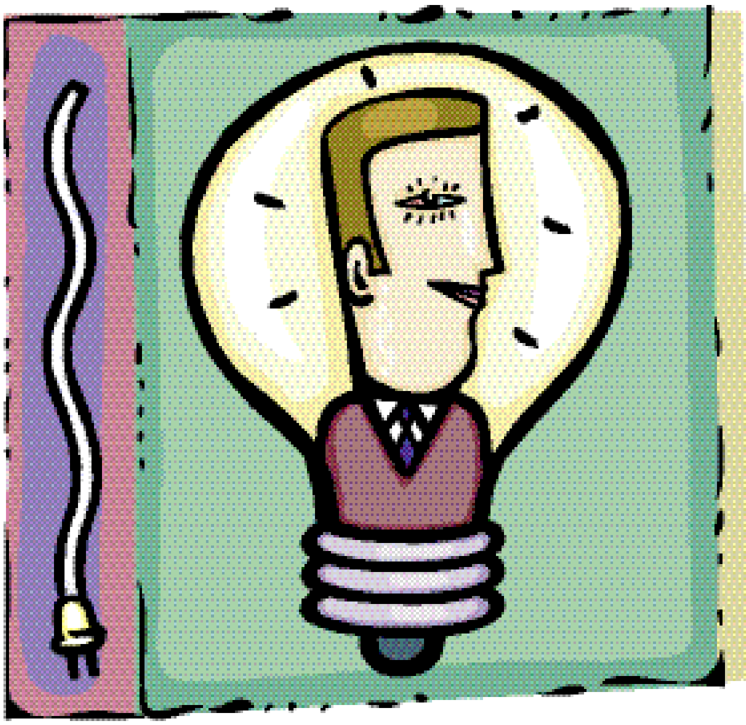
We are also pleased to inform you that the NTM Section is a sponsor to the upcoming Insurance Direct Marketing Forum 2003 conference entitled, "Harnessing Traction—Road Map for Successful Programs," taking place September 15-16, 2003 in Philadelphia. Learn more at *www.jcg-ltd.com/pages/forum.html*. As a member of the NTM Section, you can save $200 on the registration fee.

As always, the NTM Council is working hard to bring you new articles, new ideas and new ways to communicate. You can help us be successful by sending us your thoughts and further information on your needs as a member of the section. The survey we did earlier this year gave us some insights into how we can define ourselves to be successful, but we still need more input from you.

We also would like your participation in the Product/Channel Directory. Its purpose is to share information about our backgrounds with each other. Through it you can find the names of others with similar interests or complementary knowledge. If you have not already done so, please send us your information today by going to *www.soa.org/sections/ntmchanneldirectory.html*. It takes just a few minutes to fill it out. The more people that we have, the more valuable the directory.

This is my last article as chairperson of the section council. I would like to thank the other council members and the friends of the council for their continuing enthusiasm for our mission and their active participation in making the council work for the benefit of the NTM membership.

Diane McGovern, FSA, MAAA, is vice president and actuary at Teachers Insurance & Annuity in New York, NY. She can be reached at Dmcgovern@TIAA-CREF.org.



State Farm published its policyholder retention statistics in 1989[3], and these statistics revealed dramatic results. Policyholders with a single State Farm product had a retention rate of 61 percent at the end of five years. If a policyholder had two products with State Farm, their retention rate jumped to 70 percent after five years. Finally, if a policyholder had three or four products with State Farm, the five-year retention rate was 83 percent!

What can insurance companies do right now to boost cross-selling activities? And, equally important, how does the servicing agent or broker fit into the picture?

Based on our experience, cross-selling to policyholders using direct response techniques generally falls into two categories: offering more of the same or offering supplementary coverage. Offering more of the same takes the form of offering a simple upgrade of the policyholder's existing coverage. Offering supplementary coverage involves offering a simple, easy to understand additional insurance coverage such as accidental death insurance. The offer is positioned as a convenient way for the policyholder to supplement his or her existing coverage.

Upgrade and accidental death insurance cross-sell offers have proven to be extremely successful and well received. The consistent and reliable results are that between 10 and 25 percent of policyholders receiving these offers will purchase the coverage.

The role of the agent or broker is critical to the success of the cross-sell offer. Agents and brokers should be given an opportunity to opt out of cross-selling campaigns and have their clients removed from the prospect list. Our experience has shown that very few agents and brokers will choose to opt-out once they understand how the policyholder marketing programs work. Agents and brokers should also be given a commission on each sale in recognition of their relationship with the policyholder. In addition, they should be referenced in the direct marketing material and should be given credit for bringing this opportunity to their clients.

Not only do cross-selling campaigns generate virtually effortless commissions for brokers, a significant number of sales leads are created because policyholders often want to speak with their agent or broker to discuss the new offer and how it fits in to their existing coverage. Enterprising agents and brokers can also receive a list of their clients who will receive the cross-sell offer so they can follow the offer up with a telephone call, creating a potential sales opportunity.

So the next time you order a meal at your favorite fast food restaurant, pay attention to the subtle, but inevitable cross-sell sales pitch. Then take a long, hard look at how your organization could use these techniques to capitalize on cross-selling opportunities to increase policyholder retention, reduce expenses and boost profitability.

Jason Holman, BA Economics, FLMI, is Vice President, Marketing for Direct Insurance Marketing Inc. and specializes in developing direct marketing programs for insurance companies. He can be reached at jholman@directimi.com.

Affinity Marketplace for Actuaries

by Dwayne Thompson

About 50 years ago, during a period when many associations were forming, a broker named Albert H. Wohlers recognized the potential for affinity groups to provide their own insurance to their members. This would allow members to capitalize on the benefits of group insurance rates. Wohlers evolved into what is today known as Marsh Affinity Group Services, a Marsh and McLennan company.

Throughout the years, association membership markets have implemented the offering of several other non-insurance products that could benefit members. These alliances diversify and enhance the total membership package.

For years, the SOA has provided a diverse package of benefits to its membership. Offerings such as library access, a resume matching service and a speakers kit, are strong incentives to maintain ties with the organization. However, the SOA has never previously offered insurance products to its membership. That changed in January 2003 when SOA began presenting several insurance options, further enhancing their total member benefits package. The products offered to SOA members now include Professional Liability underwritten by Lloyds of London, Disability, Catastrophe Major Medical and Term Life underwritten by United States Life Insurance, and Individual Major Medical underwritten by multiple carriers.

The SOA acknowledges that it's membership tends to fall into two general categories: members looking to supplement employer-provided insurance benefits, and members that are self-employed and looking for independent insurance options. Employed members' interests may lean towards products such as Term Life Insurance whereas self-employed members are likely motivated by the need for their own Professional Liability insurance. The reality is that more and more professionals are facing allegations of professional negligence. Years of hard work could be compromised by a costly lawsuit. Actuaries need to evaluate their risk factors, whether or not these claims are factual, and the benefits of obtaining professional liability insurance outweigh the risks.

The offering of insurance products to SOA members came about through mutual meetings between Marsh Affinity Group Services and SOA. Marsh Affinity Group Services' specialists in affinity group marketing presented evidence of how a strong opportunity existed for actuaries to take part in SOA-sponsored insurance programs. When assessing the needs of any new group, Marsh evaluates age demographics and other key characteristics of membership to help tailor programs and foster genuine interest in participation in those programs.

However, the SOA has never previously offered insurance products to its membership.

Marsh Affinity Group Services determined that because of the high concentration of Internet users among SOA membership, they would obtain permission to initially test response with direct e-marketing efforts. Marsh Affinity has provided the SOA with a paragraph highlighting each of its insurance programs and the SOA e-mails these highlights to its membership according to an SOA-determined schedule and in coordination with select direct promotions. A hyperlink within the text directs users to a Web site where they can view or download applications and brochures describing the plans in detail. The Internet provides an easy way to establish a relationship with SOA members.

Marsh Affinity Group Services' overall approach to affinity marketing is very direct—seek to forge a partnership with their clients. They use a simple combination of efforts: understand the audience, build lasting relationships, anticipate needs and offer appropriate solutions. With the SOA, Marsh has applied these tactics and they are building the bonds for a successful relationship that will prosper for years to come.

Dwayne Thompson has been involved in the insurance industry for 12 years and holds a masters degree in Business Administration. He has specialized in association-sponsored programs for the past 10 years and is currently an assistant vice president for Marsh Affinity Group Services, a service of Seabury & Smith, the SOA's business insurance administrator.

But Will They Buy?

Insurance Coverage for All…And How Insurers Can Afford To Provide It

Review by Ian Duncan

Editor's Note: Published by Actex Publications Inc., Winsted CT, at $45.00 plus shipping and handling ($7.00). Available from Actex Publications at www.actexmadriver.com *or 800-282-2839.*

Maria Thomson has done the industry a service with her new book, "Insurance Coverage for ALL… and How Insurers Can Afford to Provide It." Inside this thin book (88 pages, including notes, so you can finish it in one sitting) is a fatter book, longing to be written. It is a stimulating read, raising a number of different issue. It should lead to some lively debate, and, I hope, further analysis.

Maria's basic philosophy is that insurance is a GOOD THING, and therefore we should all have more of it. She does an excellent job of reminding us of lines of insurance in which penetration is low, and for which more coverage would be beneficial to her target population (roughly, middle-class employed people), such as disability income. The concept need for insurance coverage is one that could benefit from further analysis: all people are not equal, and the need for, type and amount of coverage appropriate for different profiles of the population varies by, amongst other factors, age, family composition, marital status, stage of life, resources and wealth, access to social and government programs, level of risk tolerance, etc. The relative aging of the population, the decrease in the (child) dependency ratio, the increase in the number of two-earner families over the past 20 years, and the increase in alternative and more attractive investment vehicles hardly make it surprising that life insurance ownership has fallen. To this list I will add the failure to develop new products to meet emerging needs. (More about this later.) Despite all these changes, the percentage of households that own life insurance was 76 percent in 1998, so household penetration does not appear to be an issue. Those households that do own life insurance appear to be able to replace between 1.8 and 4.4 years of income with their insurance amounts. I suspect that these replacement ratios are the source of the notion that the public is inadequately covered with life insurance.

Maria's thesis can be summarized briefly as follows:

1. Insurance companies have abandoned the middle-class market to focus on the affluent.
2. Most people have inadequate insurance for their needs.
3. Selling in the traditional model is becoming cost-prohibitive.
4. Traditional underwriting is slow and expensive, making buying difficult.

This leads to her recommendations for the industry:

1. Develop more simple products.
2. Focus on faster and more streamlined issue processes.
3. Develop alternative channels such as work-site marketing and bancassurance.

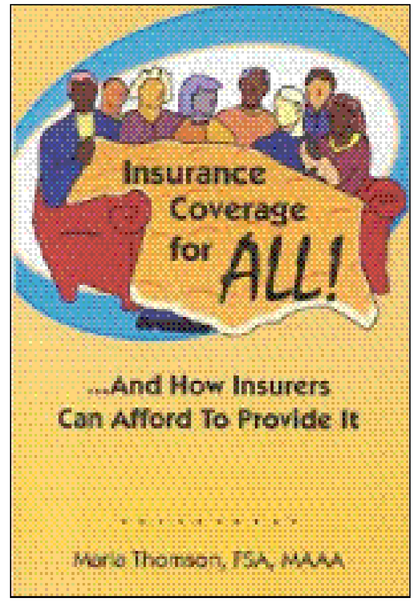
The discussion of the rise and fall of the debit market was, for me, one of the more interesting sections of this book. The puzzling issue, however, is why the debit insurance market died, rather than evolving to a form of distribution like the Avon, Longaberger or Tupperware models. I would have liked to read more about the bancassurance market, which has arguably not taken off in the United States Maria tells us that it has been successful in Europe; it has been tried in Canada, and some Canadian experience would be helpful.

The discussion of product development focusing on needs of the target population is a useful one that deserves expansion. One of the interesting consequences of focusing on need as the basis of product design is that you end up with rather messy products that do not fit easily into existing "buckets". I recently ran a client seminar on needs-based product design, focusing on "End-of-Life" as an event. While the financial risk of expenses at the end-of-life is not necessarily as high as that faced by young families, these expenses can be substantial and diverse (acute medical, custodial, burial, rehabilitation, lost income, etc.). There are sources of finance that offset the risk (accumulated assets, government and social programs, insurance products) but for the average consumer, "sources and uses of funds" in connection with end-of-life events is a daunting task to master in a short space of time. The good news from our seminar was that there are ways to re-engineer existing products to do a better job of serving these needs.

When it comes to finding ways to provide broader coverage for a large number of households, we should not overlook group insurance. According to Maria, about 52 percent of households own group life insurance, which is slightly more than those who own individual life insurance (Table 2.2, p. 14). The percentage of households covered by group life is higher, if you exclude those aged over 65 (as a proxy for retired workers) and those living in single households (as a proxy for "need"), who, together, constituted about 34 percent of all households according to the 1990 Census. Despite its size and relative importance, the group life insurance (and affinity group) market is the "Cinderella" of the industry, too often ignored by those who come from a more traditional background.

Although coverage of employees by group life insurance plans is broad, it is still possible to make the case that employees are underinsured (at about 1.5 times average earnings) and that segments of the market are undeserved. For example, a Conning and Co. study of Group Life[1] (1998) found that only 50 percent of employees had access to supplementary group life through their employers. Those that have access bought, on average, about $60,000, according to the Conning report. Based on an average hourly compensation of $15.09 for 1997 from the National Compensation Survey (Bureau of Labor Statistics), that works out at around twice salary, which, when combined with employer-provided group life insurance of about 1.5 times average earnings, results in fairly adequate replacement ratios (for most employees). The reasons why only 50 percent of employees have access to Supplemental Life coverage is another important topic for further discussion.

With regard to underwriting and issue, group life already meets some of the important criteria that Maria recommends for the industry ("a well-screened policy issued instantly," p. 9): group life is widely available, the products are simple, and the underwriting and issue process is simple and fast. Most employees (and dependents, in those plans that cover dependents) are covered immediately for the guaranteed-issue limit, provided the employee meets the actively-at-work test (or, in the case of dependents, the dependent non-confinement rule). Rates are reasonably competitive with those of individually underwritten products for the same reasons that Maria discusses in her modeling of the cost and benefit of underwriting. Workers who do not have access through an employer-sponsored plan can often find competitive coverage through unions or trade associations.



So why is group insurance the Cinderella coverage? Possibly, because it relies on employers for marketing, and employers have more pressing benefits issues on their minds. Possibly because the companies that sell group insurance do not do a good job of promoting the product, to either the employer (first sale) or the employee (second sale). Possibly because there has been limited product development in Group Life, although there have been some significant innovations in the last few years:

- Group universal life
- Interest continuation accounts (bank accounts for beneficiaries)
- Acceleration of benefits on terminal or critical illness.
- Portability/direct-billing on termination of employment.

I have seen my clients in the group insurance market do a fabulous job of continuous product enhancement, data-mining for target marketing and cross-selling opportunities, experimentation with alternative underwriting and issue approaches, and, as a result, enjoy excellent results. The areas where there has been less innovation are in products that depart from a simple, basic life insurance concept (which is easier to communicate and sell) and in the advisory function that has traditionally been the province of the agent—recommending a plan and an amount of coverage. No doubt this will come with time and enhanced technology.

Nevertheless, a useful and thought-provoking book, which I recommend to all non-traditional actuaries.

Ian Duncan, FSA, FIA, FCIA, MAAA is a partner at Lotter Actuarial Partners in New York. He practices in the areas of data mining for insurance product development, risk prediction and marketing. He can be reached at idun-can@lotteract.com.

1) Group Life: Different Strokes for Different Folks. Conning & Company. 1998.

NTM Sessions held in Washington, D.C.

Session 06 PD

Debt Cancellation Update

Panel: Chris Hause, Hause Actuarial Solutions
Mike Balsley, Fleet Credit Card Services
Hugh Alexander, Alexander Law Firm

Chris Hause provided a brief overview of the nature of debt cancellation and suspension agreements. These agreements take the form of loan addendum that allow the creditor to cancel or waive certain requirements of the loan based on occurrence of certain events. These events in the insurance arena have traditionally included death, disability and unemployment. However, these choices have expanded to quite an impressive list. Events now include marriage, divorce, birth or adoption, college enrollment, disaster relief, hospitalization, long-term care confinement and leave of absence.

Mike Balsley then talked about his experience with FleetBoston Financial, who migrated their credit card portfolio from insurance to debt cancellation/suspension. FleetBoston formed a self-contained operating unit, called complementary products group that is dedicated to the design, marketing, administration and risk management of these programs. After favorable test results, the move was made in 2001 to eliminate new offerings of insured programs, and exclusively to debt protection. Here is an outline of the advantages of this migration.

Product Design Advantages

- Absence of filing requirements allowed development and testing of new products on a timely basis
- Greater flexibility in product design allowed us to be more responsive to the customer
- The ability to charge the same rate nationwide resulted in marketing and administration efficiencies
- All of these factors have enabled us to adopt a multi-product approach with different product sets designed to appeal to specific segments of the portfolio, plus “roll down” products to augment retention efforts

Distribution Advantages

- Absence of representative licensing requirements and credit insurance boilerplate allowed us to:
  – Maximize telemarketing as the primary distribution channel
  – Change “real estate” requirements on applications, card carriers, etc.
  – Develop effective programs for customer service staff
  – Offer protection at virtually every point of customer contact including:
- Telemarketing
- Card Activation
- Balance transfer
- VRU
- Customer service
- Internet

Marketing Advantages

- Ability to utilize a multi-product, multi-price point approach led to the development of proprietary targeting/modeling techniques including:

– Profit driven targeting using EVA/Life Time Value models that have reduced leads by more than 30 percent and achieved same economic results
– Each customer scored and offered the "right product at right time"
– Sophisticated offer "windowing" that ensures customers are not contacted too frequently

- Marketing techniques spurred by FCCS' migration to debt cancellation have resulted in:
  – 21 percent conversion rate improvement
  – 25.2 percent decrease in acquisition costs
  – $12 of additional revenue per active account

Operational Advantages

- All fulfillment, product service and claims administration are now entirely "in house"
- Direct management of the claims process has resulted in significantly improved levels customer satisfaction
- In-house retention and more product options have led to the development and implementation of highly effective retention strategies that consistently yield save rates over 20 percent

Migration Impacts

- More products to serve customer needs and fuel better marketing techniques
- Improved debt protection program revenue
- Improved persistency supported by debt cancellation retention products and strategies
- Improved customer satisfaction

In general, the conversion from insurance programs to debt protection seems to be an unqualified success for FleetBoston.

Hugh Alexander then gave us an overview of the Gramm-Leach Biley act and OCC regulation that govern these plans at the bank level. In general, the practices that are currently prohibited for insured products remain prohibited for debt protection as well. Two additional requirements that affect these programs are the outright prohibition against single premium plans on real estate secured loans and a requirement that

there must be a bona fide monthly alternative to any single premium plan. Non-refund single premium plans can be made available, but a refund alternative is required as well.

Hugh also summarized what the various state positions and actions have been toward debt protection.

Chris Hause covered two of the more important aspects of these new plans—the "safety and soundness requirement" that the OCC requires and the Bona fide monthly alternative requirement.

While the OCC has pronounced that debt protection programs are offered on a "safe-and-sound" basis, there has been little guidance available thus far to put any specific guidelines in place for examiners. There appears to be an opportunity for actuaries to put their science to work, and I have been in contact at several levels to involve the profession in assisting in the development of viable standards.

Chris reviewed the mathematics, history and the "pros and cons" of the three main approaches to monthly alternatives to single premium. These methods include the traditional monthly outstanding balance, the so-called APR method and the level monthly

(continued on page 10)

method. Which of these will emerge and in which markets remains to be seen.

For more information on this topic you can reach Chris by *chrish@hauseactuarial.com*.

Session 50 PD

INTRODUCTION TO VOLUNTARY BENEFITS

Moderator: Chris Hause, Hause Actuarial Solutions

Panel: Diana Thulin, Swiss Re Life and Health America
Thomas F. Welch, Jr., Johnson Rooney Welch, Inc

This session provided an overview of the "traditional" voluntary products, life and AD&D. This was either packaged together with the employer-paid benefits or as a stand-alone product. These products generally feature an accelerated death benefit, and usually include options for spouse and children's benefits as well.

Benefit configurations are usually multiples of earnings (one to five times is most common, and there is some upward pressure on these) or fixed increments up to a maximum ($500,000 on the employee and $100,000 for a spouse).

Other voluntary products include cancer, critical care, disability income (long-term and short-term), dental, vision, long-term care, auto, homeowners, pet and legal services.

There is consensus that the offering of these type plans by employers is on the rise. This is particularly true when there is high competition for employees, or when an employer has discontinued or reduced an employer-paid plan. Employees enjoy the convenience of payroll deduction, expanded benefit offerings and generally lower level of underwriting versus individual plans.

Effective marketing is very important to these plans' success. The loss experience depends very heavily on the spread of risk achieved. Multiple options for enrollment and information have been helpful in this regard. Examples are the initial and subsequent enrollments, intranet, voice-response enrollment and well-educated Human Resources personnel.

Administrative systems are crucial to long-term success due to the peculiarities of the business. This applies not only to the initial enrollment and billing of multiple plans, but also to new hires, guaranteed issue limits, rate increases due to employee aging, automatic increases due to salary and managing multiple worksites.

Pricing is generally done on a unisex, age-banded structure. Smoker distinct rates are common. Experience refunds, if any, are generally used to grant "payment holidays." The administrative system must handle this aspect as well.

This session was well received by those who attended. Many requested copies of a recent article written by Diana titled, "Where did the Lines Go Between Group and Individual Life?" If you are interested in seeing a copy of this article please contact Chris Hause at *chrish@hauseactuarial.com*.

Upcoming NTM Sessions at the Annual Meeting

The Inside Scoop on New Product/ Market Success

Moderator: Steve Cooperstein

We all seek "winners" in the marketplace, but what determines a winner? The panelists share their experiences in developing product and market innovations that "made it," and the key elements of success.

At the conclusion of this session, participants gain a better understanding of identifying and implementing innovations for market success.

Professionalism in the Nontradtional Marketing Context

In light of the recent corporate scandals, this session reviews our professional responsibilities in the NTM context. Many NTM opportunities involve partnerships with outside firms. Our actions impact not only our companies and our customers, but other firms as well.

We look at the unique challenges and professional requirements for NTM actuaries. We look at this from the perspective of a company employee, as well as a consultant.

At the conclusion of this session, participants have a clear understanding of their professional requirements, as well as understanding of areas and behaviors to avoid.

Hot Topics in Credit Insurance and Debt Cancellation

Facilitator: Chris Hause

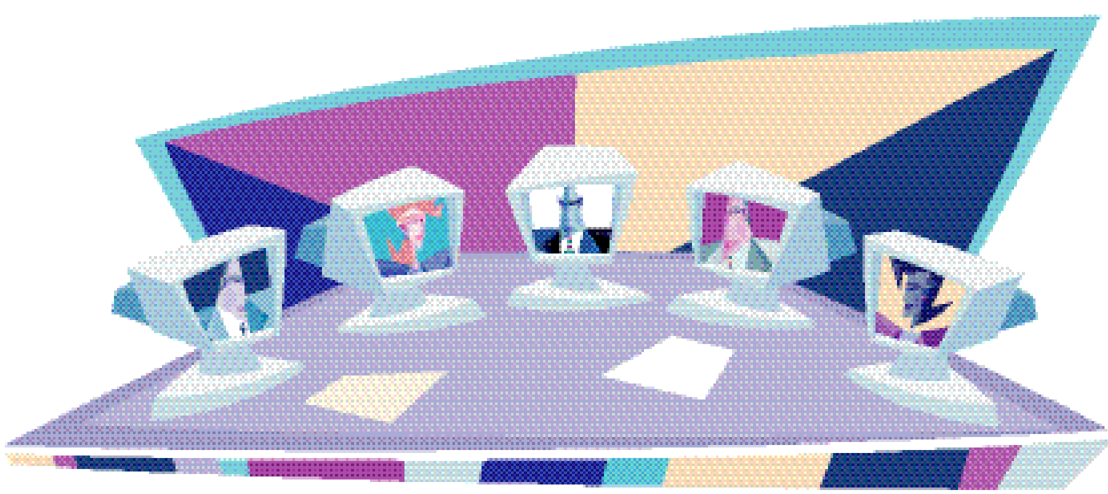
In this workshop, we discuss various current topics in credit insurance and debt cancellation, including:

- Status of the new valuation tables for credit disability and mortality
- Use of experience study data
- Current regulatory topics
- "Safety and Soundness"—what does this mean?
- Component rating—what can we do to help?

At the conclusion of this session, participants are brought up to speed on many of the current issues facing the credit/debt cancellation insurance marketplaces.

Nontraditional Marketing Section Wine and Cheese Reception

The Nontraditional Marketing Section invites all attendees to a reception on the beautiful grounds of Walt Disney World. Attendees have an opportunity to discuss the presentations and meet the presenters while enjoying beer, wine and hors d'oeuvres.



Articles Needed for *NewsDirect*

The Nontraditional Marketing Council is always looking for interested and informative articles to publish in *NewsDirect*. Your ideas and contributions are a welcome addition to the content of this newsletter. All articles will include a byline to give you full credit for your effort.

***NewsDirect* is published as follows:**

Publication Date	**Submission Deadline**
December 2003	October 10, 2003
January 2004	November 7, 2004
May 2004	March 5, 2004
September 2004	July 9, 2004

In order to handle files efficiently, please e-mail your articles as attachments to the newsletter editor in either MS Word or Simple Text files.

SOCIETY OF ACTUARIES

Nontraditional Marketing Council Supports Professional Development Opportunities

The mission of the Nontraditional Marketing Section is to facilitate research and discussion regarding the relationship among customers, products and distribution systems. The focus of the section is the exploration of two particular aspects of this relationship: methods of marketing financial products to potential customers other than through the conventional channels, and specialty products particularly well suited to alternative methods of distribution.

The Nontraditional Marketing Council would be interested in mentoring actuarial students seeking to complete their professional development credit where the project or research topic is aligned with the mission and focus of the section. A student interested in pursuing this opportunity may do so by contacting any member of the Nontraditional Marketing Council.

Upcoming Events

The Insurance Direct Marketing Forum 2003: Harnessing Traction—Road Maps For Successful Programs

September 15-16, 2003
Lowes Hotel–Philadelphia, PA

For full details click on:

www.jcg-ltd.com/pages/forum.html