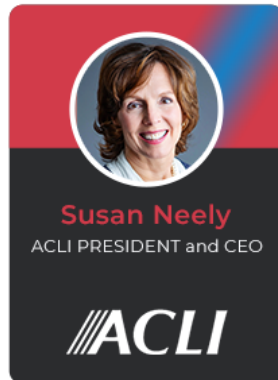


CEO PANEL

NAIFA CEO PANEL: “SERVING MAIN STREET IN A NEW NORMAL”



How Have Insurance and Financial Industry Associations Responded to COVID-19?

All four industry leaders, Susan Neely, Wayne Chopus, Ken Bentsen, and Kevin Mayeux agreed ensuring that state and federal officials recognized insurance and financial services professionals as essential workers became an immediate priority.

Next all four associations had to adjust strategies to ensure they could continue serving members remotely and to ensure the industry could continue serving consumers.

“We worked with [NAIFA] to achieve some regulatory accommodations, so that we could get producers who had done everything – all their classroom training – all they needed to do was take the exam and get their license and be out there in the NAIFA membership, we worked closely with you to get those kinds of accommodations done,” Neely said. (6:50)

Chopus said IRI established three COVID-19 principles:

- Make sure members know “we are here for them and open for business. We wanted to double down on our strategic communications” to members, he said.
- Ensure the safety of our employees.
- Reprioritize strategies, which involved creating a [five-point plan](#) for Congress to help retirement savers (8:13)

SIFMA’s first priority was to keep markets open and functioning as efficiently as possible, Bentsen said, especially with so many employees working from home. (11:59)

“COVID-19 has underscored some of the 20th century rules that the industry operates under, like physical security and mail delivery and the like,” he said. “They’re very important, but nonetheless not necessarily built for this environment.” (12:58)

What lessons has the financial services industry learned from this crisis?

The crisis presents opportunities to build on, Neely said. “We’re calling these temporary accommodations – e-notorizations, e-signatures, the ability to finalize licenses for producers without them having to come in, paramedical testing that limits what has to be done in person – we’ve gotten permission to move forward with those things now and we believe it’s a real ‘proof of concept’ that this works. It’s more efficient for the consumer, the consumers are adequately protected, and our objective as an industry should be to push forward and convince state regulators and where appropriate federal regulators, that this should be the way of the world.” (14:15)

Chopus agreed. “This is the way that we should be doing business from a consumer standpoint and an advisor standpoint going forward” he said. (17:54)

Rather than a lesson learned, Chopus said, the COVID-19 crisis reaffirmed a truth IRI already knew. “Consumers are always going to need personalized financial advice from an advisor,” he said. He cited a Nationwide survey that found a quarter of respondents who had never used an advisor before are now seeking to engage one as a result of this pandemic. (18:08)

Bentsen said the contacts are going both ways. According to a soon-to-be released SIFMA survey, “75 to 100% of advisors working remotely have been reaching out to their clients on a regular basis, most more than once a week.” The role that advisors play in terms of connectivity with clients is being underscored by the pandemic. (20:25)

“This could be a new normal of how you meet clients, you may meet more and you may meet in a different environment but it could become more permanent because it’s worked well,” Chopus said. (22:05)

Mayeux added that NAIFA is doing virtual events with members two to five times a week. “You have an opportunity to interact virtually, you’re seeing people on your screen, you’re talking through your camera and your microphone, and you feel that connection,” he said. “And the same thing is translating to the ways that they interact with their clients and their customers.” (22:23)

The Way Associations Represent the Industry Will Have Lasting Impact

The CoVID-19 crisis has given us an opportunity to reaffirm why our industry is essential to the economy and the American public, Neely said.

That is likely to be more important than ever because “there will be a reckoning in 2021 and beyond, as politicians determine how we’re going to pay for this and who pays for what,” she added. “We need to be as an industry a standout, an industry that has been there for people, that’s been there for the community, that’s essential to the economic recovery. What we say about ourselves now will be important to how we’re seen as leaders going forward.” (24:30)

Bentsen agreed. “The work that our members do day in and day out will underscore the importance of financial advice and reduce the risk of policymakers looking at that as something to curtail or something to tax or whatever else. What our members do day in and day out should have tremendous benefit in this future reckoning.” (26:29)

“We’re going to have to figure out as a country how to pay for all of this,” Neely said. “That’s going to mean tax discussions at the federal and state levels. So we’ll have to be very vigilant on those things. We have to be clear that we’re an important part of the recovery. We have a unique value proposition. We’re not just an open checkbook that’s available to pay for all of the recovery.” (43:55)

All of the leaders agreed that the industry also needs to keep focus on ongoing policy matters, like the implementation of the SEC’s Regulation Best Interest.

Neely said that low interest the low interest rate policy is also a major industry concern. “We need to raise awareness of the impact of sustained low interest rates on families and their savings and their ability to have the protections they need to fully recover from this,” she said. (36:26)

“It’s a real issue for our members companies who create products that give these guarantees whether it be life insurance or annuities,” Chopus agreed. (38:10)

What Has COVID-19 Changed About the Industry Permanently?

“I think a lot of this becomes permanent,” Chopus said. “It’s working well, it benefits the consumer, we’re creating easier experiences for the advisor, and to some degree with products that have protection components to them, as you watch the markets do what they’ve done over the past 60 days, Americans are being reminded that the market doesn’t always just go up. In some cases you buy protection products because the products do things that allow you to sleep better at night and do things that most other products can’t do.” (27:39)

Neely said the crisis emphasizes the need for an even stronger private market safety net. It seems likely to create expanded market opportunities. “Anecdotally, we’re hearing there’s a 30 to 50% increase in the sale of life insurance policies.” (30:11)

How can our members, and NAIFA itself, better support your organization?

Bentsen, Chopus, and Neely all agreed that NAIFA’s members have unique strength and value as grassroots advocates.

“I can’t tell you how much stronger NAIFA members make our advocacy and our ability to get the right outcome for the industry,” Neely said. “It’s unparalleled. And that’s because you live there in those communities, and you really can connect a policy or advocacy objective with people’s lives, because you’re dealing with them every day. And you can tell the stories that change hearts and minds.” (49:20)

Chopus added: “You’re the eyes and ears of the industry. You’re going to see trends ahead of the curve. Consumer motivations, fears, concerns, you’re going to see it first.” (50:56)

Financial professionals “have the client,” Bentsen said. “You’re where the rubber meets the road and your voice is so powerful because you’re actually in the business, you’re talking to real people – what they’re interested in, what their hopes and dreams and fears are. There’s nothing more valuable” from an advocacy standpoint. (53:00)