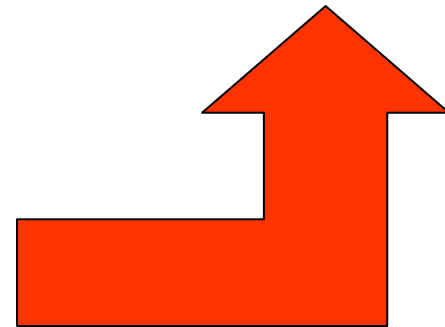


next

15

minutes



angry

angry

laugh

angry

laugh

work

feisty

feisty

frugal

feisty

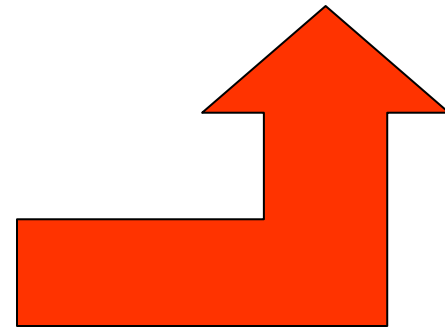
frugal

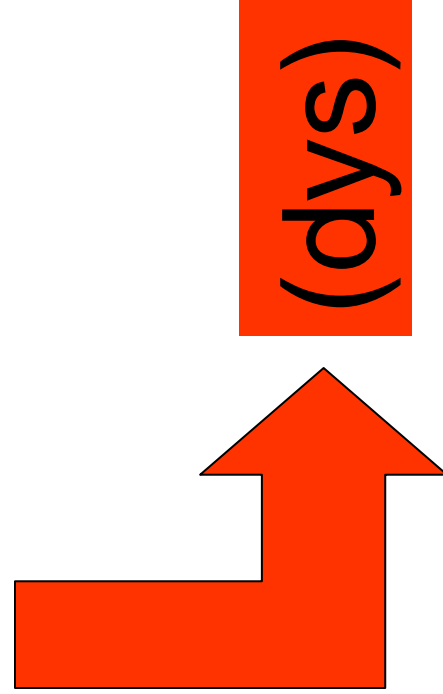
(dys)functional


feisty


frugal

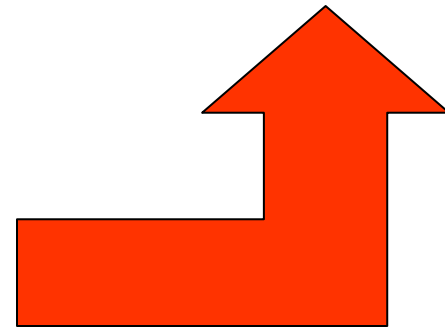
(dys)functional





swatch[®] 


swatch[®] 

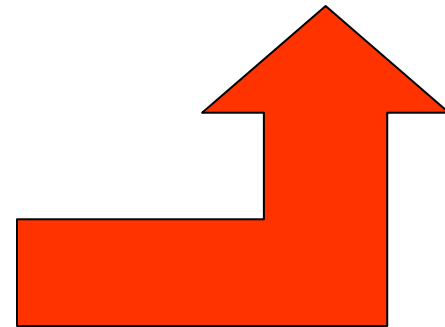


our

swatch

moment?

swatch[®] 

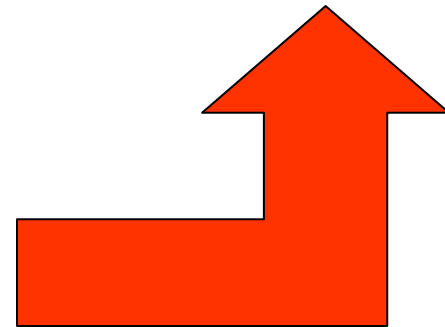


our

swatch

moment?

1909

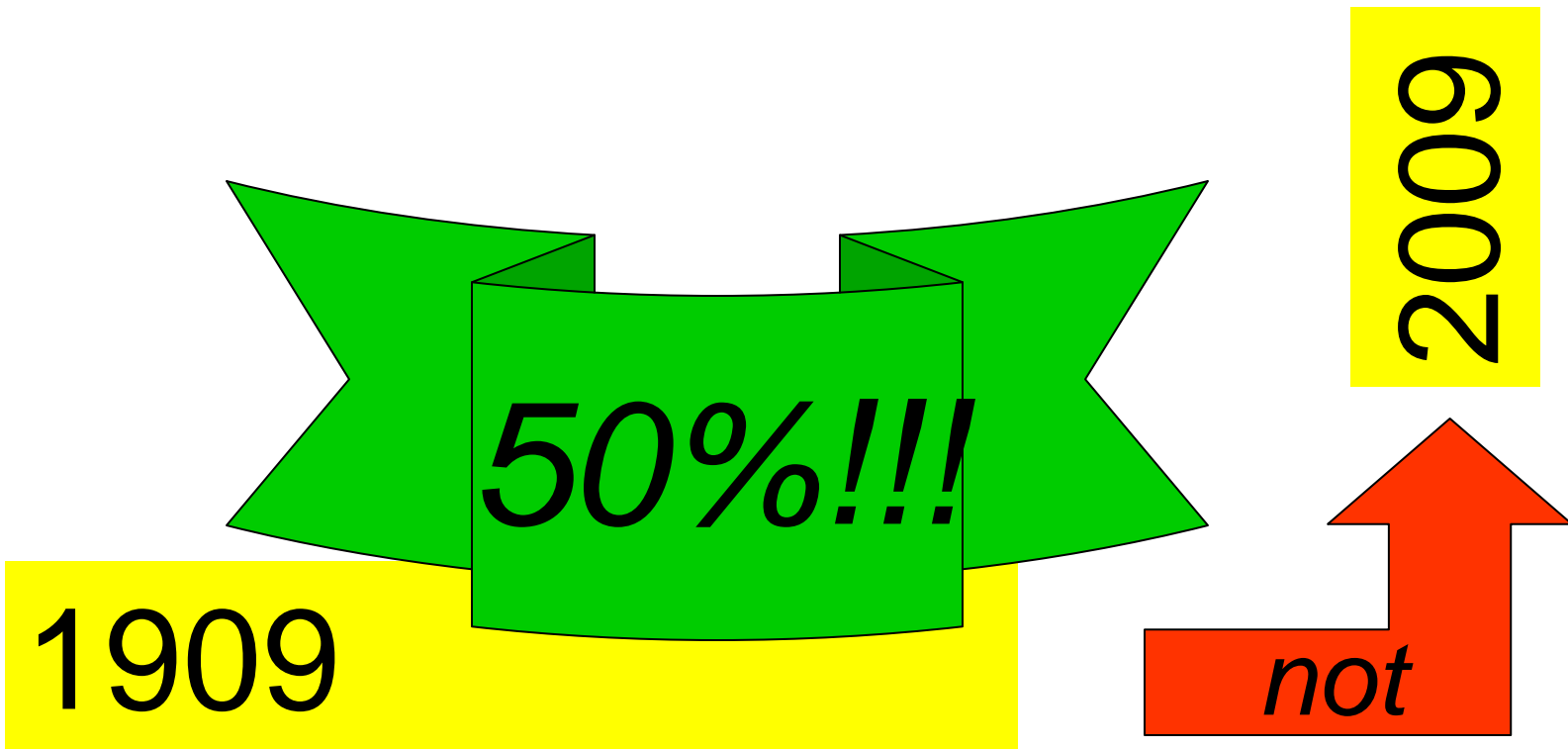


1909

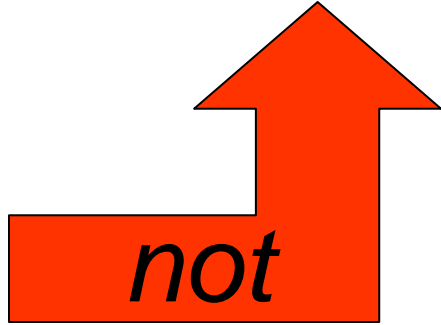
50%!!!

2009

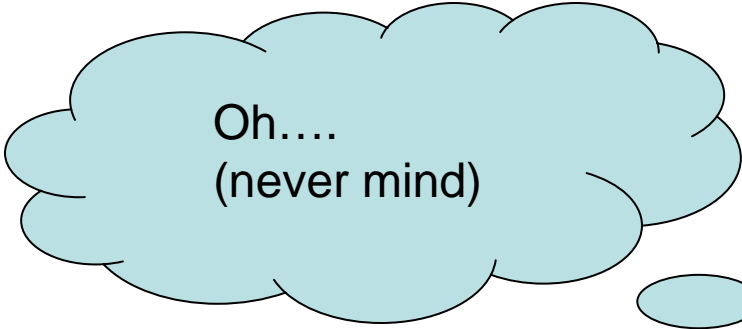
not



1909



2009



Oh....
(never mind)

the why of a...

what's a...

co-op?

cooperation

does not equal

charity

collaboration

creates

competitive advantage

cooperation

not equal to

charity

different

give/get

differently

cooperation

collaboration

not equal to

creates

charity

advantage

need scale

to

get scale

cooperation

collaboration

collaboration

not equal to

creates

creates

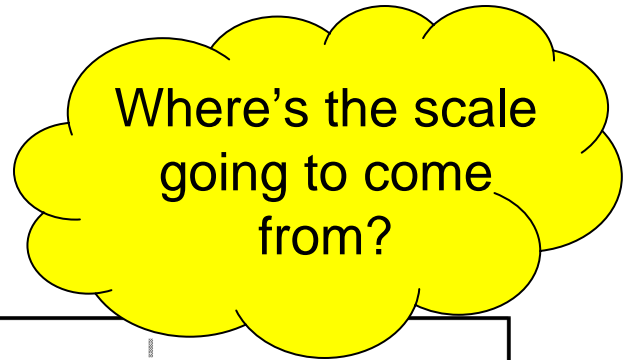
charity

advantage

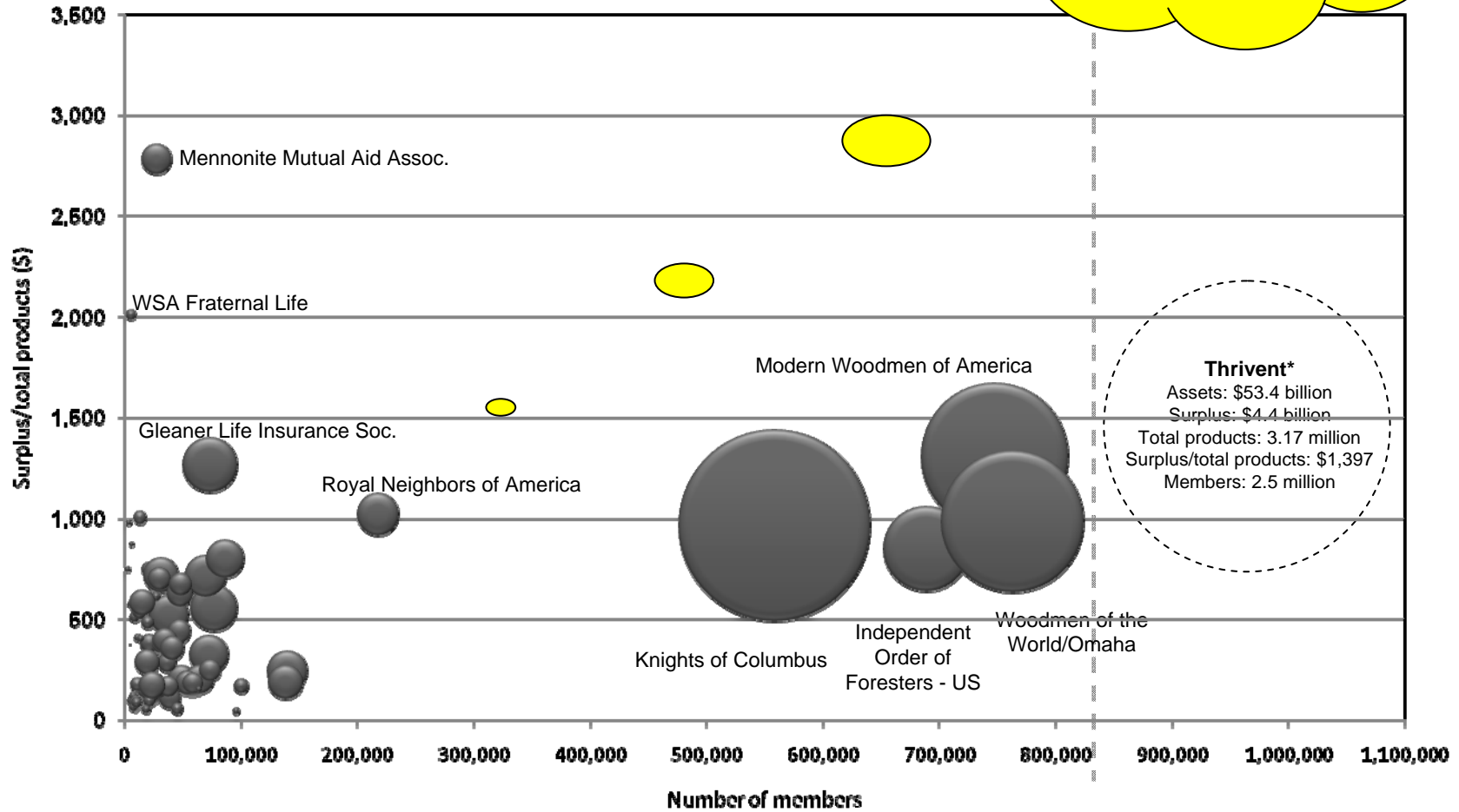
advantage

Research Analysis: Fraternal Mapping

If surplus and member base are indicators of fraternal success...



**Map of Existing Fraternal
(based on NFCA data in 2007)**



* Size of bubbles represents total assets

* Thrivent's bubble is for illustration purpose only, not representative.

cooperation	collaboration	different
not equal to	creates	give/get
charity	advantage	differently

We think this is the right model for fraternalists!

Key Attributes	Purchasing/Shared Services Co-ops	Producer Co-ops
Example:	Hardware Co-ops, GPOs & CUNA Mutual	Land O'Lakes, Ocean Spray
Role in the market:	Buyer	Seller
Function:	Supply aggregation	Demand aggregation
Benefits to members:	Greater bargaining power with suppliers	Greater bargaining power with buyers
	Leverage scale to lower costs	Stimulate demand through promotion
Ownership:	Independent businesses or organizations	Individual producers
	<pre> graph LR S[Suppliers] --> Co-op[Co-op] O[Owners] --> Co-op Co-op --> C[Customers] Co-op --> Com[Community] Co-op --> Oth[Others] </pre>	<pre> graph LR S[Suppliers] --> Co-op[Co-op] O[Owners] --> Co-op Co-op --> C[Customers] Co-op --> Com[Community] Co-op --> Oth[Others] </pre>



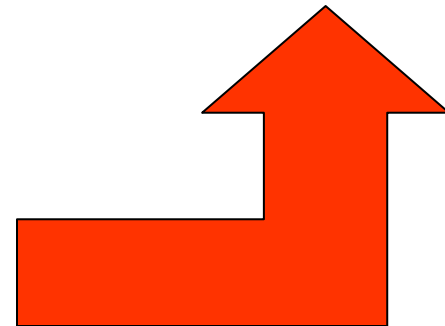
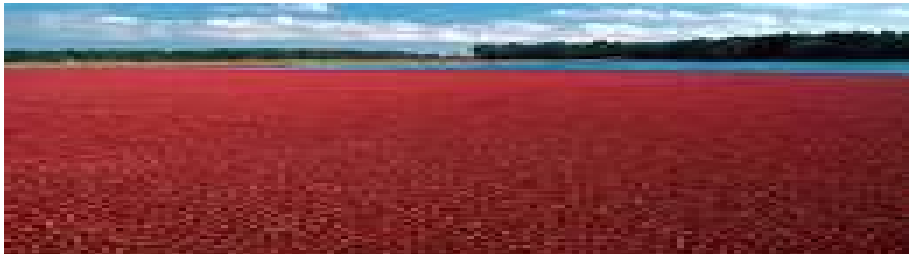
“You might be asking, how does a small collective of three cranberry growers transform itself into an American icon and the number one brand of canned and bottled juice drinks in the United States?”



1930

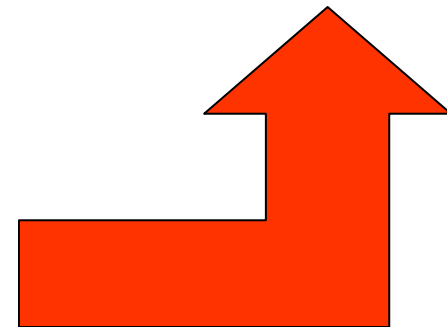
3 farmers

1 big idea



Leading producer of canned and bottled juice drinks since 1981. Fiscal 2007 gross sales of \$1.7B. 2,000 employees worldwide. More than 120,000 consumers call the Ocean Spray Consumer Helpline (800-662-3263) each year for recipe ideas, product information and brochures.

“Glad we could help.”

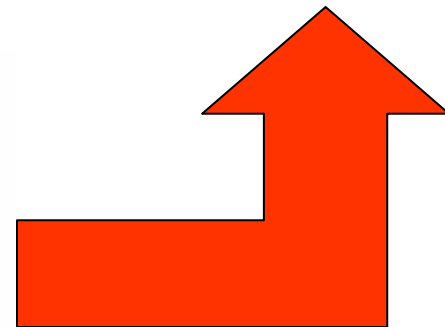




scale

comes

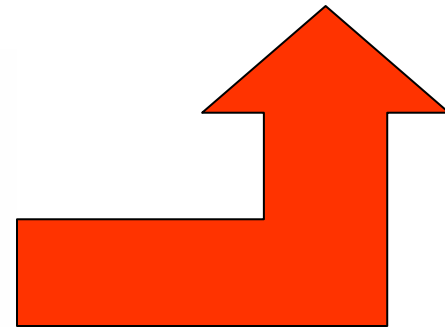
from



scale

comes

from





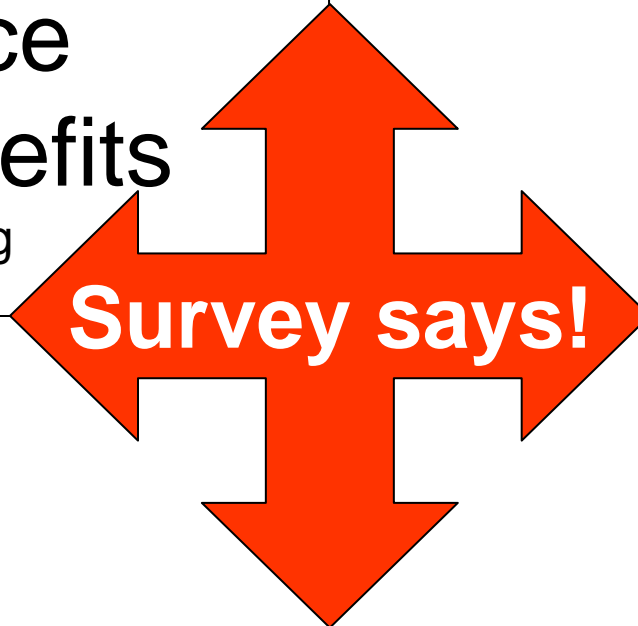
Survey says!



For **85%** a
co-op has
intuitive appeal



1. Compliance
2. Reinsurance
3. Group Benefits
4. Fraternal programming



For **85%** a
co-op has
intuitive appeal



1. Compliance
2. Reinsurance
3. Group Benefits
4. Fraternal programming



65% interested in mergers & strategic partnerships

Survey says!



For **85%** a co-op has intuitive appeal



1. Compliance
2. Reinsurance
3. Group Benefits
4. Fraternal programming



65% interested in mergers & strategic partnerships

Survey says!



For **85%** a co-op has intuitive appeal

Sales Training

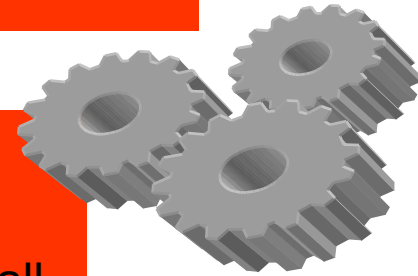
is also of interest ***plus much more!***

So Let's Build
a Co-op!



Four working groups

At Jackie and Joe's tables,
we want your **gears grinding away** w/ "small,
medium and large" **pilot ideas**.



At Chris and Mike's tables,
open brainstorming for new ideas.

Our **objective?**
to pilot this year.

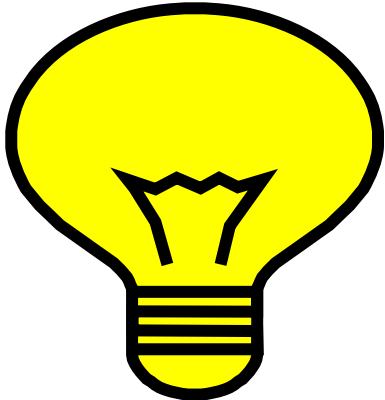
Some **things**

Functional

Try
Could
We, Us

Can't
Won't
Shouldn't
Me, My, I

(dys)



Breakout #1:
Compliance

Facilitator: C. Kopka

Action: Group brainstorm
of shared services
compliance needs.

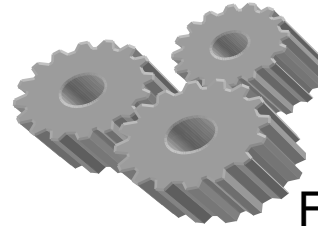
Outcome: 2-3 ideas for
further exploration.

Facilitator: J. Annotti

Action: Discuss/gather
reactions to a specific pilot
idea presented at the table.

Outcome: See if the table
would commit to piloting.

Breakout #3:
Reinsurance



Breakout # 2:
Compliance

Facilitator: J. Felling

Action: Discuss/gather
reactions to a specific pilot
idea presented at the table.

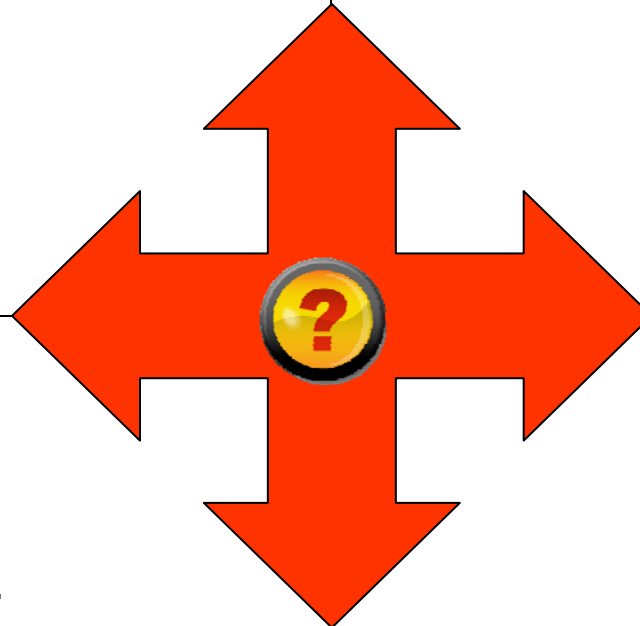
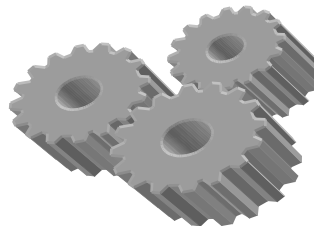
Outcome: See if the table
would commit to piloting.

Facilitator: M. Belz

Action: Group brainstorm
of approaches to group
benefits for agents.

Outcome: 2-3 ideas for
further exploration.

Breakout # 4:
Benefits



Breakout #1:
Compliance

Facilitator: C. Kopka



Goal: Open brainstorming session to come up with ideas worth further exploration.

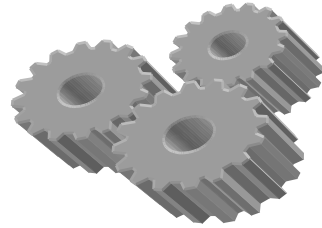
Conversation starters:

The survey revealed a great deal of interest in insurance rules & regulations. What would people want? What would create value? How much would it be worth?

The survey revealed a great deal of interest in a contracting, licensing & registration solution. What would that look like?

Breakout #2:
Compliance

Facilitator: J. Felling



Goal: Find something to pilot that will allow at least 3-5 fraternal to see if there are viable collaborative solutions for compliance. Conversation starters:

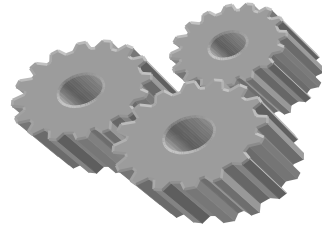
-Small: Create a fraternal-centric continuing education webinar on a current regulatory hot topic.

-Medium: Test a fraternal-sensitive insurance rules & regs update service to see if anyone will subscribe.

-Large: What is the estimated cost to license, register and appoint an agent through each fraternal? How could a co-op create a cost, quality &/or timeliness advantage by aggregating this as a service bureau-type solution?

Breakout #3:
Reinsurance

Facilitator: J. Annotti



Goal: Find something to pilot that will allow small to mid-size fraternal to partner and collaborate more effectively with Optimum Re. Conversation starters:

- Small: Invite a speaker to educate the fraternal system more broadly on reinsurance.
- Medium: Test the creation of a common underwriting pool by having underwriters from 3-4 fraternal cross-train together for 6 months.
- Large: Test the possibility of larger fraternal creating a pool intended to take part in retrocessions from Optimum Re of small to mid-size fraternal risk.

Breakout #4:
Benefits

Facilitator: M. Belz



Goal: Open brainstorming session to come up with ideas worth further exploration.

Conversation starters:

The survey revealed a great deal of interest in health insurance and in retirement plans. What would people want? What would create value? How much would it be worth?

Has anyone seen an innovative provider in the marketplace who could be brought to the table to consider the fraternal system as a whole?