

**Terry Rasmussen Remarks
Fraternal & Communications Sections Meeting
April 18, 2009**

Good evening, and thank you for inviting me to join you for this event.

I'm sorry our friend and NFCA Chair of the Board Barb Cheaney couldn't be with you this evening, but I'm happy to stand in for her.

First and foremost, as someone who calls the Twin Cities my home, thank you for traveling here for this event. OK, I know Minnesota in April is not an exotic location for a meeting, but let me tell you, it's a lot better than... hmm... Minnesota in January! Seriously, thanks for taking the time to attend, participate and learn over these last three days.

And along those lines, how about (another) hand for Kathleen and Eivind, our hosts? I congratulate you and the section boards for another strong and substantive meeting. I know NFCA section leadership isn't necessarily in anyone's job description. We all have heavy workloads in our "day jobs" at our individual societies, and it's often tough to make the time for other things like NFCA work. I understand that, and the rest of the board understands that as well. We all recognize and appreciate

what goes into these meetings and other section activities. So on behalf of the NFCA board, thank you for what you are doing.

Speaking of the NFCA, I want to take this opportunity to thank Joe Annotti and the NFCA staff for their hard work. Joe “travelin’ man” Annotti... I mean, seriously, have you seen this guy’s travel schedule? He’s everywhere, meeting with member society leaders to learn about their needs, ideas and concerns, and I think he’s doing a great job synthesizing all of that into strategic recommendations for the board. And all of this at a time when the day-to-day workload of the association is growing as well. I know Joe looks forward to the day when all of that travel winds down a bit, and it’s a real credit to Joe and his now-smaller staff that the organization is changing, adapting and leading during these tumultuous times.

But I’ll be honest... I’m not here just to pat us all on the back for a job well done. I’m also here to challenge us all to do more on behalf of the system and our organizations through the NFCA, and I have specific ideas about that, which I’ll share in a few minutes.

I know my remarks are the very last ones in long line of speeches and presentations over the last few days. And tonight we've had a fun cocktail hour and a nice dinner, so now some of you are already thinking about packing and getting on a plane tomorrow. Still others of you – and I won't name names, *Rudi* – are thinking about retiring to the bar! Please know that I'm sensitive to both of those situations, so I'll try to be topical and direct.

For those who are waiting for the cliché, here it is: This is a unique time in the history of the fraternal system. OK, I said it. But in all honesty, I can't think of a better way to describe what we are confronting as an industry and a nation.

Joe spoke earlier today about some of those issues. The economic downturn has created real problems for real people, including many of our members. And more immediate, the stock market meltdown has created real problems for some fraternal societies that are now struggling with their own solvency issues.

I want to be crystal clear on this point: the “s” word, solvency, is very serious. And by “solvency,” I’m specifically referring to a society’s ability to meet the obligations in its insurance and annuity contracts. Nothing is more important than the promises we make our members to be there when they need us most, and no issue has the potential to undermine the fraternal business model more than insolvencies in the system.

Said another way, problems created by solvency issues are not isolated to the societies that are experiencing them. Those problems have the potential to impact us all. One thing I’ve come to appreciate is how regulators look to the system – meaning all of us – when one of us has a problem. And let me tell you, regulators don’t like the idea of members getting hurt because boards and managers aren’t willing to make the tough decisions they need to.

We on the NFCA board are taking this issue very seriously. You have probably noticed recent communications from Joe about our plans to help address solvency issues in the system, but the fact of the matter is that there are no easy solutions. What I can say is that we, as a system, are committed to offering direct assistance to those societies that need it,

but in the end, it is up to the leadership of each individual society to embrace the options they are provided.

So that's the second part of my message about solvency – each of us, each of you, has a role to play if and how your society confronts a solvency problem.

We all have a tendency, an inclination, not to share bad news. But in the case of financial challenges in our societies, transparency is important. Solutions will often involve mergers of societies to pair a struggling one with one that can benefit from the new members. Mergers are not easy even in the best of times, as we at Thrivent can attest to, but mergers brought on by economic necessity can be even tougher. I don't want to try to make little lawyers out of everyone, but, as communicators and fraternal leaders who work directly with your lodges and members, your societies will need some of your very best work if they must confront solvency challenges brought on by the current markets.

Whew... solvency. Tough issue, tough messages. We can't gloss over the real challenges that are before us.

But, my message is not one of doom and gloom. In fact, I also see a great deal of opportunity for fraternal benefit societies in light of current economic realities. It's really a time of countervailing forces, with the extreme pressures leveled by the economic meltdown creating their own unique opportunities.

For one thing, our members and prospective members need us now more than ever. They need, and I'd argue *deserve*, someone they can trust. They need advice they can believe in. They need people and organizations with missions that align with their values, with ethics that put members' needs first, and with expertise to help them protect their families, plan for a secure retirement and help the causes they care about most.

That, to me, is our opportunity, and we can't let it slip by.

You may recall that President Obama's chief of staff, Rahm Emanuel, took some heat soon after the election for saying, I quote, "You never

want a serious crisis to go to waste.” Some criticized Emanuel for inappropriately politicizing the very real problems the country was facing and the need for solutions that should transcend partisanship.

Well, as much as I agree that now is a time for thoughtful solutions built on sound public policy as opposed to partisan politics, I have to admit that there is some real truth in what Emanuel said, and that it applies especially well to the fraternal world. We simply can't afford to let this current crisis go to waste. We won't emerge from it the same, so we have to work smart and hard to emerge from it stronger and better.

At Thrivent, our strategic work revolves around what I believe is the most important word in the fraternal lexicon: membership.

As different as each of our societies may appear on the outside, as unique as our names may make us all sound [well, except for all you wood-people!], all of our societies are, at their cores, membership groups. In my view, focusing our future around our membership gives fraternal opportunities to build sustainable models for this generation.

Recently, Thrivent's head of Fraternal Operations, Brad Hewitt, was promoted to the newly-created position of Chief Operating Officer. This was a key statement by Thrivent, and in case you are having trouble reading between the lines, it says that we are serious about integrating fraternal and financial. Prior to joining Thrivent, Brad gained valuable and relevant experience in the insurance world, and even helped lead one of the national Lutheran church bodies. But he came to Thrivent as the person responsible for our chapter system and member programs, things that to some people don't align very well with the typical view of the financial services world.

But isn't that the point? Thrivent isn't typical. Fraternalists aren't typical. We have unique attributes, and speaking as someone who spent most of her career in the commercial financial services world, I dare say we have something better to offer.

When I think about where we are going, I always come back to the concept of a club. I want to take membership to the next level by creating groups that people really want to be part of. It's why and how our organizations were created and grew in the first place, so we need to figure out how to make that concept relevant again.

What can we do to make more of our members feel like they are part of special groups? What else can we do to become more meaningful in our members' daily lives? What can we as fraternalists do to connect with our members in ways commercial companies can't? How do we build on our strong and historic foundations – the very things that have drawn each of us to our respective fraternal societies – to attract even more people?

At the outset, one thing we at Thrivent are doing is trying to get better at social and educational events. Our members are pretty darn good at charity, but not every member wants to volunteer. So, we think social and educational events can help fill some important gaps in our current chapter programming.

Many of your societies are probably much better at things like social events than we are, so you are probably thinking, "Big deal." But stick with me, because there is some meat here that is relevant to you.

The question is, for us at Thrivent, and for you as well – how do we as fraternalists do these things differently? How do we host these events in a way that is consistent with the appropriate use of tax-exempt resources?

How do we ensure that a member social event is really that, as opposed to wine and cheese for just the rich ones? How do we ensure what we call educational events are worthy of a taxpayer subsidy, as opposed to sales seminars commercial companies provide but don't get government money to offer?

To me, these are just some examples of the many fundamental questions we need to be examining as a fraternal system... and that's where you come in.

I said earlier that I'm not just here to congratulate you on a job well done. I'm here to challenge you as well.

I know you heard this morning from Rick, Brian and Elizabeth during their advocacy panel that you have an important role to play if and when we as a fraternal system need to respond to legislative challenges. I couldn't agree more. Sometimes we have a tendency to think that anything legislative will be handled by the Law Committee, but that's not true. The work you can do organizing your stats, stories and people on the ground is at least as important as anything the Law Committee will do in reacting to a tax fight.

But my message tonight goes even further than what you heard this morning.

Bottom line? What I'm saying is, we at the NFCA, and we as a system, need your help to address fundamental questions like the ones I referred to earlier.

As you may know, after the NFCA's then-Chair of the Board Kate Rounthwaite attended this meeting last year, she created a special Fraternal Advisory Committee to start to dig into some questions about what we do and how we do it. The committee met in person and by phone, which culminated in a recent recommendation to the board to hire Simpact, a firm that specializes in helping organizations define and quantify their work in the community. Simpact will be interviewing individual society leaders to learn more about how we describe our lodge activities – and even what we count as an activity – with the ultimate goal of improving what we report to the world as our impact.

This is important in a lot of ways, but for instance, you can see how it is immediately relevant to the work we're doing to protect our federal

income tax exemption in Washington. The numbers have to be right, and the story has to be airtight in light of the scrutiny that could come our way.

In my mind, it's really a matter of integrity. We have an obligation to ensure that the numbers and story are accurate, and now we have an opportunity to examine this in a way we've never done before.

This project represents an important priority that deserves our active engagement. But beyond some initial work by the special committee, we've tasked NFCA staff with the heavy lifting. They've done a great job, but now they – we – need your thoughts, insights and ideas to carry this through to fruition.

For instance, the Fraternal Section should dig into the question of what constitutes a fraternal event. And taking that a step further, consider how we best segregate and highlight the community service events that elected officials want to see as justification for our tax exemptions.

The Communications Section should play an important role in this, too. I'd like to see you help us answer the question, what is a fraternal benefit

society? How do we accurately and concisely describe who we are and what we do? Then bring together the elevator speeches from each of your societies and compare their key elements to ultimately come up with one for the NFCA. And finally, help the NFCA board and staff figure out how we need to describe fraternalism in relation to our work in the public policy arena to both take advantage of things like President Obama's call for volunteerism and protect against the inclination of some policymakers to tax anything that might look like a commercial activity.

And I know there are some State Fraternal Congress Section board members here as well, so make no mistake, you are not off of the hook on this! During this meeting last year, we clearly heard that state congress leaders wanted more direction about how they fit in and what they should be doing. Work to that end has made its way to the NFCA board, and I understand your section has already been asked to pick up the torch on it. Thank you for your work to take that effort to the next level.

These are just some quick ideas about section agendas, but what I'm really trying to say is that I want to see your sections drawn closer to the high-priority, strategic work of the NFCA. The NFCA, as a trade

association, is only as strong as its members' involvement makes it, so I want the board and staff to be able to tap into your talent and harness the experience that you and your societies bring to the table. It just doesn't make sense to me that we would endeavor to tackle big issues like those I've outlined without your active involvement in helping find solutions.

Or, simply put, as I said a few minutes ago, we need you.

So, thank you again for inviting me to be here this evening. I appreciate the opportunity to share with you the kinds of questions and priorities that influence my thinking as I plan for my service next year as NFCA board chair. I have a great deal of respect for the work you do at section meetings, and for the additional ways you and your societies can contribute to the collective work of the NFCA, so I look forward to our strong partnership moving forward.