

FMDC Board's Role in Planning



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- Registered Advisor Representative w/CIRA
- Co-Developer RAMS Reporting Process for MO380's
- 40+ Yrs Insurance & Investment Industry Experience
- 20+ Yrs Institutional Investment Experience
- 30+ Yrs Experience Corporate Chair, Treasurer, Dir



Craig Jones, CIC, FMDC; Legacy Wealth; Patrons & Farmers Mutual; Yennie & Jones Ins

- 30+ Years as Board Member / Officer
 - Insurance including 10 years + with MO 380
 - Civic, Religious & DOD Organizations
- Bachelors in Management from MU & Graduate U.S. Army CGSC

Not registered or affiliated with CIRA



Presented by Legacy Wealth Management

FMDC Board's Role in Planning



“It does not do to leave a live dragon out of your calculations, if you live near one.”

J.R.R. Tolkien



NAMIC Anti-Trust Policy

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- Price, profits, commission, credit, or other terms or conditions of any products to be offered for sale.
- Reinsurance, salaries, or any other cost components and elements.
- Underwriting criteria with an eye toward standardizing.

- A market division plan without a state law covering the plan, including discussions of type or products to be offered, customers to whom insurance products may be sold or the territories in which they may be sold.
- Rates, the stabilizing of rates, or future rate plans including actuarial projections.
- "Fair" profit levels or developing "standards" for company operations.
- Keeping access to NAMIC membership unduly restrictive or denying unique services of NAMIC to nonmembers.
- Matters that would adversely affect availability of insurance or services to the public.
- Dealing or refusing to deal with certain customers or suppliers; business bidding practices; or dealing with any agency/broker or other insurance market participant.
- Current or future company marketplace reactions to legislation or regulations.

If you see any prohibited practices occurring in any NAMIC meeting or social event, please mention your concern to an officer of the Association.

See Full NAMIC Anti-Trust Policy

Here: <https://www.namic.org/disclaimer/terms>



Course Goals & Agenda

- Strategic Planning
 - Importance of
 - Role of enterprise risk management in the process
 - Components of a viable, sustainable plan
 - Plan incorporation (action plans, tracking progress, board & management accountability)
- Succession Planning
 - Definition & relevance to your mutual's present & future
 - Role of the board in overseeing a systemic approach for succession of board & management

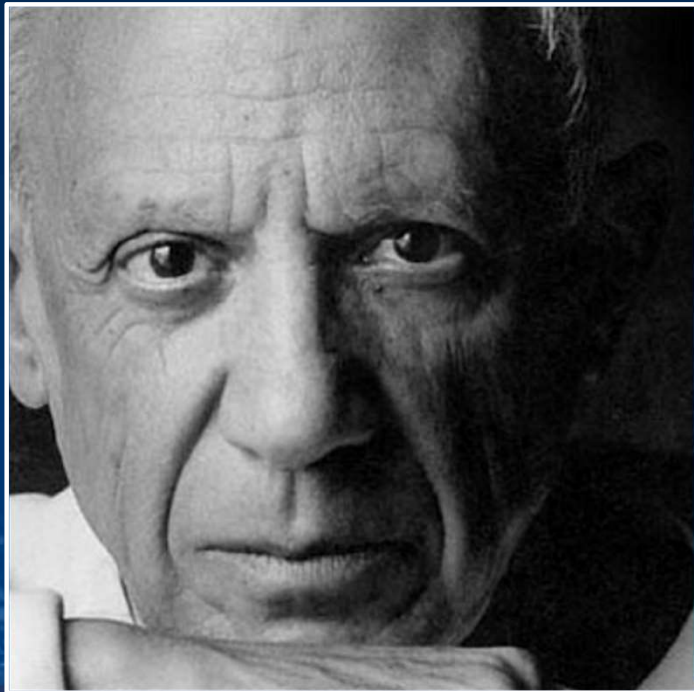


Related FMDC Courses

1. Strategic Business Planning
2. Board Success
3. Board Evaluati
4. Strategic Plan
5. Small Compan
6. Corporate Gov
7. Succession Pla
8. Corporate Gov
9. Corporate Governance Annual Disclosure (CGAD)



Strategic Planning



“Our goals can only be reached through the vehicle of a plan. There is no other route to success.”

Pablo Picasso



Definition of Strategic Planning

An organizational management activity that is used to set priorities, focus energy & resources, strengthen operations, ensure that employees & other stakeholders are working toward common goals, establish agreement around intended outcomes/results, assess & adjust the organization's direction in response to a changing environment. It is a disciplined effort that produces fundamental decisions & actions that shape & guide what an organization is, who it serves, what it does, & why it does it, with a focus on the future. Effective strategic planning articulates not only where an organization is going & the actions needed to make progress, but also how it will know if it is successful.



Definition of Strategic Planning

Plan or set of plans to achieve primary goals in an uncertain environment.



Definition of Strategic Planning

The art of formulating business stratagems, implementing them, & evaluating their impact based on organizational objectives.



Components of a Viable & Sustainable Plan



Mission & Vision



Analyze

- Where are we now?
- Internal & External
- Processes
- Situations
- Environment
- Capabilities
- Tools



Develop Goals



Develop Plan

- Strategic Plan - made up of action plans
- Action Plans Specify:
 - Who
 - What
 - When
 - Where
 - How - Maybe

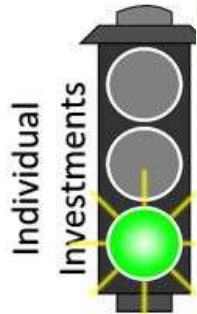


Implement, Monitor & Adjust Plan(s)

- Get 2 Work
- Monitor Results
- Adjust

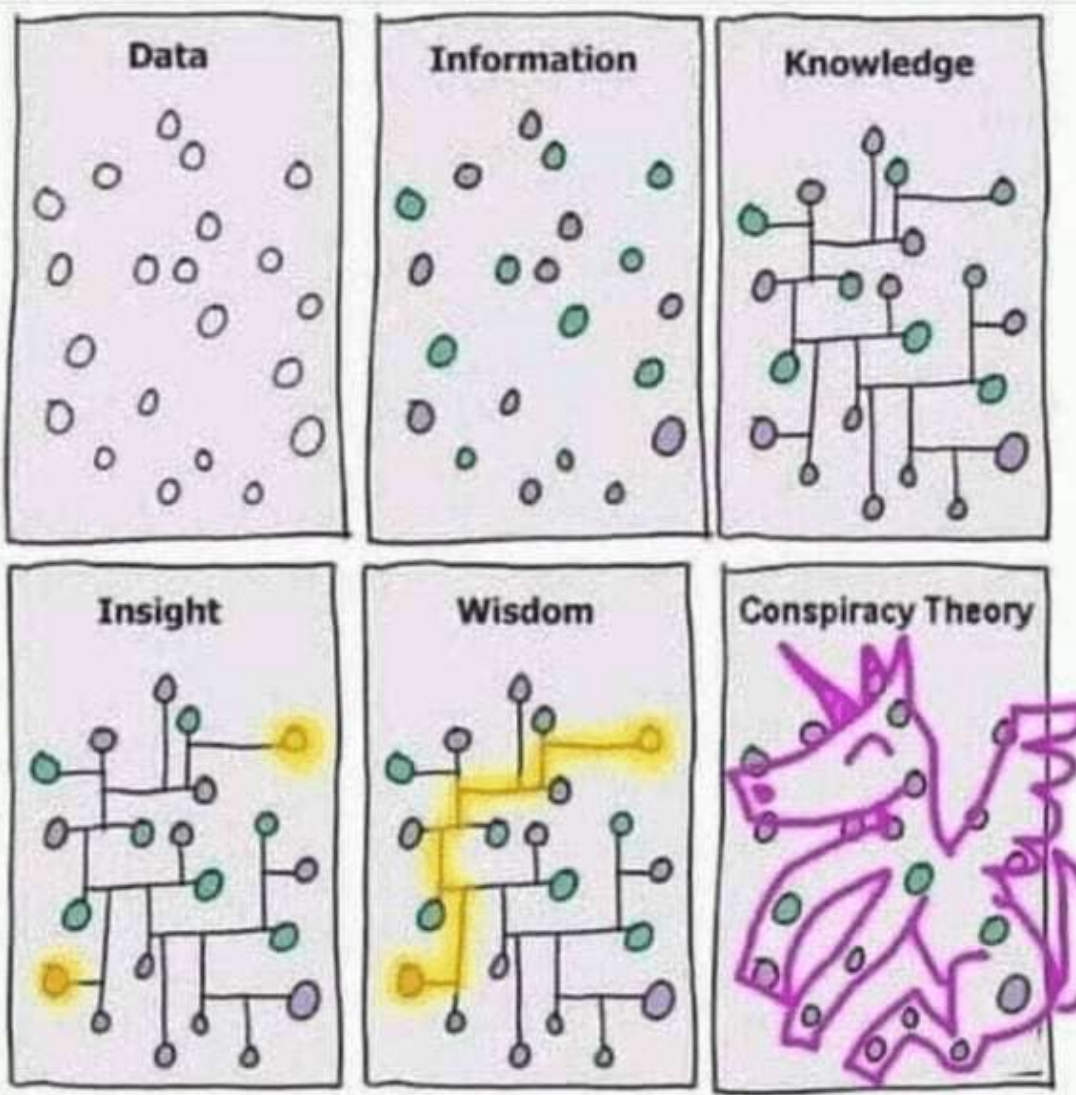


Class of Investment
U.S. Bonds
Missouri Municipal Bonds
Corporate & Other US Stat
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Role of Enterprise Risk Management

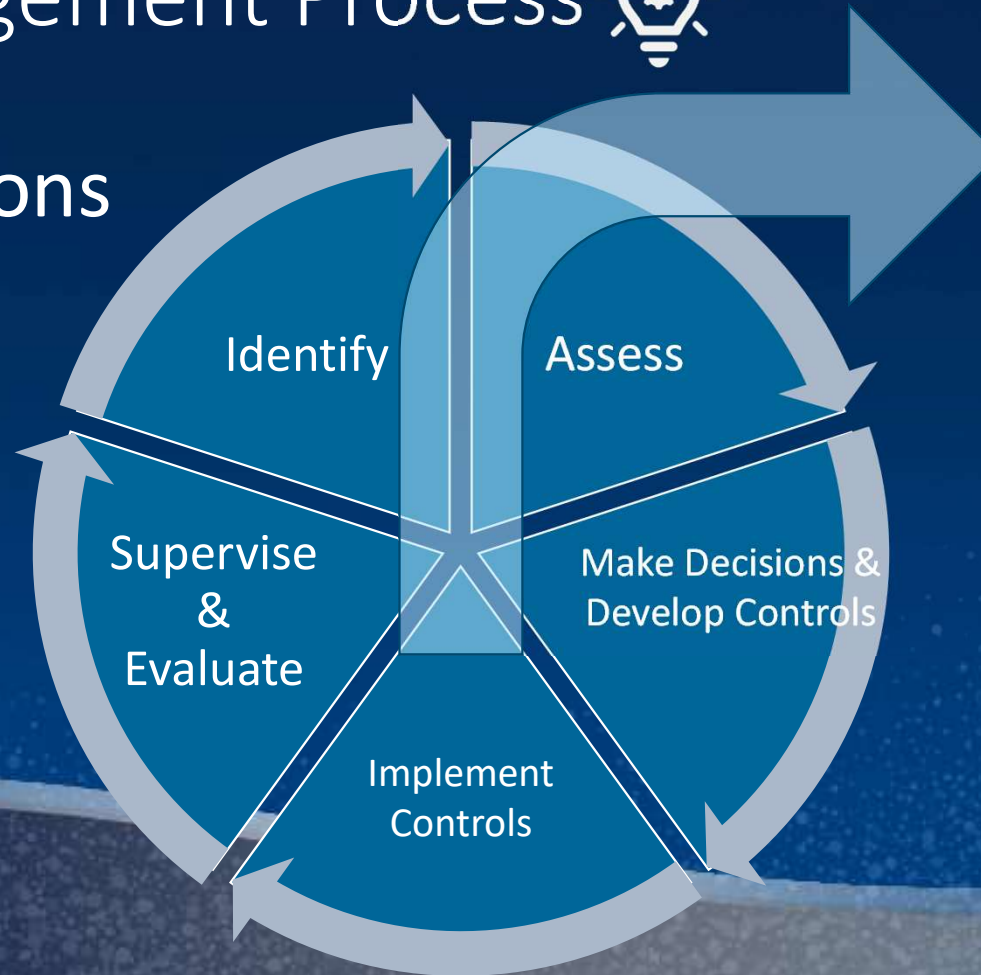


Process of identifying & managing hazards that could limit your ability to achieve your strategic objectives



Risk Management Process

- Risk Decisions
 - Avoid
 - Mitigate
 - Transfer
 - Accept



**Yields
Residual
Risk**



Succession Planning


“A leader’s lasting value is measured by succession.”

John C. Maxwell




Succession Planning Definition

Systematic &
continuous process
to ensure leadership
continuity & quality
through:



- Identifying



- Assessing



- Developing

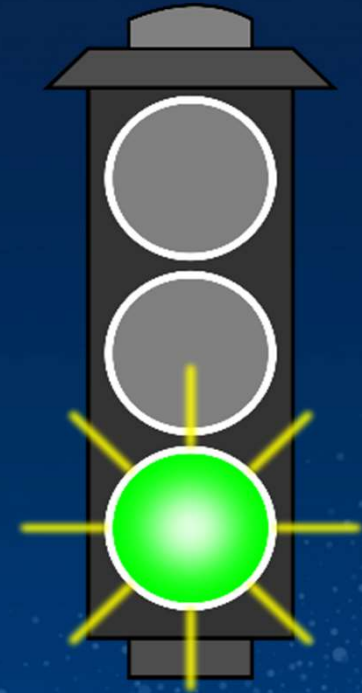


- Recruiting &
Integrating



Tools for Succession Planning

- Term Limits
- Age Limits
- ‘The Conversation’
- Board Assessments



What Do We Recruit For?

- Knowledge, Skills & Talents
 - Leadership / Management
 - Public Relations
 - Strategic Thinking
 - Legal
 - Finance / Accounting
 - Industry (Ins or Target)
 - Government Relations
 - Corporate Governance
 - Marketing, IT, HR, etc.



Security
Satisfaction



NAMIC's Directors Registry



<https://dr.namic.org/>



Conclusion

“If you always do what you’ve always done, you’ll always get what you’ve always got.”



Various Attributions



Questions

Content & Samples available to be e-mailed

- Board's Role in Planning PowerPoint Slide Deck
- Board Member Nomination & Assessment
- SMART Goals Sample Worksheet
- SWOT Analysis Worksheet
- Control Mechanism Examples
 - Reserve Asset Monitoring Tool (Summary Page)
 - Investor Policy Statement Example (Page 1)

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Corporate Governance

- i. This topic depends on what regulators say about the possibility of MO adopting the NAIC model legislation and applying it to MO 380s

- ii. Corporate Governance
 - 1. Definition of corporate Governance: ...creates a system of rules and practices that determine how a company operates and how it aligns the interest of all its stakeholders. Good corporate governance leads to ethical business practices, which leads to financial viability. Courtesy Investopedia
 - 2. Goal of corporate governance: Ensure compliance without stifling innovation

