

NAIFA-FSP-Life Happens Merger FAQ

as of August 17, 2023

What Organizations Are Involved and Who Do They Represent?

The National Association of Insurance and Financial Advisors (NAIFA), the oldest and largest professional association for advisors, has members in every state and every community across the country. It has relentlessly advocated for the industry since 1890, helping Main Street Americans have access to trusted advisors to help them develop their own financial plans.

The Society of Financial Service Professionals (FSP) brings together a wide variety of licensed and credentialed professionals who bring deep expertise to the financial planning process. With a membership consisting of advisors, attorneys, CPAs, and others engaged in financial planning, FSP has an exceptional professional development portfolio helping financial professionals become even better at serving their clients.

Life Happens serves as the consumer-facing voice of the industry, educating Americans about the importance of life insurance and other financial protection products through innovative campaigns that speak directly to the public. Life Happens also creates educational resources and national campaigns, like September's Life Insurance Awareness Month, for industry partners to leverage.

Why are NAIFA, FSP, and Life Happens merging?

NAIFA, FSP, and Life Happens are planning to combine their unique strengths and come together as one integrated organization to unify the associations for financial professionals and better serve American consumers. The goal of the merger is to create an expanded community of professionals who provide expert advice and financial products, to help Main Street Americans achieve financial security while continuing the important educational outreach to those whom the industry can also serve. The merger of NAIFA, FSP, and Life Happens will create an industry powerhouse to serve this important goal.

NAIFA's robust operational structure allows it to offer a service platform to chapters and other groups. FSP and Life Happens will benefit from NAIFA's platform to increase efficiencies and allow all three brands to advance their important work in a collaborative way. By combining the strengths, resources, and expertise of each group, the expanded organization will be well-positioned to serve professionals, consumers, and the industry for years to come, making a stronger impact on the financial security of Main Street USA.

What is the mission of the expanded organization?

The mission of the expanded organization is "Empowering financial professionals and consumers through world-class advocacy and education."

What will this expanded organization be called and how will it be organized?

The expanded organization will be known as NAIFA but will provide services under a robust professional development wing led by – and branded as – FSP and a consumer-oriented public education wing led by – and branded as – Life Happens. FSP and Life Happens will be integrated into NAIFA's operations, focusing on the core strengths of each organization while finding operational efficiencies by combining the three entities into one integrated, larger, stronger association. The official headquarters of the combined organization will be in Arlington, VA, with field offices and staff located throughout the country. The combination of NAIFA's and FSP's strong chapter structure will provide the backbone for advocacy and educational work for the expanded organization allowing more robust member touchpoints and improved delivery of educational programs. NAIFA has long served as the advocacy voice for FSP and the new structure will allow for increased access to advocacy programming and grassroots engagement. The expanded chapter structure will also allow more financial professionals to deliver financial literacy education direct to consumers within their respective local communities while driving increased awareness of careers in financial services and access to ethical financial advice.

Recognizing the unique strengths of each group, as well as the rich history and exceptional reputation all three organizations have in the financial services industry, we intend to continue to utilize the name, brand, and core competencies of NAIFA, FSP, and Life Happens not only following the merger but indefinitely into the future.

How does this make each organization stronger?

The integrated organization will allow each component part – NAIFA, FSP, and Life Happens – to focus on what each does best, streamlining back office and operational support for each, gaining economies of scale, and allowing each component to deliver exceptional services to members, other professionals, supporters, and the general public.

Who is eligible to join?

Everyone serving in the financial services industry is eligible to join. Licensed professionals will be regular members of NAIFA and others will be eligible to be industry, student, or retired members of the association. As leaders in the insurance and financial services industry, NAIFA, FSP, and Life Happens will continue to partner with companies and other organizations to help more Americans achieve financial security.

How will the merger benefit the members and supporters of each organization?

By combining support services and gaining operational efficiencies, FSP will be able to focus its time and expertise on providing professional development services for the integrated organization, at the national and chapter levels, including expanded CE registration services,

more credentialing opportunities, and robust training opportunities for every professional involved in financial services.

Life Happens will continue to focus on educating Americans about the importance of life insurance and other protection products through its strong social media presence and public service announcement program. They will also continue their national awareness campaigns and the development of educational tools and resources for industry members.

NAIFA will continue to serve as the broad-based, big tent for the industry, bringing together agents, advisors, and financial professionals in every community, state, and across the country for networking, grassroots engagement, and advocacy in every statehouse and in Washington, D.C. The strengths of each organization will be housed in one organization, uniquely situated to be the professional home for everyone in the financial services industry.

What will it cost to join/support the expanded organization?

Annual or monthly dues will be at the prevailing rate for NAIFA membership, either as a regular member, industry, student, or retired member rate. Group memberships are also available.

Companies supporting Life Happens will be able to access resources and services based on their partnership level.

How will NAIFA and FSP Chapters be integrated?

Both FSP and NAIFA have strong chapters nationwide, helping professionals in state and local areas network, learn, and grow together, and helping professionals better serve their clients. An integration committee, consisting of representatives from both FSP and NAIFA, will work with chapters to effectively integrate the chapter structures, helping add more “bench strength” in volunteer leadership and providing a larger membership footprint for networking and education. We will continue to have fifty state chapters to conduct our state legislative work, as well as local chapters in select communities nationwide.

How will the integrated organization be governed?

The organization will be governed by a set of officers and a Board of Trustees. The 2023 FSP President, President-Elect, and Secretary will serve on an expanded NAIFA Board of Trustees through 2025. Notwithstanding this three-seat guarantee, all FSP members will become members of NAIFA and are eligible for board and other volunteer service following the merger through the annual nominations process for selection to the board, committees, and leadership positions.

The current FSP Board of Directors will serve as an advisory board for the FSP division of NAIFA, leading the professional development, training, and credentialing offerings of the combined organization.

The current Life Happens Executive Committee will lead the consumer-oriented awareness and marketing arm of the association, lending its expertise toward the goal of helping to educate consumers about the need for life insurance and a solid financial plan. A representative from Life Happens will also serve as a member of the NAIFA Board of Trustees following the merger through 2025, helping ensure all relevant voices are at the table as this expanded organization begins its work serving the profession, industry, and general public.

How will programs & services be delivered?

The expanded organization will continue to offer the broad spectrum of programs and services as NAIFA, FSP, and Life Happens do today – but will combine the strengths and resources of the three groups to enhance the quality, scope, and reach of those services. Through national, regional, and chapter-level programming, we aim to provide unparalleled service and support to financial professionals across the country. Life Happens will continue with its critical consumer-education mission, helping advisors and companies reach more Americans.

Do I need to be a member in order to participate in the professional development offerings of NAIFA?

While we encourage everyone in the financial services industry to join, non-members can also access many of the professional development and other programming offerings of the integrated organization. Members of the public will be able to continue to access the resources and materials that Life Happens produces, combined with the consumer-facing resources NAIFA has developed on FinancialSecurity.org and through the Financial Security Alliance.

How will the integrated organization be staffed?

While combining three organizations into one will produce operational efficiencies and reduce total support costs, we envision that most of the core staff from each organization will continue their professional service and good work as part of the integrated team. Kevin Mayeux will serve as the CEO, with David Maola serving as the EVP of FSP, and the core creative team from Life Happens directing the consumer-facing services and outreach.

What happens to the foundations of each organization?

NAIFA, FSP, and Life Happens each have affiliated 501(c)(3) charitable foundations. It is envisioned that those three foundations will be combined into one for additional operational and accounting efficiencies.

What are the next steps?

The Executive Committees and Boards of Directors for both NAIFA and FSP have recommended that their respective memberships approve of the merger of both organizations into NAIFA. The

Life Happens Board of Directors has given approval to integrate its operations into NAIFA no later than January 1, 2024. The leadership for NAIFA and FSP will host “town hall” webinars and post more information about the merger and integration process for input and consideration by each group’s respective members. If approved by each association, pursuant to each organization’s governing documents, the merger and integration will take place by January 1, 2024. A roadmap for integrating chapters will be developed by leaders from both NAIFA and FSP and will take place during 2024. The combined organization will continue to leverage the names, logos, and strengths of FSP and Life Happens, as part of an expanded NAIFA organization.