



Kentucky LOMA Society Newsletter

Vol. XVI No. 2 Summer 2006

Formerly known as The Derby City FLMI Society

Mark Your Calendar! Lunch and Learn on Asset Liability Management, Tuesday, June 6, 2006.

Please join us for the second brown bag luncheon of the year.

Dan Fox, Executive Vice President of AUIM Risk Management at AEGON, will provide us with an investment-oriented presentation on June 6, 2006 at AEGON. The main focus of his presentation will focus on the basic concepts of Asset Liability Management, how it evolved, and its importance within our industry. The main program will commence at noon and end at 1 PM.

Soft drinks and dessert will be provided. 1 hour of free CPE will be provided for certain professional designations.

Please RSVP to Dianne Jensen at djensen@aegonusa.com.

Refer to the attached flyer for details.

Mark Your Calendar! Bowling at Lucky Strike, Friday, June 16, 2006.

Calling all Kentucky LOMA Society members and friends! On Friday, June 16th at 5:30 PM we'll be meeting at Lucky Strike Bowling Lanes at 4th Street Live.

Come join the Kentucky LOMA Society for an evening of bowling fun. The Society will provide appetizers and soft drinks. Cost is \$3.95 per game and \$3.95 for shoes.

Network and have fun with fellow professionals in the financial services industry. We'd love to see all of you current members, former members and interested persons who have attended Society events in the past.

Please RSVP to Meredith Hettinger at mhettinger@rescare.com or via phone at 420-2502 if you'd like to attend.

See you at Lucky Strike!

President's Message from Eddie Cook

Kudos....Excited....Lingerie....Fun Time

What do the words above mean?

Well, **kudos** go to our very own Sundeep (Sunny) Dronawat who was our featured speaker at the Lunch and Learn program held on March 22. Board member, Karen Christensen, compiled feedback from the completed evaluation forms and the results showed that Sunny's presentation was one of the highest rated presentations ever! Great job Sunny! A recap of his presentation is included in this newsletter. Additionally, in the near future, we hope to have an abridged version of his PowerPoint presentation posted on the Kentucky LOMA website.

I am equally **excited** about our topic and presenter for our next Lunch and Learn program, which is slated for June 6. Dan Fox, Executive Vice President and FSA at AEGON, will be discussing Asset Liability Management (ALM), an analytical approach to measuring and managing investment and liability risks. An effective ALM approach is effective for any insurance company. Trust me. You don't want to miss this one!

As with every newsletter, we feature one of our members. This issue puts the spotlight on Jeremy Vessels who is also a board member. If you want to know why I made the reference above to **lingerie**, then you'll have to read Jeremy's profile.

Finally, with respect to social activities, on June 16th, come to Lucky Strikes at 4th Street Live, and join your fellow board members for a fun time of bowling and networking. Complimentary appetizers will be provided.

Kentucky LOMA Society Lunch and Learn “Virtual Service Center and Electronic Statement Delivery” by Karen Christensen and Mark Evans

The Kentucky LOMA Society held its Spring Lunch and Learn meeting on Wednesday, March 22. Sundeep (Sunny) Dronawat, Ph.D., FLMI, FFSI, PCS, AAPA, who is Chief Technology Officer for the Lifetime Income Solutions Group of Western Southern Financial Group made a presentation on Virtual Service Center and Electronic Statement Delivery.

The Virtual Service Center (VSC) is not a computer-based tool. It is a hybrid of operations: IT, CRM, marketing management, and sales force management as well as integrating expert systems to better serve customers 24x7. A well run VSC makes customers feel they have made the right decision of doing business with your company. Of course, you cannot have a well run VSC without a quality web site. A great web site is comprehensive and easy to understand with data and content that is meaningful and useful to your target market. Western Southern's site is continually updated and reviewed to ensure the material is current and accurate.

Client's expectations have risen dramatically over the past few years of what customers expect and demand of companies' online capabilities and the bar is going even higher. Gen X and Y consumers are computer savvy, questioning everything and wanting instant results as opposed to receiving an email response 24 hours later. They do not appear to be as brand loyal as previous generations. On the other hand, seniors are the fastest growing segment that is using the Internet, so the VSC must appeal to all segments of society.

Users of the system include producers, brokers, independent agents, advisors, for fee planners, and company employees as well as consumers. The site can handle all fund transfers, account inquiries and administration.

Anyone can access the general web site for information regarding the company and products. There is also a secure password protected page that allows clients and employees to access, view, and process their data. Integrated systems allow information and data received via the web to be updated and shared real time. Functions include:

- Online address change
- Fund transfers
- Asset allocation, asset rebalancing, future transfers
- Confirmations
- Annual and semi annual reports
- Single statement for multiple products
- Product prospectus
- Customer service
- Online tools

Customers are automatically notified by e-mail when new statements are generated and available. A hyperlink in the e-mail message takes customers to a secure website where they can view their statements.

Sunny said that a web site should be easy-to-use and secure with a single sign-on requiring three clicks or less. Security is also an important consideration. The system uses double firewalls with intrusion detection devices and a secure socket layer for encryption. Passwords are encrypted and there is a mandated password policy.

There should be options for the user to use bigger fonts, wireless capability, and low-bandwidth with less intricate graphics. Straight through processing allows users to connect to related web sites and return without repeating the sign-on process. This allows for a “One Stop Shop” Client Services Center.

The web site is monitored carefully so that Western Southern can determine users’ interests and needs to help look for ways for improving the web sites’ usefulness. Western Southern keeps statistics on the log-in history of a particular user of the web site including: any sudden exits; the type of operating system and browser used; and the order of clicks, along with time stamps on each statistical observation collected. They also survey clients to make sure that the web services are meeting their needs and expectations. In response, Western Southern is constantly investing in and improving its web capabilities. Sunny suggested building in stages, i.e. get something simple in place quickly and enhance as you go.

VSC is resulting in lower call volumes, improved turnaround times, increased quality levels, decreased paper usage, increased productivity, increased client satisfaction, and reduced postage and handling costs. The marginal cost of processing a transaction via the web is a tiny fraction of the cost per telephone based service contact.

Western Southern has won several awards as a result of VSC including A.M. Best E-Fusion Award in 2003, Top 20 Dalbar Web Sites for Financial Professionals in 4th Quarter 2002, and Wharton- Infosys Innovation in 2003 for the Easy Annuity CD-ROM program.

Kentucky Derby Festival Academic Challenge – by Mark Evans

The Kentucky LOMA Society provided eight volunteers for the Derby Festival Foundation Academic Challenge April 27-29. Ninety teams took part in the event this year with 1,000 middle and high school students from around Kentucky participating. Participants must maneuver their way through questions reflecting school curriculum and general knowledge with five seconds to answer each toss up question and ten seconds to answer bonus questions.

Danville High School won the High School Junior Varsity division while Johnson County Middle School won the Middle School division.

Coty Marcum of Johnson County Middle School and Papa Chakravarthy of Paul Lawrence Dunbar High School each won the Catherine Brumleve Award for the highest written test for their respective divisions. The award honors the late Catherine Brumleve for her volunteer efforts with the academic challenge. Catherine served on the Society board for years including terms as President. She also spearheaded the founding of the Society.

The eight volunteers were Jane Martin Buckley, Jim Byrne, Karen Christensen, Sunny Dronawat, Mark Evans, Meredith Hettinger, Dianne Jensen, and Brenda Miller. Jane’s husband, Tim Buckley, also volunteered.

Society Member Profile – Jeremy Vessels by Eddie Cook

Jeremy is employed at Mercer Human Resource Consulting and he is responsible for designing, analyzing, and modifying executive incentive compensation plans for corporate clients. Jeremy is relatively new to the organization, as he began employment with Mercer on January 2nd of this year. Prior to joining Mercer, Jeremy spent seven years with Analytical Risk Management (ARM)/Integrity Life, one year at Humana, and five years at Capital Holding/Providian/AEGON. All of his positions in these companies were in the actuarial area.

Jeremy earned his Bachelor of Science in Mathematics from the University of Louisville and holds a plethora of professional designations. He is an Associate, Society of Actuaries (ASA); a Chartered Financial Analyst (CFA) charterholder; holds Series 6, 63, and 7 NASD Licenses; and has earned FLMI, AAPA, FFISI, and ACS LOMA designations. Now that’s impressive!

While he has accomplished all this, the other thing that is impressive about Jeremy is that he has a personal life. He and his wife, Shannon, have been married for eight and a half years and they have two beautiful daughters, Emma and Chloe, ages five and six, respectively. Extra curricular activities include coaching six children’s sports teams

per year (basketball and soccer), involvement with the YMCA Youth Sports program and fundraising, coaching four adult softball teams, playing softball and volleyball, serving on the Kentucky LOMA Board, and rooting for the University of Louisville Cardinals.

Most people would be exhausted by everything Jeremy does, but, believe it or not, he has time to dabble into entrepreneurial activities. He is currently a partner in two Internet business ventures. SmartAcre, LLC, owns and operates SimulatedSports.com, a sports simulation website. TopShelfSelection, LLC, his second business, owns and operates TopShelfSelection.com, a web retailer of shoes, boots, and lingerie.

2006 Ronald McDonald Campaign – Save your pull-tabs, toiletries, and toothbrush and toothpaste coupons!

Dianne Jensen, a Kentucky LOMA Society board member, is leading the charge again this year with collecting pull-tabs from soft drink cans on behalf of the Ronald McDonald House, a very worthwhile charitable organization. This will allow the Society to maximize its giving efforts by spreading the campaign over the entire year, rather than just around the time of our Annual Banquet. In addition to collecting pull-tabs, the Society will collect new or gently used household items for families staying at the House. **I would like to encourage everyone to start saving soaps, shampoos, and other goodies that you might pick up from hotels and motels during your travels this year.** You may not want that extra little bottle of shampoo or conditioner from spring break or summer vacation, but the Ronald McDonald House would love to have it!

This year, Dianne requests that everyone save toothbrush and toothpaste coupons that she will use to make additional purchases. If you like, you could use the coupons to purchase items for the Ronald McDonald House. Dianne won't mind.

Please look for the KY LOMA Society pull-tab jars in your workplace. We will also feature our big container at future KLS events. If you would like to obtain a special RMH "little house" collection container, please contact Dianne Jensen directly at DJensen@AEGONUSA.com.

Here is some information about the program from the Ronald McDonald House, Louisville, website:

Pull-Tab Recycling Program:

Why collect pull-tabs?

Recycled Pull-Tabs are a valuable source of charitable revenue for the Ronald McDonald House of Louisville. Schools, offices, individuals, and organizations of all kinds collect aluminum pull-tabs found on beverage cans for the Ronald McDonald House of Louisville.

Why collect only the tabs and not the whole can?

The highest concentration of aluminum is contained in the tab, not in the can, and collecting the entire can requires a great deal more storage space. Collecting pull-tabs is simple and convenient way for you to help us enhance public awareness of the House and its mission.

Bring your tabs with you to our next Kentucky LOMA Society event, which will be held on June 6, 2006.

2006 Society Committees

Committee	Member Appointed
Audit	Meredith Hettinger
Community Service Projects: KDF Academic Challenge Ronald McDonald House	Mark Evans Dianne Jensen, Jeremy Vessels
Distinguished Service Award	Polly Stone, Mark Evans
Education and Program	Eddie Cook, Meredith Hettinger, Dianne Jensen
Membership	Mark Evans, Karen Christensen
Newsletter and Publicity	Eddie Cook, Meredith Hettinger
Nominations	Meredith Hettinger
Social Events	Jane Buckley
Technology	Sunny Dronawat, Jeremy Vessels

PERSONS of NOTE

2006 Officers

President Eddie Cook, FLMI, CPA Capital Assurance Corp. ecook55@yahoo.com (502) 228-2535	Vice President Meredith Hettinger, FLMI, CPA ResCare, Inc. Mhettinger@rescare.com (502) 420-2502	Treasurer Jane Martin Buckley, FLMI, JD, PAHM Humana, Inc. jbuckley@humana.com (502) 580-3920	Secretary Polly Stone, FLMI, CPA Atria Senior Living Group, Inc. polly.stone@atriaseniorliving.com (502) 719-1630
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2006 Board Members

Karen Christensen, AAPA, ACS, CERT, FLMI, FFSI AEGON Khchristensen@aegonusa.com (502) 560-2981	Sundeep Dronawat, PhD, FLMI, FFSI, AAPA, PCS Western & Southern Financial Group sunny@integritylife.com (502) 540-2829	Mark Evans, FLMI/M, FSA, MAAA AEGON mevans@aegonusa.com (502) 560-2338	Dianne Jensen, FLMI AEGON DJensen@AEGONUSA.com 502-560-3094	Jeremy Vessels, ASA, CFA, MAAA, AAPA, ACS, CERT, FLMI, UND, FFSI Mercer Human Resource Consulting jeremy.vessels@mercer.com (502) 561-2605
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