



HIGHLIGHTS

The Newsletter of the FLMI Society of Waterloo
Fall 2003



Kamala Chandran,
President
October 2003

It's been quite an exciting year! First we had to deal with SARS then West Nile, then raging forest fires in BC and Alberta, and to top it all off, we were hit with one of the largest blackouts in Canadian history! Who would have thought that 2003 would turn out to be such an eventful year?

Despite the challenges, hope you all had a great summer. Overall, the economy also did well despite the hard times. The travel industry has dwindled for the past few months, but the financial industry has done wonders. The major banks have come as clear winners when the corporate industry could not illustrate the same success. Aren't we glad we are in the financial industry?

As a society's standpoint, we had a great year so far as well. Our May luncheon was a huge success. We were privileged to have Mary Congdon of Manulife speak at our luncheon about Insurance Fraud. We

added a surprise element to our luncheon with the announcement of the new MBA-Financial Services Degree with a focus on Insurance.

What is there to look forward to for the next few months? First off, our dinner meeting is scheduled for November 18th, 2003. Marlene Holzworth from Sun Life Financial will be our guest speaker, and she will be talking about Positive Attitude Towards Health and Success (PATHS). Personally, I am excited and looking forward for Marlene's speech. Don't forget to mark the calendar for this event!

In the last message, I had mentioned a new project: converting 41 years of archives into electronic form. We were able to go through the first 20 years of these, and decided to transfer them to CDs. This would be an on-going project, until we have all the data transferred. Thanks to all of you who have offered to help and we will be getting in touch with you soon.

Regrettably, our LOMA classes are losing their steam. We have only 14 students enrolled in our fall session, which is discouraging. Our Education committee rep, Jodi Hall, is doing everything she can to promote the classes. We are open to suggestions about how we can promote this LOMA education to the member companies. We do have dedicated instructors and the society is grateful for the same.

Last, but not least, I would like to take this opportunity to thank the board executives. I am privileged to work with such a talented and dedicated group of people! I encourage every member to participate in the society – it is a great experience! If you need any information as to how to proceed with this, please contact one of the board members. We will be glad to help.

I look forward to the upcoming year serving as your Past President. Cheers!

FLMI Society of Waterloo - 2003 Board of Directors

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Non-Board Position – Education

Jodi Hall, FLMI, ACS
Arca Financial Group

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Member Companies

Sun Life Financial

227 King Street South, Waterloo, Ontario N2J 4C5

Equitable Life

1 Westmount Road North, Waterloo, Ontario N2J 4C7

Lutheran Life

470 Weber Street North, Waterloo, Ontario N2J 4G4

Manulife Financial

500 King Street North, Waterloo, Ontario N2J 4C6

UPCOMING EVENT

Tuesday, November 18, 2003

Fall Annual Dinner Meeting

Guest Speaker: Marlene Holzworth

Sun Life Financial

Golf's Restaurant, Kitchener

Reception starts at 4:45 p.m.

Dinner served at 5:30 p.m.

Baskets will be on the tables for contributions to the Food Bank

2003 Spring Luncheon Meeting Guest Speaker Mary Congdon



The FLMI Society of Waterloo was privileged to have **Mary Congdon** of Manulife speak at our luncheon on May 6th, 2003.

Ms Congdon has worked at Manulife since 1981. She started as a programmer analyst and worked in the Agency, New Business, Policy Service and Saving & Retirement Services systems areas until 1992 when she became a business consultant for the administration area. In 1995, she went to the Law Department and helped to develop the company's Compliance Management Program.

Currently Ms Congdon is the Compliance Officer and Privacy Officer for the Individual Life Centre. Her responsibilities range from the day-to-day management and monitoring and reporting on compliance for the business unit and its two subsidiaries MFCICL and MCL. Her responsibilities include identifying, evaluating and documenting compliance requirements and controls in conjunction with each of the business areas and subsidiaries. Her area helps business areas and subsidiaries deal with the ever-changing legislative environment.

The subject of her presentation at our annual luncheon was

"Insurance Fraud - Managing the Risk". Fraud is a deliberate deception with the goal of obtaining unfair or unlawful gain. Two major types of fraud in the insurance industry are accounting fraud and fraud initiated by organized crime. Following is a summary of her presentation.

Accounting fraud can take place in the form of manipulation of the company's financial statements to present a false view of the company's financial position. This misrepresentation of the books can then exaggerate future potential and falsely inflate stock prices.

Organized crime may use financial products and services to launder money and finance illegal activities. Insurance companies may become victims by taking in "dirty" money derived from illegal activities and then issuing "clean" money when it is withdrawn at a later date.

In an extreme example of fraudulent behaviour, one person claimed to be deceased and actually held their own funeral going as far as putting stones into the coffin for weight.

Although this may bring about a chuckle, the cost of fraud is substantial. In North America alone the cost exceeds \$2 billion annually. This cost is ultimately passed on to the consumer in the form of increased premiums or reduced coverages.

Along with these concrete losses there is also the loss of reputation or confidence in a company's ability to preserve value for its

shareholders. This in turn may lead investors to go elsewhere resulting in less capital for the company to invest.

To manage these risks, companies have updated their codes of ethics and business conduct. Many have developed anti-fraud policies. Most have implemented education and awareness programs. The largest losses are actually due to employee fraud. Companies therefore have to make it easy for staff to report potential fraud and not to "shoot the messenger". They may also want to separate processes to make employee fraud more difficult... such as address changes and cheque writing functions.

Some internal controls used to manage the risk are to identify key indicators and to train employees accordingly. An example could be a shaky signature on a policy applied for by a young person. Companies need to take a proactive response to customer complaints. The formation of special investigation units is also a prudent step for companies to take. Internal audit can identify weaknesses in business practices. Ultimately it is up to the company to make it difficult to be defrauded, to close any gaps, and to create policies, training, and escalation processes to manage the risk.

In closing, Ms Congdon encouraged all of us to take the fraud quiz at www.nasaa.org.

...Written by John Clayton, FLMI



The conference as seen through the eyes of the Treasurer of the Waterloo society

As Treasurer of our Waterloo Society, I attended the LOMA Annual Conference in San Antonio, Texas in September 2003.

The Officer's sessions are scheduled around the Annual Conference. This is an efficient procedure. It allows many of the officers to also partake in the excellent sessions offered by LOMA. This includes motivational keynote speakers and informative seminars.

I attended the three sessions that were held for the Society officers. Our Society had a booth in the Hospitality centre. Here our banner was proudly displayed with information about our society. I greeted new FLMI's from Costa Rica, Kenya, Cypress and China as well as Canada and the U.S.A.

The New Officers Orientation, The Officer Workshop and the Officer Committee Meeting were all professionally facilitated by LOMA staff Todd Blandin and Debbie Hull.

(R) Beverly Davies

Treasurer
LOMA Society of Waterloo

(L) Mary Allan

Board Member
LOMA Society of Waterloo

The New Officer Orientation and the Officer's Training Workshop were well attended by several societies throughout the U.S.A. The Canadian contingent was represented by Montreal, Quebec and of course our Waterloo Society.

I represented our society as the official committee rep for the FLMI Society

Committee meeting. This is where the voting takes place.

This year the meeting covered several issues. One was to amend the criteria for the Outstanding Service Awards. OSA's (Outstanding Service Awards) are given to the individual societies that achieve certain criteria. The committee appointed to amend the criteria presented their recommendations. These amendments were approved. Our society can continue to work towards achieving these annual awards.

Saving the best for last...

The major issue was to change our name. The name 'FLMI' was discussed and a motion was made to change the name to LOMA. The vote was carried to replace FLMI with LOMA in the name of our societies.

LOMA Society of Waterloo is our new name.

Beverly Davies
Treasurer
LOMA Society of Waterloo



The conference as seen through the eyes of a first time participant

I wasn't sure what to expect at the Annual LOMA Conference, but I certainly got more out of it than I ever dreamed I would!

I arrived in San Antonio Saturday evening, September 28th. My goal was to be ready for Registration and the events that took place on Sunday, September 29th.

One of the first things that struck me was the warmth and friendliness of everyone in the hotel and the city. That same friendliness persisted throughout the ensuing week.

On Sunday, I met up with two members from the Kitchener-Waterloo Chapter at the Registration desk. Anne Cruickshank, from Lutheran Life, had obtained her FLMI in 2003 and one of the rewards was the trip to that year's LOMA Annual Conference. The other member was none other than our current treasurer, Bev Davies. Bev had in tow a couple of other people, and we all booked our seating arrangement for the FLMI Conferment Banquet which was to take place on Tuesday.

With Registration behind us, we moved to the FLMI Hospitality Suite which was opened to new FLMI's, associate designees and registered guests. An ice-breaker quiz was given to attendees requiring them to go to the various booths to seek answers. Some questions were which societies had the most members (it turned out to be the Waterloo FLMI Society), which society was the oldest etc.

Everyone was friendly and each booth had handout, information, smiles and some even ballots for gifts. Anne Cruickshank was one of the lucky winners of a basket of assorted chocolates that was given by one of the Societies! Way to go Anne!

That evening a Welcome Reception was held providing more opportunities for networking and socializing.

On Monday, the conference started in earnest. Following a continental breakfast, a mariachi band in traditional costume marched in. While they played we were treated to a trick lasso roper working his magic. As they finished their performance, Thomas Donaldson, President and CEO, LOMA officially opened the Conference. This was then followed by some of the most excellent presentations and inspiring speakers it has even been my privilege to hear.

From Eric Saperston who kept us riveted to our seats with his presentation of *The Journey: A Film You Won't Forget* to Mike Lipkin's, *Life Tools You Need to be your Personal Best* and Christine Cashen humorous delivery expounding on *Getting What You Want With What You've Got*. These brilliant speakers not only had us in stitches but delivered powerful messages to incorporate into one's everyday life.

On Tuesday afternoon, many of the attendees were treated to various excursions offered in the San Antonio area ranging from a

visit to the Alamo and a cruise on the San Antonio River to an exploration of a living cave. Any of the half day excursions were a wonderful way to see this charming city which sprawls over 430 square miles but has the characteristics and friendliness of a small town.

That evening at the FLMI Conferment Banquet, top LOMA students were presented and recognized for their achievements. Then for a few more hours, everyone had the opportunity to continue networking while enjoying dinner and a live band.

I met many wonderful people, had an opportunity to talk about my Company, what we do and how we do it and compare it with others.

The Convention wrapped up on Tuesday, September 30 and most people departed the following day, but I am sure those sessions will help to shape the futures of many of the attendees. In my particular case, I was filled with energy and commitment to be the best I was with what I had.

Next year the Convention will take place in Boston and yes, I do plan to attend. It will be nice to meet up with old friends and make new friends, but most of all, it is with pride that I can say I earned my FLMI and my right to attend this annual function.

Mary Allan, FLMI, ACS
Board Member
LOMA Society of Waterloo

MBA–Accelerated for FLMI at Dalhousie



At Dalhousie University, an FLMI designation earns you advanced standing in their MBA-Financial Services (Insurance) Program. If you live in Canada and you've earned your FLMI with an 80 percent average, you're already four courses into the program and on track to complete your degree in record time. For FLMI's, the program's 12 remaining required courses can be completed through distance learning, with a 3-to-5-day intensive session at the end of each course. To learn more about this program, offered by one of Canada's most prestigious tier-one schools, call **902-494-6391**, e-mail **mbafs@mgmt.dal.ca**, or visit **www.mgmt.dal.ca**.

LOMA Launches New Designation for Financial Services Professionals



ATLANTA, GEORGIA, July 2003- LOMA and its member companies have developed a new FFSI (Fellow, Financial Services Institute) program to meet the financial services education needs of insurance companies that have evolved to multifaceted financial services institutions. For more on this program: FFSI: LOMA's Newest Designation Offers Big-Picture View of Financial Services

For more information on LOMA Degree options:
LOMA Can Help You Earn Your College Degree

Celebrate Success! LOMA Education Day!

On Wednesday, January 14, 2004 LOMA member companies throughout the world will celebrate professional education during LOMA Education Day. Reminiscent of the celebration FLMI Day, this event has been enhanced to salute all students and all sponsors of professional development. Watch for more information about this special day. If you are interested in volunteering to help plan this event, please contact one of your board members.

FLMI 280 and 290 Courses

The LOMA Waterloo Chapter offers courses for FLMI 280 and 290. Spring classes will commence the first week of March and run for about 9 weeks.

Please contact your Company Education representative for registration details.

Who's the Winner?

The lucky winner of the FLMI gift in the survey draw for the Spring Luncheon was **Linda Winteringham** from Manulife Financial - congratulations!



Food Bank Donations to the Food Bank of Waterloo Region

Our donations from our Luncheon Meeting on May 6, 2003 was \$257.24 and 5 pounds of food as per Dana Giorgio of The Food Bank of Waterloo Region.

Thank you for caring and sharing.



Be a Volunteer

We will need volunteers to help promote LOMA Education Day on Wednesday, January 14, 2004.

If you would like to volunteer or require more information, please contact a Board Member

Volunteering, a great way to contribute to your Society!

This is a great committee where everyone does something and everything gets done!

Keeping in Touch with your Society



Keeping in Touch: Please contact your company board member or use the webmaster email link on this site to inform us of changes in your contact information if you retire or move.

Current and past members can stay informed about our local chapter:

simply visit the FLMI Society of Waterloo site at <http://fp98.sentex.ca/flmiwat/>

"Thanks" to Fran Miller, Equitable Life for maintaining our Chapter website.



LOMA Online – Useful Sites

For LOMA and FLMI information: visit the LOMA site at <http://www.loma.org>

FLMIs have been forming local professional organizations since 1943.

FLMI Societies provide society members, LOMA students, and other insurance professionals with opportunities for continuing education and professional development.

LOMA Members Only

More Online Benefits through LOMA Members Only – Get more from your membership -- Register Now!

<https://registeredusers.loma.org/lomacontent/welcome.cfm>