



# Living Your Legacy CONCEPT DOCUMENT



## TEAM MEMBERS

Danielle Brehmer, Lake Trust Credit Union  
Marquis Boochee, Xceed Financial Credit Union  
Andrew Spurrison, Forum Credit Union  
James K. Simon, Jr., Akcelerant Advisors

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## THE OPPORTUNITY

We all strive to leave a legacy for our families as we live our lives. Yet, preparing that legacy – knowing where to turn, who to trust, and how much it costs – leaves a lot of questions for families to try to answer on their own. The whole experience can feel confusing, disjointed, and overwhelming. And as a result, many throw up their hands and just say: “Forget about it.”

In the study *Trillion Dollar Baby Growing Up* by Cheryl D. Retzloff, consumers were asked “What’s stopping you from taking action?” (on insurance needs). The following answers resulted:

- 35% No one contacted me
- 54% Had not gotten around to it
- 56% Lack knowledge (difficult to know what to buy or how much to buy)
- 77% Faced with competing financial priorities

Additionally, we know the Internet has become a key resource for information gathering when it comes to financial and insurance services:

- 83% of consumers use the internet as part of their life insurance buying process (LIMRA and Life Insurance Foundation for Education (LIFE), “The 2012 Insurance Barometer Study”)
- 70% of consumers go online to get an auto quote (comScore’s 2011 Insurance Shopping Report)

Because of this, we believe that there is an opportunity to create an easy, encouraging online experience that puts the family’s needs first. This occurs in a non-threatening, educational environment, where we can have an opportunity to do more than just help people leave a legacy. We help them Live their Legacy.

## THE SOLUTION

Living Your Legacy is a web-based solution and smart phone app that provides members with an unbiased and independent source of information on financial and insurance matters. Without all the complicated jargon, and simply based on life’s milestone moments, users can painlessly find relevant ideas and tips for navigating current and future life events and ensure their family and property is cared for the way they intend.

**Living Your Legacy...One Milestone at a Time**

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## TARGET MARKET

The target market is any credit union member that is internet savvy but confused and frustrated by the lack of a site or application that can provide information on financial matters that are important to them without a “hard sell” to buy a particular product and service.

## CONSUMER BENEFITS

- Educational portal that not only answers questions that a consumer might have, but also suggests other questions that they should ask surrounding the milestone event at hand.
- Site provides unbiased and independent information about the milestone event at hand.
- Professional assistance or purchases of particular product/service only occurs when consumer decides to ask for it.
- Consumers can share, post, and tweet directly from the site to get feedback from their network of friends and family on social sites.
- No embarrassment, no hassles – sometimes people can feel intimidated by finance and insurance terminology, policies, and processes. Living Your Legacy is easy, simple and confidential.
- If consumers would like to take the next step, they can be connected with qualified credit union representatives.

## CREDIT UNION BENEFITS

- Living Your Legacy creates the opportunity for value-added non-interest income through insurance sales. Through trusted handshakes (links) in the application, leads are generated for credit union products.
- Members are offered an educational opportunity and if they choose a convenient product purchase process, creating loyalty and trust and enhancing the “good-guy” credibility of credit unions.
- The application offers a cost-efficient and immediate platform for any size Credit Union to educate and train their members and employees on key financial products/services people will be faced with throughout their financial lifetime.
- Credit unions can brand their own name to the application and design content that is in alignment with what their credit union offers.

## PILOT RESULTS

- There is a definite need for this type of financial education to the younger (Gen Y) generation.
- App puts the hard insurance sale backseat to education. This coupled with soft handoffs will earn member respect and loyalty.
- Direct link to a credit union website are rare.
- Overall, concept was well received.

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## OPERATIONAL AND OTHER CONSIDERATIONS

The application is cost effective for any size credit union. Moreover, with relatively minimal customization, this application can be deployed within a credit union and can become a vital training tool that will enhance your member experience. Think about it for a moment...what does a 20-something Member Service Representative know about the milestones that their 40-something member is facing (or about to face)? With this tool in place, the Member Service Representative can both provide stellar service to their member as well as cement the member's belief that their credit union is rightfully their primary financial institution.

## FINANCIAL PRO-FORMA/ROI

Our financial pro forma suggests that at the end of Year 1 operations, with 27 credit unions participating in our app/website customization program, the entity will generate a net profit before taxes of \$11.6K. In Year 2, with a total of 70 credit unions participating in our app/website customization program, the entity will generate a net profit before taxes of \$23.0K. In Year 3, with a total of 104 credit unions participating in our app/website customization program, the entity will generate net profit before taxes of \$27.2K.

The average annual ROI over the three years is forecast at 7.96%.

## RESOURCES

Credit Union IT resources will be required to incorporate Living Your Legacy application into its intranet environment.

## GETTING STARTED

1. Looking for 5 credit union partners with initial investment of \$5,000 each.
2. Contact us if interested at [innovation@filene.org](mailto:innovation@filene.org)