

INSURANCE

SERVICES

ASSET MANAGEMENT

**Strengthen your membership
and non-interest income—with
MemberCONNECT.®**

 **CUNA MUTUAL GROUP**

Common Purpose. Uncommon Commitment.

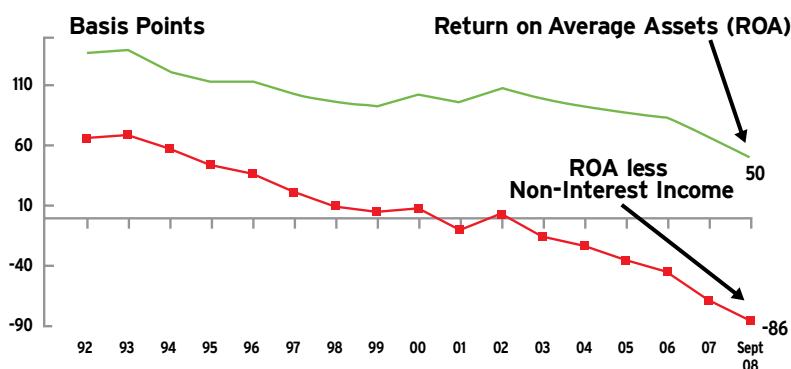
The challenge: Consistent growth—in membership and income.

Credit unions of all sizes are faced with a difficult reality: flat, even shrinking, margins and higher operating expenses. Over the last 20 years, Return on Assets (ROA) has become extremely dependent on fee and other non-interest income.

This hard fact is even harder to ignore. How can credit unions, that are continually asked to do more with less, be expected to make up the difference? With MemberCONNECT, a smart way to add popular insurance products, created just for credit unions by CUNA Mutual.

Without MemberCONNECT, your credit union is giving up valuable non-interest income every time your members purchase insurance products elsewhere. But with MemberCONNECT, such non-interest income is captured in ways that help keep your members where they belong: engaged with your credit union.

Credit Unions' Greatest Challenge: Living on Less.



The credit union industry has a strong and growing need for non-interest income as shown by ROA trends over the last 20 years (shown above). Recent results from the end of Q3 2008 show that typical credit union ROAs were 50 basis points. **However, without non-interest income and fees, their ROA dropped to -86 basis points. Can your credit union afford to operate like that?**

Source Data: CUNA Economics & Statistics and CUNA Mutual Strategic Planning.

Members who have a policy through the MemberCONNECT Program have shown up to a 10% increase in credit union retention.

Source: Internal CUNA Mutual analysis of 7.1 million members, October 2008.

MemberCONNECT actually helps keep members connected to you too. Retaining customers in today's competitive environment is an increasing challenge for any type of business. Credit unions are no exception, and many are seeking out every opportunity to create "stickier" relationships with their members. MemberCONNECT is one of these opportunities. At no cost, and with minimal effort, MemberCONNECT generates non-interest income for your credit union while actually increasing your chances of retaining valuable members.



The solution: MemberCONNECT from CUNA Mutual.

A flexible solution for every credit union—and credit union member.

Most credit unions cannot afford to augment their staff to manage a multi-faceted insurance marketing program. They simply do not have the resources to implement and execute the systems and strategies necessary to make such a program as powerful and effective as it should be. And that's where MemberCONNECT comes in.

A complete, flexible solution, MemberCONNECT has assembled a full portfolio of products for members with a comprehensive marketing program that includes a suite of online program management tools. This allows your credit union to focus on core business while we provide straightforward processes to ensure optimal results.

With MemberCONNECT, you get it all: the marketing, sales support, regulatory compliance, relevant member products, training, application processing, underwriting, servicing, claims, and management reporting. MemberCONNECT also incurs all costs of marketing to members, while credit unions choosing to market a similar program themselves could typically experience costs as high as \$1,035 per 1,000 credit union members.¹

Getting started? Simple.

Adding the MemberCONNECT program to your credit union is surprisingly streamlined. All you need to do to is:

1. Sign the agreement.
2. Follow a straightforward, guided implementation process.
3. Provide your membership files (if you're new to MemberCONNECT).
4. Manage and monitor the progress of your new program with MemberCONNECT's convenient, Web-based tools.
5. Supplement the marketing campaigns using our free, professionally created ads, articles, inserts, and brochures.

¹ Based on December 2008 mailing costs for three products.

The MemberCONNECT difference.

STREAMLINED IMPLEMENTATION Whether you are interested in starting a new insurance program or looking to improve an existing one, MemberCONNECT is designed to make available a wide range of insurance products to members without disrupting daily operations or requiring significant additional resources.

RELEVANT PRODUCTS For added convenience and increased non-interest income, MemberCONNECT's products and services enable your credit union to meet more member needs. A sampling of popular products include:

- Life Insurance
- Accidental Death & Dismemberment Insurance
- Auto & Homeowners Insurance

CONTINUOUS INNOVATION MemberCONNECT is a program that employs ongoing innovation, testing, and validation to ensure the consistent delivery of superior results and satisfaction for both member and credit union.

MULTIPLE CHANNELS Effectively marketing and supporting your insurance products requires using every available channel to reach—and be reached by—members. From mail to phone, the Web, and even local agents for auto and homeowners insurance, CUNA Mutual Group delivers a seamless connection that helps members make the best insurance purchasing decisions in a way that's easy and convenient for them. This is key to building deeper member connections.

CREDIT UNION SAFE MemberCONNECT has been carefully designed to support your sales and marketing needs without competing with your existing core operations and offerings. These supplemental sales and service efforts are critical to building deeper member relationships. They also serve to enhance member trust and loyalty while helping prevent them from developing stronger relationships with your competitors.

The key to MemberCONNECT is member respect.

MemberCONNECT successfully generates non-interest income through our “member respectful” approach. Our in-depth understanding of credit union members allows us to deliver products and marketing from the member experience perspective. As a result, CUNA Mutual Group makes products available that are relevant through marketing that is highly targeted.

MemberCONNECT’s proven direct marketing plans work smarter by putting more emphasis on the members who are more likely to purchase. With sophisticated consumer segmentation we use a combination of member demographics, attitudes, consumer preferences, and purchase history to make sure the right people are offered the right products. This segmentation and targeting allows us to consistently grow your non-interest income and strengthen member relationships, all while being “respectful” of your members’ needs.

“Member respect” is not only a unique feature of MemberCONNECT, it’s also one of the program’s most important benefits for your credit union. By respecting your members’ time and understanding their unique financial needs, this powerful direct-to-member program allows you to connect your members to products they need—all in a way that reflects positively on your credit union and your credit union’s brand.

Key benefits for your credit union

- Non-interest income to strengthen your credit union’s bottom line
- Enhanced member relationships by making available a broader variety of financial services
- Maximum effectiveness with minimal commitment of staff resources
- Streamlined and guided implementation that makes it simple to expand your products
- Online tools, allowing your credit union to monitor your program and enhance results
- Even more reasons for your members to stay engaged with your credit union
- High quality products, service, and administration—all backed by the expertise of CUNA Mutual Group

Key benefits for your members

- The ability to have top quality insurance products presented by a trusted local organization—your credit union
- Convenience and choice of multiple, simple-to-use channels
- Valuable online capabilities, such as quoting tools, educational information, and financial calculators
- Online policyholder tools, providing self-service convenience for common service activities such as billing, beneficiary designation, and claims. These services are also available through domestic call centers
- A needs-based approach that matches the right product to each member’s individual situation

“MemberCONNECT is a program that CUNA Mutual does extremely well, and [CUNA Mutual] is a great partner for HawaiiUSA Federal Credit Union.”

Tommy Nakano, Group Insurance Center Director

HawaiiUSA Federal Credit Union

Honolulu, Hawaii

Assets: \$909 million/124,000 members



Improve your MemberCONNECT Program's success with online tools.

MemberCONNECT's online reporting tool, **CU Navigator**, allows you to manage the growth of your program and track your results. You can create custom reports, provide management updates in real-time whenever you need it, and build staff awareness using a variety of key information.

MemberCONNECT Resource Center is an “always available” online knowledge center to help you manage your program and improve results by providing access to marketing resources, product information, and program tools.

Three good reasons to consider MemberCONNECT for your credit union.

1

RELIABLE NON-INTEREST INCOME GROWTH NOW—AND INTO THE FUTURE.

MemberCONNECT is both a comprehensive program of marketing, sales, and service as well as an effective strategy for dealing with the challenges of declining ROA.

In fact, MemberCONNECT programs paid over \$45 million in credit union royalty fees in 2007.

2

INSURANCE PRODUCTS MEMBERS WANT—AND NEED.

All responsible credit union members need insurance to protect their property, families, and their futures. MemberCONNECT allows you to capture this non-interest income and strengthen member relationships to support the long-term viability of your entire organization.

3

PROVEN MARKETING, SALES, AND SERVICE.

In so many ways, MemberCONNECT is a streamlined way to add an entire portfolio of insurance products, the marketing and sales systems necessary to make them successful, and the type of ongoing member experience that allows your credit union to shine—all without adding significantly to your current operations.

Why choose MemberCONNECT from CUNA Mutual?

Compliance you can count on.

Data security, member privacy, and compliance are our top concerns. We've designed a program that looks out for you and your members on every front. We comply with all state insurance regulations and Direct Marketing Association guidelines. File transfers are thoroughly protected through data encryption, anti-virus technology, and role-based security. You can rest assured that your member data will never be sold. And we never stop working to anticipate and exceed your privacy and compliance expectations.

Unparalleled commitment and experience with credit unions.

MemberCONNECT will also safeguard your members' relationships by not competing with your credit union for your members' core business. We want our role to be invisible to your members. We're the proverbial "wind beneath your wings." The silent partner. Your members will always have a consistent, seamless experience that keeps the focus entirely on your credit union.

Products your members need—from a company you trust.

- Our long history of leadership in the credit union movement makes us uniquely able to address the needs of your members and the concerns of institutions like yours
- We've been a consistent, reliable, top-rated provider for 25 years
- More than 4,000 participating credit unions represent over 40 million members—and growing, giving us substantial "economies of scale" and the ability to conduct in-depth analysis of credit union member buying trends
- We are constantly researching, testing, and improving our marketing strategies and product offerings to improve your bottom-line results
- MemberCONNECT makes a full range of insurance products available, allowing us to provide the right coverage based on the member's specific needs
- No insurance company understands the needs and challenges facing credit unions better
- Responsive and convenient service for both your members and credit union
- We are dedicated to remaining your trusted business partner—and determined to retain that position

MemberCONNECT can help you better serve and retain members while working diligently to strengthen your credit union. Let us show you how.

Now is the time to make the connection. Between member respect and member service. Between deeper member relationships and recurring, non-interest income. It's all available with MemberCONNECT from CUNA Mutual.

For more on how MemberCONNECT can service your members—and strengthen your credit union, contact your CUNA Mutual Group Sales Executive at 800.356.2644 or visit www.cunamutual.com

CUNA Mutual Group is a leading provider of financial services to credit unions, their members, and valued customers worldwide. With more than 70 years of market commitment, CUNA Mutual's vision is unwavering: to be a trusted business partner who delivers service excellence with customer-focused, best-in-class products and market-driven innovation.

Visit www.cunamutual.com or call 800.356.2644 for more information.



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