



Mehran Assadi

EDITORS' NOTE Mehran Assadi has served as President and Chief Executive Officer of National Life Group since 2009. Assadi serves on the Board of National Life and chairs the Board of Sentinel Funds. He joined National Life in September 2003 as interim Chief Information Officer. The following year he was named interim Chief Operating Officer. In April of 2005, Assadi was appointed the company's President of Life and Annuity. Since becoming President and Chief Executive Officer in 2009, Assadi has led major growth in sales of National Life's life and annuity products and worked to build a culture of collaboration, engagement, and empowerment among employees. Before joining National Life Group, Assadi served as Chief Marketing Officer and Chief Information Officer at Provident Mutual in Newark, Delaware.

COMPANY BRIEF For more than 167 years, National Life (nationallife.com) has worked hard to deliver on its promises to millions of people with their vision of providing peace of mind in times of need. It's their cause, stemming from a deep passion to live their values to do good, be good, and make good, every day.

Jackie and Kevin Freiberg, business consultants and best-selling authors, recently featured National Life Group and Assadi in their book *CAUSE!*, published earlier this year. The book explores the power and business case for creating a purpose-driven company.

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A Culture of Cause

An Interview with Mehran Assadi,
Chief Executive Officer and President, National Life Group

What is the heritage of this company and how has it evolved to where it is today?

National Life was chartered in 1848. As soon as we had our first policyholder, which happened in 1850, our journey of focusing on middle America started.

Today, we are still focused on that same group, the most underserved segment of the market. Of course, we are also in the business owners' market and in the affluent market, but that's the top 5 percent and who is taking care of the 95 percent? We are.

This focus on middle America originated when Dr. Dewey was taking care of patients. He and the other founders identified a need where, when the unfortunate and unexpected happens to families, there was no one to care for them. He started this insurance company, National Life Insurance Company of the United States, and really had a national vision while other people were only thinking regionally.

When the first claim came in, the directors of the company had to provide their personal backing to raise \$1,000 to fulfill that promise. Since then, this company has worked hard to fulfill its promises and will continue to do so with those promises made today and those made 80 years from now.

We had someone who bought a policy at 23 years of age and once she turned 100, we called her and said we'd love to send your claim check to you. How many businesses have an 80-year relationship with their clients?

National Life was started as more of a service to the community than just as a financial services company.

Would you talk about how purpose is so deep in the culture of the organization?

There are many leaders who talk about mission-driven, purposeful companies but very few have their purpose show up in authentic ways.

Mission-driven companies show up differently and they have a higher calling. That higher calling will guide them to make the right decisions, to be sustainable, responsible, compliant, and to put emphasis on doing the right thing for their clients.

At National Life, whether they're our buying customers – people who actually acquire our services and products, or our selling customers – people who offer education and advice to our clients, we want all of them to know that this isn't about making a buck – this

is about providing a service that is needed to protect families at their most desperate times and that allow legacies to continue. This is one of the most honorable professions in the world.

I believe our financial professionals provide an absolutely critical service and, if they are doing the right thing, they will have a good life. There are no shortcuts in this business. It's about doing the right thing the right way and being sustainable and responsible.

We talk about this at all levels of the organization. We communicate this clearly so it has become part of the fabric of who we are. We put emphasis on the why of what we do versus the how or what.

How important is it to find talent that also fits into that culture?

It's paramount. Some people in business believe, because they think they are smarter than everybody else, that there are a different set of rules for them.

At our company, we don't care how smart or bright someone is; if they don't fit our culture, this is not the right place for them. Our culture is bigger than individuals; it is tangible and shows up at the top line, bottom line, and every measure in between.

We have a secret sauce, which is our culture. It's reflected in the way we show up, and the way we care for our clients. That doesn't mean we're perfect. We are learning as we go, and we are getting better every day.

When we're sitting across from someone and we genuinely have their best interest at heart, eight out of ten times, that person will be surprised by this interest on our part. They are used to financial representatives bringing them in based only on how much money they can make for the company.

Culture happens by creating a real movement where people realize that this isn't just CEO talk.

When you took over as CEO, how did you communicate your vision?

Culture shift doesn't happen overnight. I'm not necessarily patient, but at the same time I would like to have realistic expectations. I would like to say it's a journey, but my expectations are for it to be a race, so I have to look for the proper balance.

People weren't going to be handed little pills and immediately change. People challenged me constantly to see whether I was genuinely committed to it or I was just a talking

head. As they went through this process and saw success stories, they realized I was serious and they would have to embrace it.

The one thing we don't appreciate enough is the whole glory of serving others. It's one of those things that is almost a lost art; it's always the real meaning for me.

One of our leaders said that he heard me talk about servant leadership and he felt it was almost religious. He researched it at my suggestion and found that there is an element of spirituality tied to it. I pointed out how leadership is a privilege, not a right. One is fortunate to have been called upon to be put in that position of prominence and accountability to the people they serve.

There will be days I ask myself why I am doing what I'm doing. It's not just about getting paid. It's about seeing my teammates bring in their best to contribute to the success of the organization. It's fun to watch my teammates grow and do amazing things right in front of my eyes. That's what this is all about: accountability, empowerment, and respect.

Where can innovation really impact this business?

The insurance industry is one of the oldest in the world, and the greatest opportunity falls in the category of innovation.

We need to imagine and we need to be innovative in simple ways because simple is hard.

This is an industry that tends to take the most simple things and make them as complex as possible. It seems one cannot build enough regulations and compliance around it to address the complexity of the business.

The industry looks to take the defensive approach, which is to pile on the regulatory disclosures, versus the offensive approach, which is to simplify products and processes so people can understand them better. When they understand them better, it becomes unnecessary to add complexity with more regulations and governance.

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Our industry is a target-rich environment for innovation in every aspect: products, process, ease of doing business, education of the consumer around why our products are not about insurance but assurance. The life insurance that our company offers, for instance, is not just about dying – it's actually the new kind of insurance that is about living. Sixty percent of us are going to have some kind of short-term disability in our lifetime. What if we could offer a product that, above and beyond the death benefit, can also provide living benefits when one needs them the most?

At National Life, we're an innovative organization that creates products that cover mortality, living benefits in terms of short-term disability and, if one is blessed by living long, it delivers a long-term type of benefit.

Can the industry do a better job when it comes to educating consumers on the critical role insurance plays?

The industry needs to do a better job with education, as do companies, because our business, which is about protection and retirement, is not properly understood. When people talk about life insurance, people say they aren't planning to die. That is why it's assurance – in case you die. But during your life, this new kind of insurance will address your short-term disabilities and perhaps give you the opportunity to live with dignity longer.

It comes down to education. Life insurance is one of the most selfless acts one undertakes because it's about loving and caring about the people who are around someone rather than what is in it for the person.

Those of us who have been through much of our lives know that the unexpected happens and one has to have a plan and that, within our own circles, each of us has someone who is sick. People don't expect to die when they're 40 years old or have an accident, so people don't think about that.

We have real purpose and value in this profession and, when we talk about mission-driven, it's not just about selling insurance.

This process of building a culture around cause and mission, and getting people to buy in, requires that we look at our organization and ask if the vision for this organization is clear. Is the mission something people can relate to?

In our case, we started with a blank piece of paper. Our mission statement when we started was one that nobody could repeat because there was no emotional attachment.

We started with a vision: insurance is about peace of mind, so our vision statement is to bring peace of mind to everyone we touch. Our mission is to keep our promises. We make a promise we will have to fulfill down the line.

Our values are also to do good, be good, and make good. They reflect our intentions, our actions, and our outcomes. Then we can communicate with our people about the "why" behind what we do. It's important that we're at the top of our game because we're part of the promise we are making. For us to succeed and fulfill our commitments, we have to offer products that make sense and give fair value to the client. We must pay a fair compensation to people who provide the service, and make the profit that we deserve to make; profit is not a

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four-letter word at National Life. The cheapest way to grow capital to make more promises is to have proper returns.

We're a company that stands out in the sea of sameness because we're going about it very differently. None of what I've mentioned is proprietary – it's all common sense. This is how we have approached the culture shift at the company.

In such a people-driven business, how critical is technology?

Technology is very critical and is a major enabler. The only difference is that, at National Life, we don't use technology as an excuse.

We have needed to upgrade our platforms, and we are literally chipping away at them. At our company, we have invested in a brand new innovative platform that is an open system, client server base on which we are prototyping one product at the present time. We believe this will be a differentiator in terms of ease of doing business.

We are focusing on what is making us successful today and what gives us options for the future. Technology has become expected in today's environment. People anticipate having apps for everything.

We need to think differently and demystify insurance. Our tax code in this country is one of the most complex. Imagine I'm interviewing you about your needs and desires and, as you're responding, on the left side of a screen, I'm memorializing your responses, and on the right hand side, I can literally show the benefits that you are going to need so that you can tell me how to dial it up or down.

The benefits and costs are side by side so there is clarity and it becomes more of a dialogue and a conversation versus me selling something.

Do you enjoy the process and celebrate the wins along the way?

That is why I do this. The joy comes when I see my teammates doing amazing things; it is the biggest high in the world. ●