



AARP[®]
SERVICES INC.



2015 AARP SERVICES ANNUAL REPORT



OUR MISSION

To inspire new and innovative business practices, guide consumers to make informed choices, and deliver products and services that better fulfill life-stage needs.

WHO WE ARE

AARP Services is a unique advocate for consumers in the marketplace. We strive to make businesses more responsive and attentive to the dynamic 50-plus population. AARP Services, founded in 1999, is a wholly-owned taxable subsidiary of AARP.

WHAT WE DO

The primary role of AARP Services is to provide quality control, on AARP's behalf, for the products and services made available to AARP members by leading businesses. The AARP

Services staff:

- > Researches what people 50-plus want and need;
- > Negotiates special features uniquely suited for consumers 50-plus, as well as differentiated value;
- > Monitors providers of commercial offers to AARP members to improve customers' experiences, particularly their overall satisfaction, ease of doing business, and the timeliness and accuracy of offers; and
- > Provides consulting services to outside companies.

SOCIAL IMPACT

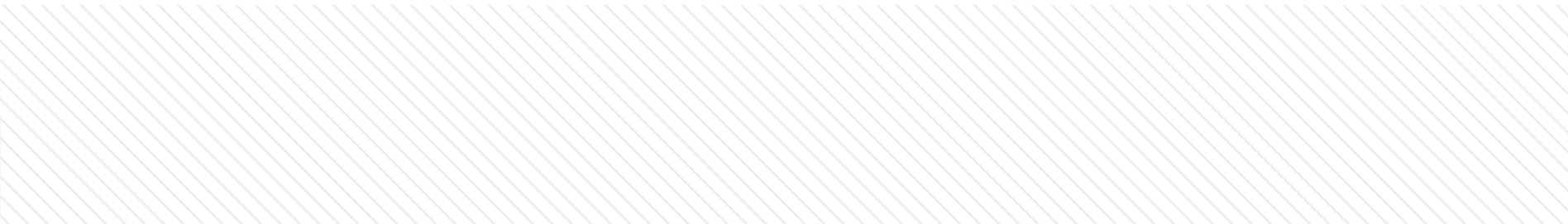
AARP's extensive social-change efforts are primarily supported by the royalty income that AARP receives from licensing its brand to third-party service providers.

MARKET INFLUENCE

Just as AARP's founder shook up the marketplace in the 1950s with pioneering group health insurance and a mail-order pharmacy, AARP Services is leveraging market forces to help people live healthier, more secure and happier lives.

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LETTER FROM THE PRESIDENT & CEO

The AARP brand remains one of our most important assets. When people use the products and services made available to AARP members by leading businesses, it helps bring our brand to life. That's why it's so important for AARP Services to constantly monitor quality, making sure that providers deliver what is promised, in the ways that best serve the 50-plus population and help improve the marketplace. In a virtuous cycle, the royalties AARP receives from providers for the use of AARP's name make a significant contribution to "fueling" the social mission of AARP.

The enduring popularity of Medicare supplement insurance, prescription drug programs and other health offerings that merit the AARP name are a testament to their quality and value. To help fill a market gap, we negotiated a robust offering via AARP Long-Term Care Options from New York Life.

More broadly, a major strategic focus

for AARP Services in 2015 was meeting the needs of family caregivers who assist loved ones with meals, errands, doctor visits and much more. In the short term, we negotiated an AARP-member discount on healthy, home-delivered meals through Silver Cuisine by BistroMD.

For the longer term, AARP Services began channeling promising caregiving-related ideas from the drawing board to market testing. This test-and-learn approach seeks to ensure that a range of health products, personal services and technological advancements meet the needs, expectations and budgets of real people.

Another way we sought to serve consumers' needs was by helping a host of businesses and nonprofits understand the diverse 50-plus population better. The 100 million Americans in this age group are curious, service-oriented consumers willing to try new things. Too often, though, companies turn them off with stereotypical

ads and language. In its second year, our full-service agency—Influent 50—leveraged sophisticated marketing and digital analytical services to help more than two dozen companies reach consumers more effectively.

In my first full year as president and CEO, I took particular pride in rallying dozens of providers to advance AARP's social mission through philanthropic efforts and hands-on involvement at the local level. Highlights of those engagements, from packing millions of meals for hungry adults to helping people learn how to use smartphones, are found in this report.

Our entire staff remains committed to increasing the value of AARP membership, driving positive social change and delivering financial results to AARP so that it can successfully improve the quality of life for all as we age.



A handwritten signature in black ink, appearing to read 'L. Flanagan', written in a cursive style.

LAWRENCE P. FLANAGAN
President & CEO

For AARP Services,
2015 showcased the
impact of listening
carefully to the
people we serve,
zeroing in on what's
missing in the
marketplace and
delivering the best-
in-class products
they deserve.

HEALTH PRODUCTS & SERVICES

AARP's long-term goal: an America where 50-plus individuals have access to the care, information and services to lead healthier lives.



AARP Services contributes to the health security of people 50-plus by overseeing high-quality AARP-branded product and service offerings from independent providers, while also investing in health research and innovation.

AARP-Branded Medicare Products

The AARP Medicare Supplement Plans insured by UnitedHealthcare remain the most popular “Medigap” plans in the United States. These plans had an increase in enrollment, due in part to outstanding service, rate stability and customer loyalty.

Since Medicare supplement (“Medigap”) policies do not include prescription drug coverage, individuals eligible for Medicare can purchase a Part D plan to cover the costs of medicines. The AARP-branded Medicare Rx plans from UnitedHealthcare remain among the largest Part D prescription drug programs.

These plans give AARP members and non-members access to 65,000 pharmacies as well as convenient mail order. Additional value comes from a broad formulary of available medicines that offers low or no copayment on certain generic drugs that are often prescribed for diabetes, high blood pressure and other common conditions.

Meanwhile, AARP-branded Medicare Advantage plans continued providing an alternative to traditional Medicare. The AARP Medicare Complete plans insured through UnitedHealthcare bundled doctor,

hospital and drug coverage into a single plan. Many of these plans offer wellness programs, 24-hour access to a live nurse, and vision-care services.

Health Innovations within the AARP Medicare Supplement Program

Our multi-year effort to foster innovation in care coordination and whole-person care moved forward.

Several years of test-and-learn experience with value-added services from the Health Care Transformation initiatives and Health and Wellness pilots will culminate in the launch of the Differentiated Member Experience (DiME) pilot in Alabama on January 1, 2016. DiME will test delivery of a personalized member experience—including integrated member engagement, customer service and value added-services—in a multichannel environment.

This pilot will incorporate elements of health and wellness programs appropriate for the full spectrum of members, from the healthiest to the sickest. For example, in lieu of the SilverSneakers Fitness Program, participants in the pilot program will gain access to expanded wellness and fitness offerings through United’s



AtYourBest, which includes discounted gym memberships, wellness coaching by telephone, live local events and online information. The AtYourBest pilot continues to experience enrollment growth as a stand-alone program in Missouri, New Jersey, Texas and Washington.

The focus on “Aging Strong, The Social Fabric of Life and Living” reflected a different approach: less about clinical determinants of health and more about quality of life. To address patients’ social needs as well as their health care, the program expanded its 24/7 Nurses HelpLine to include social services, such as helping members find transportation or assistance with paying for prescription drugs. In addition, nurses and social

workers dedicated to the AARP Medicare Supplement Program will help foster the cultural transformation to knowing, advocating for and connecting members to needed resources.

Pilot offerings of MyCarePath, the program for high-risk/high-need patients that grew out of UnitedHealthcare’s original Health Care Transformation initiatives with AARP Services, continued to test replicability and scale in New York, Ohio and North Carolina.



Vision, Hearing, Dental and Prescription Discounts

A new stand-alone vision insurance product, available exclusively to AARP members, was

provided through EyeMed in four test states (California, Illinois, New Jersey and Ohio). Due to the positive response, EyeMed plans to expand it to additional states in 2016.

Cost is a major reason why many people do not seek treatment for impaired hearing. To help, the AARP Hearing Care Program

administered by HearUSA provided a savings on hearing aids, along with a free three-year supply of batteries. Other solutions available through the program include amplified telephones, TV listening sets and visual smoke alarms.

The lower-cost dental HMO pilot program from Delta Dental was made available in six more states (Arizona, Colorado, Maryland, New York, Pennsylvania and Tennessee), following successful market tests in three large multicultural states: California, Florida and Texas. Features include coverage of dental implants, no annual deductible and no annual benefit limit.

Consumers using the AARP Prescription Discounts provided by Catamaran, an OptumRx company, saved an average of 61 percent off in a mixture of both the average wholesale price or the usual and customary list price of FDA-approved prescription medications not covered by the members’ insurance, according to a recently updated OptumRx calculation of AARP members’ average savings. This important health benefit is offered automatically to every AARP member, spouse and dependent at no additional cost.

Clearly, family caregiving is ripe for innovation. AARP Services worked throughout 2015 to re-shape the market by developing a suite of consumer-focused solutions.

Innovations in Caregiving

Meeting the complex needs of the nation's 40 million family caregivers, and for the loved ones they tend to, was a major focus for strategic planning at AARP Services in 2015. Importantly, we involved family caregivers in helping us plot a long-term strategy to meet their diverse needs.

Although most people want to remain independent at home for as long as possible, they face complex obstacles:

- > Homes that are no longer suited to people with infirmities;
- > Limited transportation options, such as for getting groceries or medical care;
- > A declining number of family caregivers, just as the older population rises; and
- > Difficulty in identifying and navigating available services.

Clearly, family caregiving is ripe for innovation. AARP Services worked throughout 2015 to re-shape the market by developing a suite of consumer-focused solutions.

A first step included making nutritious meals available with little hassle. Physician-designed, chef-prepared meals from bistroMD's SilverCuisine line fit the bill, supporting a wide



range of nutritional requirements with convenient home delivery via FedEx.

Meanwhile, a suite of caregiving-related information, products and services is being readied for launch throughout 2016. They range from a new package of solutions—AARP Long-Term Care Options from New York Life—to services related to in-home care, telehealth, social well-being and care coordination.

It's all part of our commitment to leveraging the collective power of AARP members to foster greater independence, dignity and healthy living.

FINANCIAL PRODUCTS & SERVICES

Helping individuals achieve financial resilience is one of AARP's long-term goals: an America where people 50-plus have the financial resources and opportunities to match their longer lifespans.



High-quality property and life insurance products, college-savings plans, credit cards and more helped our members manage their financial security.

AARP Life Insurance Program from New York Life

Members gained a new option for turning part of their savings into fixed monthly income payments that last a lifetime when the AARP-branded Lifetime Income Program from New York Life expanded its offerings via the Guaranteed Future Income Annuity. As an added measure of protection, the face value of the separate Guaranteed Acceptance Life plan provided through the AARP Life Insurance Program from New York Life increased from \$15,000 to \$25,000.

AARP Credit Card Program from Chase

Members continue to appreciate the cash-back rewards they earned from the AARP Credit Card Program from Chase. Rewards points can be easily redeemed for cash, gift cards, merchandise and travel. With each dining transaction, credit-card holders also helped Chase contribute \$1 million to AARP Foundation for Drive to End Hunger.



Auto Insurance

The Hartford continued to expand usage of its True Lane telematics program of technology-driven, behavior-based discounts. Agent expansion also continued in 2015.

Protection at Home and on the Road

The contracts with Foremost for the AARP Motorcycle and Mobile Home Insurance Programs were extended. Since it was first introduced in 2004, the motorcycle program has provided members highly competitive motorcycle insurance that offers lifetime continuation, a diminishing deductible and better coverage than the industry average for optional equipment and helmet and safety apparel.



SAVING PEOPLE MONEY

AND HELPING THEM
ACHIEVE REAL POSSIBILITIES

People have turned to AARP for special discounts and travel offers for more than 50 years. We continue to enhance offers that appeal to the diverse needs and interests of people 50-plus.



Discount-finder tools on the digital and mobile properties managed by AARP and AARP Services made it easier for people to find savings by Zip code or geo-location, whether in their communities or during travel.

Everyday Savings

We welcomed additional providers who sought to help AARP members save money and get even more out of life.

- > A new relationship with Monro Muffler and Brake and its family of brands provided discounts on tires and oil changes, as well as free tire-rotations and maintenance inspections. The company operates more than 1,000 stores in 25 states and the District of Columbia.
- > Discounted gift cards from Spafinder Wellness 365™ made keeping well more accessible for AARP members at 24,000 fitness studios, spas, salons, hotels and resorts.
- > Sweet savings of 15 percent for AARP members made sweetFrog Premium Frozen Yogurt more enjoyable. At nearly 350 stores, sweetFrog offers all-natural soft-serve frozen yogurt, gelato and sorbets with premium toppings.
- > An additional 15 percent off daily deals at more than 1,300 public, private and resort



golf courses became available to members by phone or online from TeeOff.com.

Home Services

HomeServe USA made available emergency home-repair services and protection solutions for major home systems. Its program for members includes nine service plans, protecting electrical, plumbing, heating/cooling, and water, gas and sewer/septic lines.

Dining and Entertainment

Bloomin' Brands expanded its Outback restaurant offer to include the Bonefish and Carrabba's restaurant chains. All brands now feature an expanded 15 percent offer at lunch and dinner every day of the week at over 1,200 locations.

The contract with Landry's Inc.—which offers a 10 percent AARP-member discount at more than 30 brands, including McCormick & Schmicks, Oceanaire, Chart House and Bubba Gump Seafood—was renewed.

The joy of reading for pleasure or learning became more affordable through additional member discounts from Amazon on over

3,800 titles that are available as print books, e-books and audio books.

Technology

People 50-plus use technology in a variety of ways, including for shopping online. In fact, they outspend people age 31 to 45 in online purchases.

New Providers:

> AT&T began offering AARP members 10 percent off the monthly service charge for qualified wireless plans, and 15 percent on select accessories. This discount was made available to new and existing customers. AT&T is the nation's second largest wireless telecommunications provider.



> Cricket Wireless, a subsidiary of AT&T, began offering AARP members a \$20 rebate on handset purchases when activating a new service account and purchasing or upgrading a device as existing subscribers. The offer has multicultural appeal, since Hispanic/Latino customers make up about one-third of Cricket's subscribers.



Travel

Nearly everyone age 50-plus takes at least one trip each year—whether nearby to visit friends and family, or farther away for longer periods of time. A wide range of savings on car rentals, lodging, cruises, airfare and vacation packages helped AARP members stretch the value of every travel dollar.

New Provider:

Thanks to a benefit from Delaware North, AARP members receive unique lodging and retail discounts at many of the nation's most popular national and state parks, including the Kennedy Space Center in Florida and Niagara Falls State Park in New York. Travel to the National Parks will likely increase in 2016, when the park system celebrates its 100th anniversary.



Local Strategy Supports Community Engagement

People seeking the variety and community benefits of small businesses found AARP-member savings in three more cities, bringing the total to 13. Local discounts, including restaurants and grocery stores, were rolled out in San Antonio, Texas; Seattle, Washington; and Sioux Falls, South Dakota.

CREATING A MORE RESPONSIVE MARKETPLACE

Too often, companies either ignore consumers age 50-plus or make costly mistakes in the way they market and advertise to them. Two important teams within AARP Services give businesses an edge in reaching them more effectively.

Since its return to ASI after six years, **AARP Media Sales** continued challenging the advertising industry's outmoded view of the 50-plus demographic, while also generating significant revenue for the organization.

Leveraging new data, which recognized that 50-plus people accounted for 51 percent of all consumer spending, Media Sales turned that tipping point into a ground-breaking promotional trade takeover that simultaneously leveraged print, digital,

out-of-home, social and earned media, and even cookie deliveries. The campaign targeted millennial ad buyers to educate them about the advantages of marketing to the 50-plus audience. It used millennial

language, such as “OBVI” and “DUH,” to grab their attention in display advertising, complemented with long-form native advertising.

Influent50 is a full-service marketing agency within AARP Services that helps clients connect to the needs, interests, dreams and lifestyles of consumers age 50 and over. A survey it released in 2015 revealed that boomers often find that brands use inaccurate stereotypes about people their age in advertising, or simply “get it all wrong” when marketing to people age 50 to 69.



To help companies re-direct their outreach, Influent50 combines powerful analytical data and research with smart marketing strategies and creative campaigns to help more than two dozen companies reach consumers more effectively.

50+ CONSUMERS: A DYNAMIC MARKET FORCE

People 50 and up:

- > Control 70% of U.S. disposable income
- > Spend more time online than people age 31-45
- > Will form half the U.S. population by 2017

PROVIDERS SUPPORT AARP'S MISSION

Rallying the providers of AARP-branded products and services to support our social mission was a key goal for AARP Services in 2015.



Many of the companies who provide AARP-branded products and services further advanced AARP's social impact, and the charitable mission of AARP Foundation, through a wide range of philanthropic and sponsorship efforts.

HEALTH SECURITY

Tackling Senior Hunger

More than 10 million older adults struggle every day to put food on the table. AARP and AARP Foundation have spotlighted this problem through Drive to End Hunger. More than 34 million meals have been donated and \$30 million has been raised since 2011 through corporate sponsorships and individual donations through this transformative initiative.

Chase Credit Card Services and UnitedHealthcare have been proud sponsors of Drive to End Hunger since its earliest days. In 2015, along with other providers, they helped alleviate hunger while advancing AARP Foundation's efforts to position hunger as a health issue.

For example, they helped make it possible for volunteers to pack more than one million meals on September 11 by being a title sponsor of AARP Foundation's Celebration of Service.



More than 1 million nutritious meals for older adults were packed by 5,000 volunteers during AARP Foundation's Celebration of Service event, held on September 11 in Washington, D.C. with sponsorship from Chase Credit Card Services, The Hartford, UnitedHealthcare and Regal Cinemas.

Chase Card Services

- > Made a \$1 million donation to AARP Foundation for Drive to End Hunger by contributing 10 cents from every dining transaction by AARP Credit Card holders.
- > Signed on as a premier sponsor for *AARP The Magazine's* Movies for Grownups awards gala in Los Angeles benefiting Drive to End Hunger.
- > Sponsored a three-day event at AARP's Life@50+ event in Miami, during which volunteers packed more than one million nutritious meals.



- > Educated the public about hunger during the NASCAR Sprint Cup race at Dover, Delaware.

UnitedHealthcare

- > Made a generous three-year grant to AARP Foundation's new Fre\$h Savings program, which aims to improve the health of low-income adults by making fresh fruits and vegetables more affordable. This pilot program in parts of Mississippi and Tennessee is also supported by the U.S. Department of Agriculture and Kroger.
- > Advanced hunger research through a \$500,000 grant to AARP Foundation from United's Optum affiliate.

PROMOTING BETTER HEALTH

UnitedHealthcare

- > Collaborated with AARP offices in Nevada, Pennsylvania and Texas during United's "2015 National Medicare Education Week" to help consumers understand how to get the most from Medicare.



Nearly 5,000 people of all ages enjoyed the Midnight Ramble, a leisurely 18-mile bike ride throughout downtown St. Louis, Missouri, co-sponsored on August 29 by AARP and AARP® Medicare Supplement Plans insured by United Healthcare.

- > Promoted healthy lifestyles by co-sponsoring the Midnight Ramble, a long-standing community bike tradition in St. Louis, Missouri.
- > Teamed with AARP to educate consumers about preventing falls during outreach in St. Louis, Missouri; San Diego, California; and Indianapolis, Indiana.

FINANCIAL RESILIENCE

Work and Jobs

- > The Hartford pledged support to inform low-income older adults about entrepreneurship opportunities via AARP Foundation's Back to Work 50+ program.
- > UnitedHealthcare, AT&T, Toys R Us and New York Life promoted their job openings during AARP's Virtual Career Fair.

Affordable Housing

- > The Hartford pledged support to AARP Foundation's Housing Impact work.
- > Foremost worked with AARP and Family Promise, a nonprofit organization, to refabricate a model home in Orlando, Florida, for use by a family in need.

Support for Struggling Adults

- > Catamaran helped sponsor the 2015 AARP Foundation Annual Golf Tournament.
- > Collette Vacations made a donation to the AARP Foundation President's Innovation Fund.



Providers supported AARP's social impact, and the charitable mission of AARP Foundation, by helping people secure meaningful work, advancing research on housing trends and supporting low-income adults.

PERSONAL FULFILLMENT AND COMMUNITY LIFE

Life Reimagined

Life Reimagined, an affiliate of AARP, helps people explore what's possible in work, relationships and well-being.

- > UnitedHealthcare was a platinum sponsor of a full-day Life Reimagined event held in Cincinnati, Ohio, in October. "Pursuing Purpose and Passion" featured motivational speakers such as Chris Gardner, the New York Times best-selling author, entrepreneur and AARP Ambassador of Pursuit and Happiness.

- > Norwegian Cruise Line teamed with Life Reimagined for a luncheon and tour of Miami, Florida, featuring NFL Hall of Fame quarterback



Dan Marino, who is also Men's Life Ambassador for AARP.

AARP's Life@50+ in Miami, Florida (May 14–16)

- > Chase Credit Card Services was a platinum sponsor of AARP's Life@50+ event, and the sole sponsor of the AARP



Foundation's Celebration of Service, which included a three-day meal-packing event on the exhibit floor in support of Drive to End Hunger. Chase also engaged celebrity chef Carla Hall, who



On February 2, Chase joined with AARP Foundation and L.A. Kitchen—a nonprofit organization that trains unemployed citizens for foodservice jobs—for a culinary training event in Los Angeles. Celebrity chef Carla Hall demonstrated her skills to trainees, as well as to executives from AARP and Chase.

[youtube.com/watch?v=oOoOwgzfy00](https://www.youtube.com/watch?v=oOoOwgzfy00)

described her own "life reimagined" during a lifestyle session moderated by AARP Foundation President Lisa Marsh Ryerson.

- > The Hartford and New York Life were silver sponsors.

Technology Training

Thousands of older adults learned how to use smartphones and tablets during workshops and online tutorials offered by AARP TEK (Technology Education and Knowledge).

- > AT&T sponsored workshops and supported AARP Foundation's Mentor Up program, through which young people teach older adults how to use smartphones and tablets.



- > Consumer Cellular expanded the number of workshops through a \$2 million grant.
- > The Hartford informed customers about AARP TEK workshops on its website.

Busting Isolation

UnitedHealthcare pledged to support AARP Foundation's isolation initiatives during the next three years.

Independence through Mobility

Nearly a half-million adults of all ages completed an AARP Driver Safety course in 2015, thanks in part to providers' support:

- > Allstate underwrote discounted rates for the Driver Safety course during Distracted Driving Awareness Month.
- > Hartford provided guidebooks for Driver Safety volunteers and underwrote discounts to veterans.

- > UnitedHealthcare hosted Driver Safety courses at its outreach centers in New York City, and Los Angeles, California.

Livable Communities

- > Zipcar fielded a public opinion survey on urban boomers in coordination with AARP's Livable Communities program.
- > The Hartford helped promote AARP's unique Livability Index tool through social media outreach.



Entertainment

Chase Credit Card Services invited AARP members to enjoy a \$60 saving on tickets to select performances of *On Your Feet!*, a Broadway musical about the lives of Emilio and Gloria Estefan. Live Nation/Ticketmaster made it possible for members to redeem the discount by adding the show to the list of shows that offered discounted tickets to members.



Communities can be a vibrant place for people of all ages—or a lonely place for people whose social connections have diminished. Providers rallied in 2015 to advance a wide range of efforts to help people enjoy themselves, follow their passions and gain mobility and housing solutions.

The 2015 AARP Services, Inc. Board of Directors

Martha Dally (Board Chair) is a senior executive focused on meeting the needs of consumers 50-plus through marketplace innovation and outstanding customer service. She heads her own firm, Dally Consulting. She retired as senior vice president of customer development for Sara Lee Corporation. During her 30 years there, she also worked as chief customer officer, senior vice president of business development and executive vice president of personal products. She has also devoted more than 20 years to the board of American Woodmark Corporation.

John DesPrez III is a member of the ASI Board Class of 2020 and serves on its Health Products, Audit & Finance, and Compensation committees. In January 2015, he was named as chief executive officer (CEO) of Incapital, a leading underwriter and distributor of securities to 800+ broker-dealers, institutions, asset managers, RIAs and banks. Previously, he served on the board of directors and as a strategic advisor to Halstatt, LLC. He worked for nearly two decades for Manulife Financial and its subsidiaries and served as COO of Manulife Financial; president & CEO of John Hancock Financial Services; and chairman and president of Manulife USA. Prior

to his employment with Manulife Financial, Mr. DesPrez practiced law in private practice.

James Ehlen, M.D., is a member of the ASI Board Class of 2024. A physician, he has a unique combination of clinical experience and business acumen. He currently serves as CEO of RespirTech, a medical device company. His career has included positions as CEO of Physicians Health Plan of Minnesota; CEO of Medica, the largest HMO in Minnesota; CEO of EPIEN Medical, a medical device company; and president of Allina Health Systems, a \$2.5 billion integrated health organization. He currently serves on the boards of several health care-related companies, including Nanocopoeia, QuickHealthCheck and the Augustana Care System.

Annette Franqui, MBA, is a member of the AARP Board of Directors. As a member of the AARP Services Board, she serves on its Audit and Finance Committee. She is a founding partner of Forrestal Capital, a company providing wealth management and direct equity investment advice to a select number of families in Latin America. A native of Puerto Rico, she is a senior financial services executive with prior CFO experience as well

as 15 years on Wall Street with JP Morgan Chase and Goldman Sachs. She serves on the boards of several early-stage private companies as well as Arcos Dorados, a NYSE-listed company that is the largest operator of McDonald's restaurants in Latin America and the Caribbean and its largest franchisee, in terms of system-wide sales and number of restaurants.

Joan Herman is a member of the ASI Board Class of 2024. An actuary by training, she is currently president and CEO of Herman and Associates, a health care and management consulting firm. Prior to the formation of her company, she worked at WellPoint (now Anthem) for a decade, where she served as president and CEO of its Senior Specialty and State Sponsored Programs Businesses. Her experience prior to WellPoint includes 16 years as a senior executive at Phoenix Life Insurance Company. She serves on a number of boards, including Convergys Corporation, a provider of customer management and business support system solutions, and HealthSouth, one of the nation's largest providers of post-acute health care services.

Jo Ann Jenkins (ex officio) is CEO of AARP. Prior to this appointment, she was the chief operating officer. Ms. Jenkins joined AARP in 2010 as president of AARP Foundation, AARP's affiliated charity. She previously served on and chaired the Board of Directors of AARP Services, Inc. Before coming to AARP, she was chief operating officer at the Library of Congress, where she developed and directed the National Book Festival and the Library of Congress Experience, for which she received the Library of Congress Distinguished Service Award. Ms. Jenkins has received numerous other awards for innovation and leadership.

John C. Penn, MBA, also a member of the AARP Board of Directors, divides his time between Scottsdale, Arizona, and Spring Green, Wisconsin. He is chairman of Northcott Hospitality, based in Chanhassen, Minnesota. Previously, he was chairman of Intek Plastics, vice chairman of Satellite Companies, CEO of Centers for Diagnostic Imaging, CEO of Benson Optical Company, CEO of Arctic Enterprises and a consultant with Arthur Andersen and Company. His volunteer work includes service as chairman of the Evangelical Lutheran Good Samaritan Society.

Melvin Stith, PhD retired in May 2013 as dean of the Martin J. Whitman School of Management at Syracuse University. Prior to taking this position in 2005, Dr. Stith served for 13 years as the dean and Jim Moran professor of business administration at Florida State University. He became a professor of marketing and business in 1977 after serving in the U.S. Army Military Intelligence Command, achieving the rank of captain. Dr. Stith currently serves on the boards of Synovus Financial, a financial services and bank holding company, and Flowers Foods, a baked foods company. He is also a current or past director of Beta Gamma Sigma, the national honorary society for business schools, the Jim Moran Foundation and the Graduate Management Admissions Council.

Edward A. Watson, also a member of the AARP Board of Directors, is a retired corporate executive from Reno, Nevada. He was with Minneapolis-based International Dairy Queen from 1971 to 2007, rising from district manager to chief operating officer and service on its board of directors. Before his food-service career, Mr. Watson served in the U.S. Army. He currently serves on the board of Best Bath Systems of Coldwell, Idaho. Previous governance experience includes service on the boards of the Children's Miracle Network and Big Brothers Big Sisters of the Greater Twin Cities. His volunteer service includes raising scholarship funds for Nevadans attending the University of Nebraska.

The 2015 AARP Services Executive Team

LAWRENCE P. FLANAGAN
President and CEO

JEAN ALEXANDER
Chief Operating Officer

JOHN LAREW
*Senior Vice President
Health Products & Services*

MITCH STEVENS
*Senior Vice President
Financial Products & Services*

ANGELA JONES
*Senior Vice President
Business Development and
Lifestyle Products & Services*

ROBYN MOTLEY
*Senior Vice President and
General Manager
Media Sales*

AL PRATICO
*Senior Vice President
Customer Solutions*

SARAH MIKA
*Senior Vice President
and General Counsel*

KEVIN TATOR
*Senior Vice President and Chief
Financial Officer*

2015 Revenue Growth Supports AARP

AARP Services oversees and manages the relationships with the providers of AARP member benefits. These companies often offer specially-designed services and value for the members of AARP. They develop unique offers, expand into under-served markets and create messages that educate consumers.

AARP receives royalty income from these providers that is crucial to supporting the short- and long-term goals of the Association. Financial resources are used to further its social mission. At AARP Services, we know our ultimate goal is to enhance the quality of life for people over 50 and support positive social change through market innovation and leadership.

The products and services offered by AARP-selected providers paid \$838.6 million of royalty revenue to AARP in 2015, a year-over-year growth of \$39.3 million, or 4.9 percent.

