The NAAFA Report

Spring 2024

Letting others decide your future is usually discouraging but we often find ourselves in just such a position. Learning to recognize the signs may help you avoid disaster.

You need to choose for yourself the direction of your future. Perhaps articles in this issue will help you achieve the satisfaction needed to give you peace.

Featured in this issue**:**

How Much Does Your Company Value You?

Leading the Lamb to the Slaughter

Why I was Forced to Leave American Family

And **SO MUCH MORE**!

NAAFA exists for the benefit of our members. We share knowledge, encourage, listen, promote communication, all of which help us to grow into proud citizens of America. We honor our creator, pledge to our flag and country, value our customers, support our staff, promise honesty and commitment to our employer, and remain committed to the tasks to which we pledged. For this we're proud but humbled by our calling to be AGENTS WITH DIGNITY.

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P.O. Box 578
Circle Pines, MN 55014**

FROM YOUR

NAAFA PRESIDENT

To all our great NAAFA Report readers:

It is a joy to be able to bring you some good news for a change. NAAFA is about to **launch a new website**….our first update in many years. Our last one has served us so well that it's difficult to say goodbye to it. The gentleman who developed our original website/database is a former AmFam agent. He is a man of many talents. In addition to launching his own independent agency, he began learning computer programming. He has since retired and we wish for him exciting new adventures.

WATCH and CHECK OFTEN at NAAFA.com because once the website is launched, you will need to **choose a new password** that will, once again, enable you to enter the member side of the website. We will be offering different billing and payment options which we are hoping will make renewals not only easier for you but will make billing easier for us. Of course, if you have questions, you can always call the NAAFA office.

With every ray of sunshine, there is always a bit of a cloud. As you all know, AmFam has been 'encouraging' agents to leave their agencies behind. They are either asked to give a one-year notice or else accept an app quota. We have a hard time understanding how the company can always call you "agency owners" when they won't even allow you to prepare for your retirement according to your own financial plan timetable. As we've said before, AmFam captive agents are really agency managers who get a little bonus bucket when they're dismissed.

Well, these terminations have also had a big effect on NAAFA. Here's how: Last December 1st, 45% of our membership were retired. Today, some **75% of our membership are retired!** That's a drastic change in the amount of dues coming in because the retired dues are $144 a year *less* than the active agent dues. Our board has mauled the numbers over and over in our heads trying to see how we could keep operating with a decrease in our operating budget of some 35%. We recognize that our 'retired/non-active' members probably take up about 60% of our time but again, we also recognize that often a retired person's budget drops. Our only sources of income are dues and SECA Kits. We have simply come to realize that our only option is to **raise our dues' rates**. It saddens us to do this, but it is necessary. Beginning with the launch of the new website, we will be posting our new rates. Please trust us when we say the increase will not be more than about $25 a year.

As you know, NAAFA has always tried to run on a shoestring budget. We are never wasteful or extravagant. We have only one goal in mind and that is the care and attention of our NAAFA members. Retired agents know how wonderful it is to be able to keep that 15.3% social security tax in their pockets instead of giving it to the IRS. Our SECA Kit has successfully 100% of the time been able to convince the IRS that we are right. Our retired members do NOT pay this SECA tax on their Termination Benefits/Life Extended Earnings. That's why you must keep your membership current.

The NAAFA Boards and I want to thank you for your generous support of our new NDW Fund, the monies of which are used to fund the development of our new website and database. We thank you for supporting our other fund, the NMEF Fund, which helps pay for any accounting and legal expenses we might have. But most of all, we THANK YOU FOR SUPPORTING NAAFA. It is, indeed, a privilege serving you.

Most Sincerely,

Your NAAFA President

NAAFA, Inc.

The SPRING 2024 NAAFA Report
CONTENTS PAGE

Articles You Won't Want to Miss!

OUR ADVERTISERS

HOW MUCH DOES YOUR COMPANY VALUE YOU?

Do you remember when American Family felt their agents were important? Do you recall when your manager(s) always spoke to you with respect? Or always told the truth? Do you recall when your manager always defended you? Do you recall when your opinion mattered? Do you remember when a departing co-worker was rewarded with a party or at least a formal congratulations?

Things have changed. It's universal. Companies, for the most part, are downright cruel now days. Most of us remember when terminating someone was an emotional thing to do. Most often, companies would try to help the people [whose jobs had been eliminated] find other internal jobs. Farewells meant hugs and final luncheons with co-workers. Retirements meant wishing well to the one leaving. And often, those leaving, whether asked to leave or simply retiring, would come back and meet with their managers and co-workers just to chat and see how both were doing. Nowadays it's not at all unusual for a worker to find out he has been terminated by receiving an email. No thank-you for years of loyal service.

Does it seem people are meaner to each other than ever before? Have you ever witnessed a co-worker being humiliated by management in front of other co-workers? Have you ever witnessed a co-worker being purposely "left out?" Or have you yourself ever been left out?

How about bullying? Bullying is alive and well, not only in our children's environments, but in the adult workplace. People who make snide remarks or make alarming comments to another person, especially within earshot of others, are bullying. Some people try purposely to sabotage other people's work, stealing their business, or purposely trying to distract them so they can't meet a goal. Withholding important information or taking away responsibilities can also be bullying. When a manager sets upon you unrealistic or impossible deadlines or has impossible performance requirements, you can consider that you are being bullied.

It is interesting that the U.S. has no laws yet that prohibit workplace bullying, but we're told many states have antibullying bills waiting to be approved. If so, it will become easy for victims to finally take action. The U.K. and Canada already have such laws. Interestingly, in Quebec's ***Psychological Harassment at Work Act,*** employers must *take action to prevent* psychological harassment and stop the bullying when becoming aware of it.
https://www.mindtools.com/a3y2c7t/dealing-with-bullying

We know such negative treatment occurs in nearly every company. It's nothing new. What is sad is that so many workers tolerate such mistreatment because they know if they don't, they'll lose their jobs. Many American Family agents have expressed concern about being able to afford getting terminated before achieving their financial plans for retirement. The whole "get rid of senior agents" movement has been handled quite cleverly by this company. It's no secret that agents have been threatened with, "Either turn in your one-year notice or we'll put you on an app quota." Of course, agents know they'll probably fail the quota test because rates are so high and being captive, agents only have one company to sell for. They feel backed into a corner, panicked, depressed, and discouraged, to say the least.

If the "give notice or else" tactic doesn't work, the company looks for other ways, according to the contract, to terminate the agent. Agents in the 1993 contract, as well as most of the other contracts, have agreed to meet the company's "production, profitability, and service requirements." Having never been told these rules before signing the contract, the company can make up any rules they want and apply them.

Always ready on the company's back burner is the clause in the agent/company agreement that says, *"In no case shall notice of undesirable performance be required prior to termination if the performance in question involves a violation of Sec. 4.i. or any other dishonest, disloyal, or unlawful conduct……"* The problem for the agent is the fact that 'disloyal' is not defined in the contract. What one person may define as disloyal may not be the same for another. In your eyes you may not feel disloyal, but that doesn't prevent your behavior from being defined or interpreted as disloyal and thus finding yourself being terminated without notice.

Continued on Page 6

And then there is the constant threat of compliance violations for which agents can be terminated without notice. There appears to be no consistency in the company's definition of 'compliance.' What seems to be a compliance violation for one agent is often NOT a violation for another. It just depends on who you are and how the company likes you…..or doesn't like you.

We're reminding you of all this because we think it's important for you to be aware. How do you fight these dirty little tricks? We've said this before, but it's even more true today. Document, document, document!! Learn to legally use the tools found at www.spyguy.com. Record conversations, (check the recording rules for the state in which you live by visiting our website's Members Only Info, "Tape Recording Laws by State.") save documents, never throw anything away and keep such proof neatly filed in a safe place but handy for ready access. If a threat or accusation comes your way, with proper documentation, you may be able to forestall the accusation.

At this point in time, it appears there might be a slight reprieve in forced terminations. We're hearing the company is having a hard time finding agents to work for them. Several agents who reported that they were quitting (being forced out) have called saying the company can't find anyone to take their agency and they've agreed to work a couple of months longer. One has to hope this trend continues as we feel agents should be in control of the timing of their retirement….not the company.

Now in order to help you with this 'timing' we'd like to provide you with a few of the complaints and nasty tricks we've had reported to NAAFA in the past few months. It hurts us to have to report this because it just reinforces the notion that the world is getting meaner all the time; but we feel you need to know. You need to be aware of what's going on. This knowledge may save the day for you.

Nasty Tricks…. Recognize any of these?

1) Letting certain favorite agents get licenses with independent companies while maintaining their captive license.
2) Giving leads to *favorite* agents in non-favorite agents' territories in an effort to make the local agent fail.
3) Removing binding authority of certain agents because of compliance violations that other 'favorite' agents get away with all the time.
4) Loading agents up with claims issues that should be taken care of by adjustors. Sourced out adjustors, it's reported, just don't know the policies.
5) Putting quotas on certain senior agents, watching them struggle to meet the quota. Then after successfully meeting it, refusing to give them a clearance. And often, the company just raises the quota until that agent finally does fail.
6) Several times very ill agents have had quotas put on them without regard to the status of their health. So insensitive! So unreal!
7) Setting *different quota level requirements* among agents supposedly in the bottom 25% of their district has been a consistent complaint regarding unfair and unequal treatment.
8) Waiting till an agent has staff trained and then stealing them away. The company has even paid bonuses to AmFam employees whose referral of certain agent's staff member resulted in the hiring of that staff member.
9) Terminating an agent for violating a compliance rule but allowing other 'favored' agents to violate the same compliance rule *without* being terminated.

Just a reminder: NAAFA is often accused of being anti-American Family. Certain agents sometimes tell us they're told by the company not to join NAAFA. In fact, they say they've been told not to even talk to anyone who claims to be a NAAFA member. It always amazes the NAAFA board to hear things like this because problems do exist. When problems are hidden, the problems just get worse. We wish we didn't have to report things like this, but please remember, we report only what we've been told. We haven't made this stuff up. If you don't like NAAFA, then you're part of the problem…….part of the coverup. As always, we are reminding you to stand up for truth. American heroes have been doing this for centuries, but now one wonders where all the heroes have gone. Well, we're here to tell you, they're here at NAAFA, trying to make the world a better place and AmFam a better company to work for.

Submitted by Committee of Board Members.

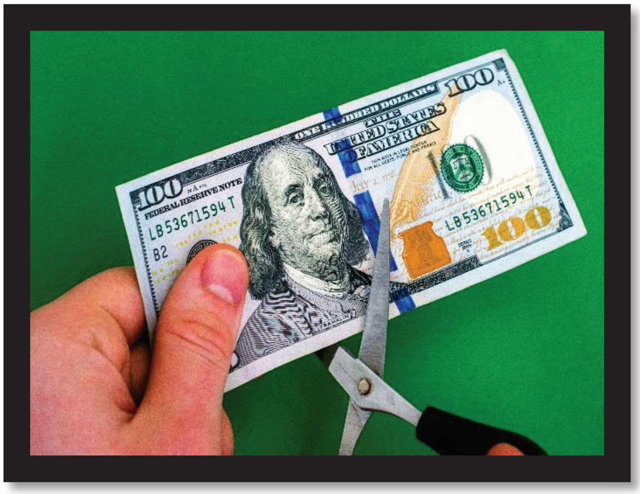
Train people well enough so they can leave. Treat them well enough so they don't want to. ~Richard Branson

But here's what one agent said: **"I'm quitting to pursue my dream of not working here."**

NOW.......

ABOUT THOSE AMFAM CORPORATE SALARIES!

This is proving to be a very interesting year for AmFam Corporate Officers' and Board of Directors' salaries. Have any of you ever before seen the top 10 or 11 AmFam executives take a salary cut? Probably not.



Well, it has happened for 2023. And to be very honest, we're extremely pleased to see that this has happened. It shows us all that perhaps AmFam upper management is very concerned about the financial status of the company. We want to compliment them for this aggressive action because it does set an example to the rest of us who are seeing our incomes drop, even as inflation continues to rise. We hope these example-setters haven't just postponed taking their big salaries for a year or so, just to make things look good. After all, there are many tax advantages for postponing your income and believe us when we suggest that these people know about this.

Guess what we're saying here is perhaps we shouldn't get too appreciative of their willingness to accept a lower amount of compensation until we see what they'll do next year, or even the year after that. Haven't many of the rest of us seen cuts that affected our incomes?

We have chosen, because of space, to show here in the NAAFA Report only compensation for the top 10 or 11 AmFam Executives plus the AmFam Board of Directors. However, we will post every page we received from the Wisconsin Department of Insurance on www.NAAFA.com in the very near future so you can see for yourselves, where we got our numbers. There seems to be quite a discrepancy on various websites regarding some of these salaries. We have seen very different numbers posted by different entities, especially for Jack Salzwedel and William Westrate. We feel we are probably the most accurate as we have taken them directly from the 10 PDF pages submitted by AmFam Corporate to the Wisconsin Department of Insurance.

One thing we should point out is that in 2022, there was a separate set of corporate executives receiving generous salaries for directing business at AmFam Connect and AmFam Connect P&C. It seems that about 9 of those 10 corporate execs are gone….where? We're not sure. But now those two entities are run by the same entities that are running AmFam, AmFam Mutual, and AmFam Life. And of course, they're accepting generous salaries for taking on the two Connect entities. You will notice some blank spots under certain names. For instance, Jack Salzwedel served as a corporate officer for AmFam Connect P&C in 2023, but he did not serve as an officer for AmFam Connect P&C in 2022. Just know that if there is a blank, it's because that person did not serve as an officer for that entity for that year.

A good leader takes a little more than his share of the blame, a little less than his share of the credit.

~riverlogic.com

AmFam Corporate Salaries 2023 vs 2022

NAME of Officer	Year	AmFam Ins	AmFam Mutual S.I.	AmFam Life	AmFam Connect P&C	AmFam Connect	TOTAL
Jack Salzwedel	2023	$1,383,668	$1,315,593	$166,381	$561,106	$14,239	**$ 3,440,987 ***
Executive Chair	2022	$4,275,260	$6,745,411	$558,159			**$11,578,830**
William Westrate	2023	$1,156,670	$1,099,763	$139,085	$469,053	$11,903	**$ 2,876,474****
CEO	2022	$2,490,532	$3,929,506	$325,153			**$ 6,745,191**
Anthony Seavongelli	2023	$ 768,735	$ 730,914	$ 92,437	$311,738	$ 7,911	**$ 1,911,735**
Former Ent Chief Part Offi	2022	$1,202,653	$1,897,519	$157,013			**$ 3,257,185**
Peter Settel	2023	$ 991,132	$ 942,369	$ 99,624	$130,361	$ 3,308	**$ 2,166,794**
Ent Chief Strat & Tech Offi	2022	$ 903,320	$1,425,238	$117,933			**$ 2,446,491**
Telisa Yancy	2023	$ 684,642	$ 650,958	$ 82,325	$277,636	$ 7,045	**$ 1,702,606**
Enterprise President	2022	$1,289,854	$2,035,103	$168,398			**$ 3,493,355**
Jessica Stauffacher	2023	$ 650,504	$ 618,500	$ 78,221	$263,793	$ 6,694	**$ 1,617,712**
Chief People Officer	2022	$1,276,021	$2,013,278	$166,592			**$ 3,455,891**
Daniel Kelly	2023	$ 618,196	$ 587,782	$ 74,336	$250,691	$ 6,362	**$ 1,537,367**
Former Ent Chief Und Officer	2022	$1,213,870	$1,915,217	$158,477			**$ 3,287,564**
Michael Lorion	2023				$571,381	$14,499	**$ 585,880**
AmFam Dir & Homesite Pres	2022						
David Holman	2023	$ 569,717	$ 541,687	$ 68,506	$231,032	$ 5,863	**$ 1,416,805**
Chief Admin Officer/Sec	2022						
Troy Van Beck	2023	$ 551,778	$ 524,631	$ 66,349	$223,757	$ 5,678	**$ 1,372,193**
Ent Chief Finan Off/Tresurer	2022	$1,008,013	$1,590,420	$131,602			**$ 2,730,035**
Anthony DeSantis	2023	$ 523,787	$ 498,017	$ 62,983	$212,406	$ 5,390	**$ 1,303,083**
Chief Prod Partner Officer	2022						

***Jack Salzwedel took about a 70% cut in pay. **William Westrate took about a 57% cut.**

AmFam Corporate Board of Directors 2023 vs 2022

Christine Cumming	2023	$64,510	$ 61,336	$ 7,757	$26,160	$664	**$ 160,427**
Retired 1st VP &CEO, Fed Res Bank of NY	2022	$90,000	$142,000	$11,750	-0-	-0-	**$243,750**
Londa Dewey	2023	$64,510	$ 61,336	$ 7,757	$26,160	$664	**$160,427**
CEO, QTI Group	2022	$90,000	$142,000	$11,750	-0-	-0-	**$243,750**
Fabian Fondriest	2023	$58,573	$ 55,691	$ 7,043	$23,753	$664	**$145,724**
Retired CEO Homesite	2022	$79,512	$125,452	$10,381	-0-	-0-	**$215,345**
Leslie Ann Howard	2023	$58,573	$ 55,691	$ 7,043	$23,753	$603	**$ 145,663**
Retired Pres & CEO United Way Dane Co	2022	$81,000	$127,800	$10,575	-0-	-0-	**$219,375**
Idalene Kesner	2023	$64,510	$ 61,336	$ 7,757	$26,160	$664	**$ 160,427**
Dean Emeri, Ind Univ Sch of Bus	2022	$88,500	$139,633	$11,554	-0-	-0-	**$239,687**

Rakesh Khurana Danoff Dean, Harvard College	2023 2022	$58,573 $81,000	$ 55,691 $127,800	$ 7,043 $10,575	$23,753 -0-	$603 -0-	**$145,663** **$219,375**
Michael Knetter Pres & CEO U of WI Foundation	2023 2022	$65,697 $91,800	$ 62,465 $144,840	$7,900 $11,985	$26,641 -0-	$676 -0-	**$163,379** **$248,625**
Tonie Leatherberry Former Deloitte Partner/CEO Amplify Advisors	2023 2022	$58,573 $81,000	$ 55,691 $127,800	$12	$23,753 -0-	$603 -0-	**$145,663** **$219,375**
Rosa Rios Former US Treas CEO Red River Assoc	2023 2022	$58,573 $81,000	$ 55,691 $127,800	$ 7,043 $10,575	$23,753 -0-	$603 -0-	**$145,663** **$219,375**
Paul Shain Exe Chair, Singlewire Board of Dir	2023 2022	$68,072 $95,400	$ 64,723 $150,520	$ 8,185 $12,455	$27,604 -0-	$676 -0-	**$ 169,260** **$258,375**
Thomas Tefft Former Exe, Medtronic, Inc.	2023 2022	$65,697 $91,800	$ 62,465 $144,840	$7,900 $11,985	$26,641 -0-	$676 -0-	**$163,379** **$248,625**
Scott Wrobbel Ret'd Mkt Leader/Managing Partner Deloitte	2023 2022	$58,573 $81,000	$ 55,691 $127,800	$7,043 $10,575	$23,753 -0-	$603 -0-	**$ 145,663** **$219,375**
Thomas Zimbrick CEO, Zimbrick, Inc.	2023 2022	$58,573 $82,500	$ 55,691 $130,167	$7,043 $10,771	$23,753 -0-	$693 -0-	**$ 145,753** **$223,438**

NAAFA, Inc. does not guarantee the reliability of these corporate numbers.
For more specific reliability, please check OCI Records: **OCIRecords@wisconsin.gov**

THE RICHEST PEOPLE IN THE WORLD

We're told that a person's wealth can change from day to day, but could the wealth of these rich people change that much in a year? These billionaires can borrow against their wealth to avoid selling stock, deferring taxes on unrealized capital gains in the process. Multi-billionaires can also take advantage of a panoply of tax deductions to offset reported income, leaving some on this list paying no income tax in recent years.
https://www.investopedia.com/articles/investing/012715/5-richest-people-world.asp
Anyway, we thought it was fun for you to see what the press is saying these people are worth. It's pretty hard for people like us to wrap our minds around just how much a billion dollars is, but can you imagine $300+ billion? Perhaps it's a dream AmFam can protect for you!!

By DAN MOSKOWITZ Updated April 01, 2024
Reviewed by MARGARET JAMES
Fact checked by KIRSTEN ROHRS SCHMITT

1.	Benard Arnault	$231 billion
2.	Jeff Bezos	$203 billion
3.	Elon Musk	$189 billion
4.	Mark Zuckerberg	$173 billion
5.	Bill Gates	$154 billion
6.	Steve Ballmer	$145 billion
7.	Warren Buffett	$137 billion
8.	Larry Ellison	$139 billion
9.	Larry Page	$137 billion
10.	Sergey Brin	$130 billion

https://www.investopedia.com/articles/investing/012715/5-richest-people-world.asp

DON'T READ THIS IF YOU'RE NOT GETTING OLDER!

As most of you know, agents are retiring from American Family in droves. NAAFA has never experienced so many requests for SECA Kits as we have in the past few months. PTL that we have such a kit, right?

Well, we've decided to focus on some fun thoughts here that probably will interest only the "more mature" section of our membership. So, if you newbies want to bypass this article, it's sure fine with us. You probably wouldn't get it anyway. But as mature people, we enjoy it when we can laugh a little even though we have lived long enough to "see the whole picture." Join us if you want or be content to tread water as you seek to have the insight of those who have a few gray hairs. Here we go!

"I like the question once asked by Satchel Paige, that venerable alumnus of baseball: "How old would you be if you didn't know how old you were?" The honest answer to that question depends on an honest admission of one's attitude. It has nothing to do with one's age. As someone young at heart has written:

"I have become a little older since I saw you last, and a few changes have come into my life since then. Frankly, I have become quite a frivolous old gal. I am seeing five gentlemen every day.

As soon as I wake up, Will Power helps me get out of bed. Then I go to see John. Then Charley Horse comes along and when he is here, he takes a lot of my time and attention. When he leaves, Arthur Ritis shows up and stays the rest of the day. He doesn't like to stay in one place very long, so he takes me from joint to joint. After such a busy day, I'm really tired and glad to go to bed with Ben Gay. What a life!

P.S. The preacher came to call the other day. He said at my age I should be thinking about the hereafter. I told him, "Oh, I do all the time. No matter where I am—in the parlor, upstairs, in the kitchen, or down in the basement—I ask myself what am I here after?"

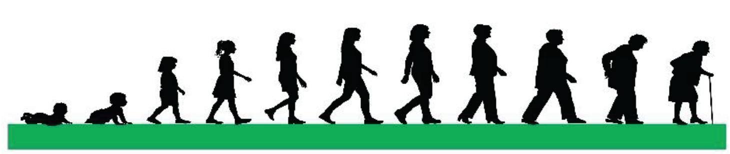
[As NAAFA always tells agents who call us to say they are retiring, do something creative to keep your mind active. Just travelling or fishing can actually make you stagnant. And stagnant things tend to shrivel up and die. So right now, think of what you can do to make your mind think, your body move, and your spirit upbeat!!]

Here are five tips for staying young:

Your mind is not old, keep developing it.
Your humor is not over, keep enjoying it.
Your strength is not gone, keep using it.
Your opportunities have not vanished, keep pursuing them.
God is not dead, keep seeking Him.

And remember, old folks are worth a fortune---They have silver in their hair, gold in their teeth, stones in their kidneys, lead in their feet, and gas in their stomachs. **

***Day by Day by Chas Swindoll*



The new insurance agent failure rate is high, some experts say 50%. There are 10 strategies that are proven to drive agency growth and produce strong results. Whether you're just starting out or you've been in the business for years, these methods can help you reach your goals. You'll also need access to the solutions your clients want. That's where an insurance network can help – if you choose the right network.

Inc. Magazine selected Smart Choice as a Power Partner award winner as a company devoted to providing agencies with the tools and resources they need to start, run, and grow their businesses. Smart Choice was the only insurance network to be recognized.

Smart Choice®

WWW.SMARTCHOICEAGENTS.COM | 888.264.3388

Inc. Power Partner 2023

WHY JOIN NAAFA?

Sometimes agents ask themselves "*Is it worth it to become a member of NAAFA? What will I get out of it? Will I get into trouble with the company if I do?*" Let us remind you that you're the loser if you don't join NAAFA. Our eagle emblem reminds us that as members, we are wise as eagles. Here are some of the benefits of NAAFA membership:

- **Access to a network of business professionals, i.e. board members, agents who've '*been through it before*,' agents from other agent associations, accountants, etc.**
- **Access to industry information via our website (www.NAAFA.com)**
- **Opinions on agents' contracts**
- **Safety tips for agency transition (when and if it becomes necessary)**
- **Attorney referrals**
- **Access to updates on legal cases of Agents vs AmFam**
- **SECA Kit tax guide and access to accountants with experience. Just knowing how to properly file your termination benefits is worth thousands of dollars. Assistance when there is an inquiry.**
- **Assistance at termination and the guidance in getting started in the independent world, should you desire to do so.**
- **Information regarding "do I need legal assistance?"**
- **Access to NAAFA's document library**
- **Access to member-side of www.NAAFA.com**
- **Access to legal opinions when necessary**
- **Assistance with important documents needed in case of a trial**

NAAFA, INC. MEMBERSHIP APPLICATION

I, the undersigned, hereby apply for membership in NAAFA, Inc. (National Association of America's Finest Agents) and I certify that I will always uphold and support the mission and goals of the organization to the best of my ability.

NAME______________________________________ADDRESS______________________________________

CITY____STATE______ZIP CODE________________________

Cell___________________________Office Phone_________________FAX____________________________

Personal Email____

SIGNATURE____Date_________________________

*DUES: Active-annual $300 | Semi-annual $154| EFT Active $25
Non-AmFam Agent annual $156 |EFT Non-active $13

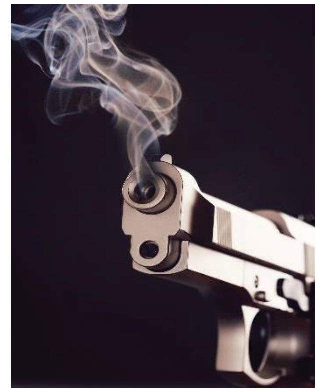
DONATIONS: SECA Kit $500___________ NDW Fund___________NMEF Fund____________

PAYMENT OPTIONS: Check Payable to NAAFA, PO Box 578, Circle Pines, MN 55014
EFT: Active send check for $25 | Inactive AmFam Agent send check for $13
Credit Card: www.NAAFA.com, click JOIN NAAFA tab & pay by Credit Card or Electronic Check

*Membership dues & donation records are kept strictly confidential. Dues and donations are not deductible as a charitable contribution. Annual dues may, however, be deductible as a business expense.

WHY I WAS FORCED TO LEAVE AMERICAN FAMILY

(even though I was one of their top producers!)



I wasn't going to retire from American Family quite this early (I'm only 60, after all!) but even though I'm a top producer, I truly am being forced to leave. Let me tell you why. Yes, **the smoking gun is attached**. The fact is: *AmFam's HR department has given the green light to directly solicit and recruit the AmFam agents' staff. In fact, AmFam has even paid a referral fee to their corporate employees who entice agents' staff to come work for AmFam.*

It is spelled out in the company handbook about even how to collect this referral fee. And it says AmFam will pay the referrer even more if the referral (the agent's staff member they hire) is already licensed!

In my case, HR actually sent my staff person a direct note of solicitation and it was written on their AmFam email. What is so attractive about working for the company rather than in an agency? Well, it's probably all the benefits like health insurance, and perhaps higher wages, etc. A couple of years ago, AmFam took 3 of my staff within about a 6-month period. I threatened to quit immediately, forcing them to help me find a single staff person, and now they are after her! There are many extenuating circumstances too lengthy to explain here, but basically, I'm being forced to give up all my trained permanent and some of my part-time staff and am being forced to hire the next whackadoo that comes along. This unethical action by American Family just acerbates the downward reputational slide of the insurance agency vocation. No wonder it's hard to find agents to work for AmFam.

Why is American Family doing this? Here might be why: A $400,000 commissions book will be cut to only 60% transfer commission when given to the newbie agent. That saves AmFam 40% for eternity. That represents $160,000 in their pocket annually that they will never ever pay. Think about that—in 10 years AmFam saves $1.6M for each similar sized agent they force out.

NAAFA tells me that many agents quit just as soon as they reach age 60 and qualify for lifetime Termination Benefits. If these agents had decided to stay to age 68 when they could receive full social security, they would have received at least $960,000 more. Besides, if the agent didn't have 30 years in with AmFam, the multiplier under the '93 contract would have perhaps risen to 200% during this 6-year period. The agent would be cheated out of even more money.

This isn't just happening to one or two agents: It's happening to many. I have friends who have made AFLIC, All-American, Hall of Fame, etc., for years and are being treated the same way. Oh yes, there are some 'red, white, and blue' agents who seem to be able to 'fly just under the wire,' but then again, many of them are sacrificing their integrity in several ways. I simply won't do that.

Isn't it too bad the agent/company contract is so one-sided? The '93 contract says a lot of things the agent can and cannot do, but never seems to restrict the company on what they can or cannot do. It hurts me to say that I remember when I was proud to work for American Family. It was a different company then. Now I'm proud to say I don't work for them.

Name withheld by request

You can't go back and change the beginning, but you can start where you are and change the ending.
~~C.S. Lewis

STUPID IS AS STUPID DOES………

……………Protected Submission

Just to show how stupid this *diversity and inclusion* hiring has made management, listen up: They're too dumb to realize that in 3-4 years when the new agent no longer gets double commissions and their renewals suck, they will just go independent and roll it all away from AmFam. Once again, the people in the Madison ivory tower are setting AmFam up to fail.

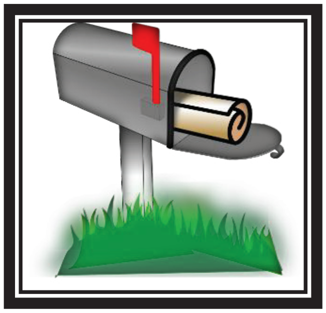
Interesting how AmFam admits they will not investigate churning because Classic and ADVANCE rates have supposedly evened out, so they say 'the incentive' is gone. Hmmm, tell me if this is not incentive:

> A $100 classic auto renewal is now 8% commission (or $8) and just half from transfers. (So, $4.00 on a $100 premium, or $40 on a $1000 premium) and with no app count or AA points/ production.
>
> If an old agent is forced to retire and a new agent gets the book, the new agent gets a 14% commission (or $14 instead of $4 in Classic transfer renewals.) And churning it, gives them this new business commission if they roll them from Classic (the better policy) to Advance.

So, on a $1000 premium it's $140 vs $14…**are they serious**? **That is not considered incentive to screw the customer and the company to roll them to ADVANCE where the new agent now enjoys the added benefits of:**

1. A new app count.
2. New business All American points and instead of 4% renewals of $40 renewal classic commission, they get the 14% new business commission of $140….(Oh no, that's not right! That is what older agents get.) As a brand-new 1st year agent, the new agent gets 3X that!!

So, $320 commission!!!!!! No, I don't see any incentive to be corrupt. (Tsk,Tsk) $320 commission plus new business app count, and All American points….versus getting paid what the veteran agent was getting on transfer business at just $40…… No, No, No incentive there to learn to be corrupt. No sireeee!



"MAIL'S HERE!"

The NAAFA MAIL BOX

Received December 2023 Subject: Who actually pays to be Captive?

NAAFA,
Just thought you would like to see what AmFam captive agents are going through. Please don't publish the agent's name but here's what he said on the agent forum.

Nice young lady came in, wanted an agent, didn't like dealing with Progressive over the phone anymore (crazy for that age group I know). She brings in her and husbands documents. Home and auto. I quote home, $465 K cov A. she has $1000 ded/1% wind hail. CPG 7. Our price is $4400/year apples to apples. Her price?? $1300/year. Her current company?? Homesite!! And yes she had Roof Replacement/sewer back up. What does that tell you?? To me it says they are building Homesites book on the back of OUR customers. She even told me yea last year the home cost was only $900. How can Homesite operate at that premium? Maybe this is a theme but it's the first time I've quoted against Homesite. Just shocking. Especially with the messaging we are being fed about inflation/loss ratios/combined ratio…..

[Name Withheld]

Received November 2023 Subject: Saying THANK YOU, NAAFA.

NAAFA, thanks for your nice note, NAAFA has always provided great information and insight in order to keep agents aware of what is going on in the company (outside the world as projected by the HO) and in the industry.

[Name Withheld]

Received February 2024 Subject: Performance Improvement Opportunity

Hello,

It's been a while, and hope all is well. Did I tell you that American Family Sales and Service lost six states wherein new business with proof of prior has to be referred back to agencies because of all the bad business they wrote.

The dumb sales and service rep said it was because they wrote too much new business. Lol, they wrote too much bad business. So, I assume she's parroting what Amfam said was the reason they can't write NB that doesn't qualify for the General (high-risk). Look at the difference in how they respond to employees versus agents. Agents lose agencies and employees get a pat on the back for "writing too much NB." Moreover, their Sales and service screwed up the Amfam loss ratios so they put them as gatekeepers for the General (our high risk). That will go well.

So, I recently sent them a request to move my phones to Verizon and out of Agency Connect due to the exodus of good clients I'm losing due to the 137% rate increases I'm having that don't make sense. I quoted an old client for recapture and the rate was 647.00 per month and they had one accident, 1000 ded, are both over 40, but under the age of 65. Another, recapture wherein the client wants to return to my agency, quoted at 347.00 per month. She pays 138.00 through Progressive.

Name Withheld]

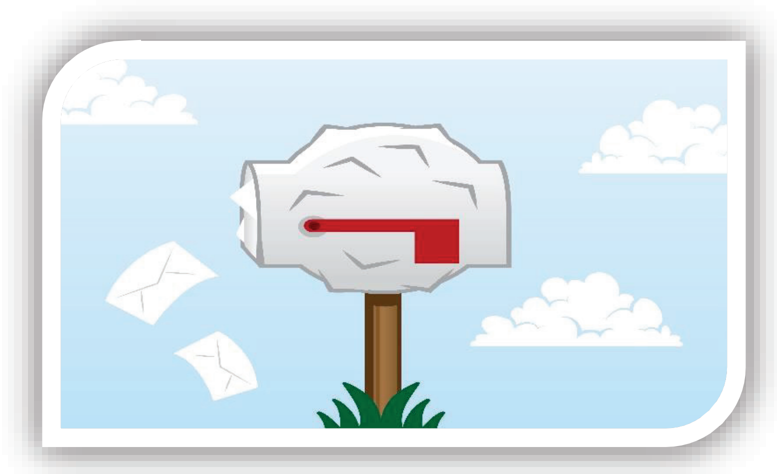
Received April 2024 Subject: I got a 3-month Performance Letter. Did others?

I am a 20 year plus agent, and I am getting a 3-month performance letter, have other agents reported getting this same letter in other states? I have never been given a performance letter in my very long career with this company and based on the outrageous rate increases and slipping economy I am shocked that the company is pulling a stunt like this.
Do you have any recommendations for me? I am sick and tired of seeing this company cut our commissions and threaten us. We are after all allegedly private contractors/abused employees. Thank you.

[Name withheld]

THE OTHER MAILBOX

*The following are some posts from "**reddit**" regarding "life at American Family." Nothing has been edited. We present as it was seen on reddit. We give reddit.com credit for being able to lure people in with their comments. NAAFA also protects all people who write into our NAAFA Mailbox. Between these two avenues, readers should feel fully informed with the issues at hand. Here's an example seen recently on "**reddit**."*



#1 This writer says the insurance industry is a "dirty dark alley."

Reddit's RoseCustom says this:

AmFam has changed so much since Covid. From the auto side AmFam and State Farm have changed for the worst. They have fired almost every good contact I have known throughout the years and replaced them with early 20 year olds working from home. Wait until you have an auto claim and they send you as a long-time customer to a third party estimating company. They are slowly shifting the burden of paperwork all on the shops and forcing us to deal with SnapSheet. Feel free to read their abysmal Google reviews. That means unless your shop of choice decides to spend hours dealing with idiots with very little automotive experience, your vehicle will likely be repaired with subpar parts and every corner possible cut. Sadly, I have had to institute a customer pay portion on almost every single AmFam claim since Covid. Just like a doctor's office. Every single customer I have had to collect a short pay invoice has been reimbursed by AmFam. It is just another hoop they hope I won't jump through. Little do they know I worked the insurance side for over a decade. I know their games. The insurance industry is a dirty dark alley in my opinion. They don't have the money to pay their employees but they can afford to rename Wrigley North? It is sad. Sorry about your jobs. Every person I know who works for Erie, West Bend, Acuity, or Wisconsin Mutual seems to be very happy. Maybe give one of them a shot?

#2 Swizzlesticcs via 'reddit' says he's an AmFam employee who isn't concerned about AmFam's laying off employees but is concerned about *how* they are doing it. Here's what he says:

Current employee here. The concern isn't that AmFam is laying off employees. Big companies have to do it all the time to control expense, and AmFam has a massive expense problem. The concern is HOW it's happening. Quietly. Over time. To fly under the radar in order to maintain the brand image. First it was 20-25 executive (VP level and above) in September. Then it was 90 Director and AVP level last week. Next it will be manager level, then individual contributor (I've heard 500). But NO ONE is supposed to know! This Reddit thread contains more information than any employee has been given. There have been no internal communications about what is happening. Nothing on the intranet site and absolute crickets from "senior leadership". The remaining directors are being told they could be fired for mentioning the layoffs to managers and below. Almost everyone in the organization is afraid for their jobs as a result of this. Bill and Telisa have failed AmFam for numerous reasons over the past couple years - shredded any remnants of "culture" that was there. And they both continue to remain silent to the employee base - unless it is a Communications-crafted email condemning violent acts or advocating against political or social issues in the country.

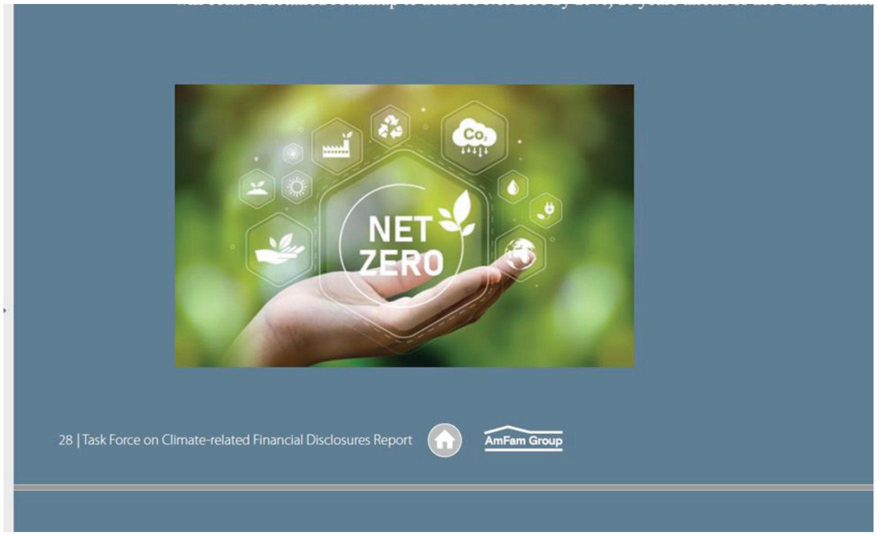
#3 Darkknight tells it like it is:

Let's get down to brass tacks friends (Ear muffs - SCATHING REBUKE TO FOLLOW)

This is purely a good ol fashion sacrifice of the lambs. Several thousand (when all said and done) will be let go so that Bill and his band of crony (mostly) men can keep their country club memberships. Bill Westrate, a long time Amfammer since 1996 and a person who at one time was an actuary!! doesn't have the competence to figure out how to get to 98% expense ratio and is surrounded by a bunch of lackluster incapable "senior executives" that aren't worth their weight in paper, and tip it off that off with the McKinsey intelligencia in Bill's ear and there you have it.

What is NET ZERO?

It's pretty obvious that American Family Insurance [American Family is first U.S.-based insurance company to join The Climate Pledge (amfam.com)] as well as most other large corporations have signed on to the NET ZERO commitment, but what exactly does it mean? Well, here we will attempt to give you both sides of the story:



What NET ZERO is: The belief that greenhouse gases are bad for the environment created the idea of Net Zero goals. Net Zero refers to the balance between the amount of greenhouse gas (GHG) that's produced and the amount that's removed from the atmosphere. This, it is believed, can be achieved through a combination of emission reduction and emission removal.

https://www.google.com/search?client=firefox-b-1-d&q=What+is+Net+Zero%3F

However, some scientists claim Net Zero can never be reached because as a mathematical fact, civilizations produce waste, thus removing what you've produced will still show waste produced by Earth itself. Here is what James Dyke, Senior Lecturer in Global Systems, University of Exeter, says about net zero:

> "It's astonishing how the continual absence of any credible carbon removal technology seems to never affect net zero policies. Whatever is thrown at it, net zero carries on without a dent in the fender. For some time, I assumed I was merely ill-informed or over-cautious. I've now realized that we have all been subject to a form of gaslighting. Whether it's BECCS, afforestation, direct air capture or carbon absorbing unicorns, the assumption is that net zero will work because it has to work. **But beyond fine words and glossy brochures there is nothing there. The emperor has no clothes."** https://images.theconversation.com/files/393121/original/file-20210401-21-g3swz5.png?ixlib=rb-1.1.0&q=30&auto=format&w=600&h=450&fit=crop&dpr=2
>
> For a full overview of this side of the argument, read "*Climate scientists: concept of net zero is a dangerous trap.*" https://theconversation.com/climate-scientists-concept-of-net-zero-is-a-dangerous-trap-157368

Note: *We have some brilliant members, some who are constantly challenging the status quo. These are the thinkers who are not easily fooled by certain "new" ideas that seem to really not go anywhere. These brilliant members are people who are the stabilizers of America. They believe in freedom. The freedom to choose, the freedom to work and to succeed, the freedom to play, the freedom to decide for themselves whether something is right for the environment or not. They think things through. They examine the issues and then make decisions about whether their choices are truly ethical and acceptable in the sight of their Maker. These brilliant members want these freedoms for all of us. NAAFA hopes they keep their articles forthcoming.*

Patriotism is supporting your country all the time,

And your government when it deserves it. ~Mark Twain

This is a Great Time to be an Independent Insurance Agent

*By: Doug Coombs, CMO at **SIAA** – The Agents Alliance*

**As you read the title to this article, you likely had two responses:
"Really?" and "Why am I seeing this in a publication with a readership of exclusive agents?"**

The quick answers are:

1. Yes.
2. You might want to think about becoming an independent agent.

I will gladly explain myself. Firstly, it's not an original line – SIAA's CEO has stated it a number of times over the last 12 – 18 months. He firmly believes it, and I can see why. The exclusive agent market is shrinking; we've all seen it. Insurance companies in general are taking significant steps to reduce their distribution system through captive agents. That doesn't mean that ALL insurance agents are on their way out.

In fact, I believe that most exclusive agents (EA) should consider becoming an independent agent. It's not an easy thing to do (running your own business), but with the level of knowledge and experience an EA brings to an agency, they probably have a better chance than most of creating a successful independent agency.

The Challenges

There are a few components of business operations when owning your independent agency (and your brand) that are different from running the agency of an EA. As owner, one has to handle all aspects of the business – space (lease/buy), choosing and buying an agency management system, choosing and buying a rater system, ALL marketing will fall to you (can't count on the millions or billions of dollars spent on marketing/advertising by the parent company), and EVERY decision about the business will be in your hands (with the caveat that someone else will still be making the final underwriting and policy decisions).

Small business ownership is no walk in the park, and it certainly isn't for everyone; but if you have a passion for what you do, your chances for success increase dramatically.

The Independent Agency Advantage

It's the day-to-day sales and operations that really separate the Independent Agency from the Exclusive Agency. A few examples are provided here:

- *Flexibility*
  Independent agents are not confined to the products of a single insurer. This autonomy allows them to search the market for policies that best match their clients' needs, often finding more competitive or comprehensive options than those available through captive agents or direct-to-consumer platforms. This flexibility is important as it enables independent agents to offer a range of solutions that can meet clients' diverse needs even with rising premiums and reduced coverage scopes.
- *One-to-One Service, Predicated on Knowledge*
  One of the most significant advantages of independent agents is their ability to provide individualized and personalized advice and service. This is critical in a hard market where clients need expert assistance to navigate complex coverages in changing conditions. The trust and loyalty independent agents build has a major impact on client retention and growth.
- *Compare to Exclusive Agents and Direct Options*
  Exclusive agents, bound by their allegiance to one insurer, often lack the scope of options that an independent agent can provide. Consumer direct options, while often convenient, lack the personal touch and full understanding that independent agents bring to the transaction. These systems cannot match the detailed, individualized insights that independent agents offer, which is paramount in helping clients make informed insurance decisions.
- *Risk Mitigation*
  Independent agents excel in risk mitigation advice. Typically possessing a broader understanding of various products across the market (because they have access to additional carriers and wholesalers), they can help clients reduce

Continued on Page 20

potential exposures—an essential provision when insurers are tightening underwriting standards and increasing premiums.

- *Niches Expansion*
  Hard markets (like today's market) often create niches with less competition and greater long-term profitability. Independent agents have the flexibility to move into these areas, such as cyber insurance, through various carriers and wholesalers where terms might be more favorable, or demand is increasing due to new risks.

In the final analysis, most independent agents hold more control over their success than exclusive agents. Admittedly, that doesn't make it easier, but it does make them less subject to the strategies and goals of any one company or carrier.

To help a new independent agent succeed, there are networks such as SIAA. I've previously provided insights on the considerations an agent should make when choosing a network, cluster, or aggregator (The NAAFA Report, Winter 2020), as well as why they should join a network. The point here is that there are avenues for assistance in getting established and maintaining continued success as an independent insurance agent.

I'd like to close with some thoughts about what we've experienced at SIAA when it comes to our membership. Over the last 5 years, 782 exclusive agents have joined our organization as part of starting their own agency. In 2023, we signed 591 new member agencies – the most in any one year since the inception of SIAA. 29% (172) were previously exclusive agents. In case you're wondering, SIAA's member agencies that were previously EAs write nearly $2 Billion of the organization's collective total written premium of $14.2 Billion.

It is a great time to be an independent agent,
and there is life as an agency owner after working as an exclusive agent. SIAA

GUIDELINES FOR SECA KIT AVAILABILITY

To all NAAFA members and their accountants:

THE CONTENTS OF THE SECA KIT ARE CONFIDENTIAL!

The SECA Kit was updated on January 15, 2021, but updated MEMOs regarding tax issues are issued regularly. Those with active memberships who have received kits in the past should contact the NAAFA office to receive the updated kit. The success of this kit has been invaluable. As most of you know, the SECA Kit is just one of the benefits of being a NAAFA member. Any members who leave American Family (and qualify for Termination Benefits) should have the Kit *before* filing their taxes the first time. Understanding how and why you file as you do could save you thousands of dollars in penalties and fines by the IRS.

At issue with NAAFA has been the fact that some agents wait until after they retire to join NAAFA and ask for the Kit. NAAFA feels that members deserve the benefits of the Kit only if they have supported NAAFA for a number of years. We want to encourage agents to support NAAFA during their active years with the company. We need your support. It costs NAAFA hundreds of dollars and hours of time to produce and update the kit. It is only fair that NAAFA be reimbursed for this expense by your loyalty and longevity.

As a result, NAAFA asks for a donation of $500 for the Kit unless a member has had 3 full years of continuous (no lapse) membership. After the three full years of membership, the Kit is free. A *new member* would pay the first year's active membership rate ($276) up front and then the kit would immediately be available for the donation of $500. Or the new member who pays dues either *monthly* or *semi-annually* would have to wait until the beginning of the second year to become eligible to receive the Kit after donating $500.

As before, you must have a personal Email to receive the SECA Kit. NAAFA asks that you honor confidentiality regarding the Kit. Do not share it with non-members. And be sure to tell your accountant that this kit must remain confidential and only used for your own tax preparation. As a member, you deserve *all* the benefits of being a member and the Kit is just one of them. BE PREPARED!! JOIN NAAFA TODAY!

IT'S THE SAME OLD TRICK.....

LEADING THE LAMB TO THE SLAUGHTER

It's the same old trick. If an employer wants to shove some of its workers out the door without firing them, just arrange things so they will fail, and they won't have to be fired. And in so doing, the employee ends up feeling like crap because he's a failure, and the company comes off smelling like a rose. It's all quite sick. Who can stand to work for a company like this? If you're standing it, your ethics and compassion ought to be examined. You're part of the sickness!!

In January 2024, our office received an email from one of AmFam's more outstanding agents. This agent was flabbergasted that the premium on one of her customer's policies had gone up over 100%. Yes, you read that right. Actually, the increase was 132%!! BTW…want to know how to figure out the amount of increase in premium? Here it is:

> *How do I calculate growth percentage? Take the current or new value and subtract that from the previous value. Next, divide this difference by the previous value and multiply by 100 to get a percentage representation of the rate of growth or increase.*

Next time you complain to management be exact about the percentage of increase. (And BTW, do it often because sometimes the squeaky wheel gets the grease.) But be aware that the company already knows how much they've raised rates. They also have a plan, and it does include you so beware!

Well, if increased rates aren't bad enough, take a look at the following, sent out in the same month (January 2024) by a state director:

Every agent in our state plays an important role in helping us achieve profitable growth. As a result, the following minimum expectations have been established:

1. **A minimum of 78 NBP from January through June 2024.**
2. **A minimum of 156 NBP from January through December 2024.**

Performance Improvement Opportunity Details

1. **Given the importance of New Business Production (NBP), we are setting minimum NBP expectation for each agency business owner in the state.**
2. **This minimum NBP expectation is based on 60% of our state's median agency NBP.**
3. **The median is based on the rolling 12-month NBP from December 2022 through November 2023. The General and B&A are included to provide a full view of NBP which is consistent with your default view in Dashboard.**
4. **If an agent doesn't achieve both expectations, they will receive a performance letter. If an agent has previously received a performance letter, the expectations outlined in that letter apply.**
5. **The above expectations do not apply to agents on the New Agent Owner Incentive (NAOI) program, they will receive higher NBP expectations.**

We are committed to your success. Please feel free to contact your SDL or myself with any questions.

Now you're getting the picture. We can't say AmFam has raised their rates on purpose, or without cause, because there certainly is reason nowadays. For AmFam to take advantage of these high rates in order to fire agents is despicable, to say the least. Very few agents can sell products that have increased in value by even 25% or 30% let alone 100%. And for most, when they can't sell, they either feel very guilty and discouraged and/or they feel very bitter, all feelings of which don't add to their success.

Continued on Page 22

One study we found said that "when faced with an unethical climate, the best salespeople were the ones most likely to leave, while less successful salespeople were willing to stay and engage in unethical practices." https://pressbooks-dev.oer.hawaii.edu/principlesmarketing/chapter/13-4-ethics-in-sales-and-sales-management

The only conclusion we can draw after watching what is going on at AmFam is that the company wants to change the tenor of their salesforce. If this study has any truth to it, the most successful salespeople are leaving (or have left, according to our statistics) and those that stay are perhaps less than successful. Less than successful, at least, by certain standards of production.

We have not begun to address the issues of what unethical behaviors can surface when pressured by the company to sell. It is extremely tempting to many agents (who know they must put bread on the table to feed their families, so to speak) to give in to a customer's request to unethically handle a request to cover something that shouldn't be covered just to make the sale, or to betray the confidence of one customer to another who is that customer's competitor. We've all heard of agents who were found guilty of writing false life applications or charging the customer more than the actual premium and pocketing the difference. Well, the violation list can go on and on, but from our observation, it seems the company is partly to blame for the agent's indiscretion because of the pressure inflicted upon that agent to sell or else.

Motivational speaker Brian Tracy said: "*Sell unto others as you would have them sell unto you. The successful sales professional uses the golden rule to sell with the same honesty, integrity, understanding, empathy, and thoughtfulness that they would like someone to use in selling to them*."

NAAFA believes applying the Golden Rule to all aspects of life is important, especially if one wants to sleep at night. Oh my, what's the Golden Rule, you ask. Has our society actually fallen that far that we've forgotten? The Golden Rule is '***do unto others as you would have them do unto you***.' This moral has been the basis for society in many cultures and civilizations for many, many years and is *truly* golden because there is *truly* value in having this kind of caring and respect for one another.

When the Golden Rule is not being observed, especially by those in power, as it appears it's not, it may come down to the fact that you will have to choose to work for another company, as so many of us have done, in order to maintain our beliefs and practices of integrity, truthfulness, accountability, loyalty, transparency, respect, kindness, and above all, conscientiousness. ***We strive to be at peace.***

(Name withheld)

HOW SAFE ARE YOUR TERMINATION BENEFITS?

Everybody remembers Enron's collapse. Workers there lost some $2 billion in pension savings and $1.2 billion retirement funds. During ensuing lawsuit settlements, a mere $89 million is thought to have been returned to the Enron workers. NBC reported that about 7700 ex-workers were overpaid and about 12,800 overpaid because of payments being miscalculated. What next!!

NAAFA is often asked about the security of the Termination Benefits promised in the 1993 and 2009 agent contracts, especially for those who qualify for lifetime benefits. As you probably know, there is no protection for these monies other than the safety and goodwill of American Family Insurance Company. We have often debated how easy it would be to establish a subsidiary company to house the Termination Bucket filled with only enough money to last a couple of years or so, and then let the subsidiary go bankrupt. At this point, the retired agents could try to go after the holding company, but according to the following references, they wouldn't get very far.

What's the answer? No one knows. The best we can do is pray for some ethical upper management persons to take the lead in directing this company in directions more appropriate to the protection of the very people (agents) who put them there in the first place. We would like to see people being hired for positions within the company based upon their skill, background and experience. We're not sure if quotas of any kind are being levied on employees within the company right now, but we find it terribly merciless to put sales quotas on agents when the company has raised rates so high it's almost impossible to sell. We find it especially insensitive to put quotas on agents who are physically suffering from illness. This seems to happen over and over again. Compassion for all who work for the Enterprise would definitely enhance the reputation of American Family.

The other bit of advice we might offer agents is to make sure all your debts are paid before you retire from AmFam. We'd suggest you have appropriate savings and investments to cover your expenses in case you did lose the income from your Termination Benefit package. It could happen, so be prepared!! And lastly, we'd suggest doing something constructive to keep your mind active. Many agents have proven that finding a 'fun' job at the local box store, for example, is a good way to keep in touch with people and to use that gray matter. Think things through, work things out, communicate, and exercise. Remember, "the body achieves what the mind believes." (Anonymous)

Now check out the information below so you can start to be aware of just where things stand between you, your Termination Benefits and American Family Insurance Company.

The following questions were pulled from a Google search.

https://www.google.com/search?client=firefox-b-1-d&q=How+would+a+holding+company+rid+itself+of+an+outstanding+debt%3F

Why would you want a holding company?

To lessen liability. Entrepreneurs typically form a holding company to limit liability risks when owning multiple businesses. Each subsidiary is protected from the legal claims against and debts of the other subsidiaries. Nov 9, 2023

Is a holding company liable for debt of a subsidiary?

The parent corporation can control the subsidiary's policies and oversee management decisions but doesn't run day-to-day operations. Holding companies are protected from losses accrued by subsidiaries—so if a subsidiary goes bankrupt, its creditors can't go after the holding company.

Can creditors go after a holding company?

Placing operating companies and the assets they use in separate entities provides a liability shield. The debts of each subsidiary belong to that subsidiary. A creditor of the subsidiary cannot reach the assets of the holding company or another subsidiary.

Can a holding company be sued for its subsidiary?

A parent corporation is typically not held liable for the acts of a subsidiary. As such, disregarding the corporate form (i.e., by piercing the corporate veil) and holding the parent liable is an extraordinary remedy. Aug 18, 2023

Can a subsidiary be dissolved?

If the parent is insolvent, the subsidiary company will either be sold off, if a buyer can be found, **or it may itself be liquidated if it can't be sold or is also insolvent.**

Can holding company be sued?

Unless the parent company had any direct involvement with a subsidiary's actions, **it is unlikely to be held liable in the event one of its subsidiaries is sued**. Jun 3, 2022

Don't miss the following article!

HOW CAN SUBSIDIARIES AND COMPANIES WITHIN A GROUP BE CLOSED? https://www.begbies-traynorgroup.com/articles/closure-options/can-i-liquidate-one-company-which-is-part-of-a-group

WAYS TO PREVENT FRAUD

Submitted by NAAFA Member

Recently the US Justice Department decided to offer more rewards to anyone who blew the whistle on corporate and/or financial misconduct. (https://www.insurancejournal.com/news/national/2024/03/08/763999.htm) We need to understand that insurance companies are included in the definition of "financial institutions" along with central banks, retail and commercial banks, internet banks, credit unions, savings and loan associations, investment banks and even mortgage companies. If we are ever going to see an end to corruption, we're definitely going to have to encourage whistleblower action. And then work on ways to protect the whistleblower.

But do we even recognize corruption when it's evident? There is so much evil in the corporate world today that we seem to have become acclimated to it. Many simply don't recognize deceptive activity as being wrong. And as a result, we either ignore it because we don't recognize it, or we choose to ignore it because we want to 'stay out of trouble.'

Forbes says the levels of corruption in the U.S. are worse than they've been for 9 years. U.S. Corruption Levels At Their Worst Since 2012 (forbes.com). And insurance claims are certainly proving to be one of the top examples of that fraud. Did you know that insurance scams cause at least $29 billion in damage to auto insurers annually? Insurance Fraud Statistics - Amazing Facts and Numbers (legaljobs.io) To break that down, $10.3 billion a year is caused by unrecognized drivers. $5.4 billion is in underestimated mileage, and $3.4 billion is paid in fraudulent claims caused by violations/accidents.

As bad as auto insurance scams appear to be, however, the largest area of fraud according to the National Association of Insurance Commissioners (NAIC) is in the life insurance area which, they say, amounts to about $74.7 billion a year. The FBI.gov link states that insurance fraud costs the average U.S. family between $400 and $700 per year in the form of increased premiums. Insurance Fraud — FBI. It's costing you to overlook fraud!

It is still this writer's opinion that most of us know, or at least have a suspicion of when fraud is being committed. We've often talked about the 'bait and switch' fraud, or we've seen or heard of agents who pocketed insurance premiums for personal use, or committed work comp fraud. And then there's massive storm/disaster fraud where most of us have recognized roofs being replaced that actually weren't damaged by the storm….the fraud list goes on and on.

So, what should you do about it? First of all, make sure you're not part of the fraud! If you have proof of fraud being committed within your own company, do consider carefully the step of whistleblowing. Whistleblowing is critical in exposing crime/fraud within your organization and probably one of the best ways to stop it. https://blowthewhistle.com/pros-and-cons-of-whistleblowing/

Second, you can report fraud either to your own insurance company's fraud department or check to see if your state sponsors a fraud bureau that investigates insurance fraud. Most do. Lastly, there is always the NICB, National Insurance Crime Bureau (800-835-6422) which is a non-profit organization that partners with insurance companies and law enforcement to help identify, detect, and prosecute insurance criminals.

And don't forget to forward the CAIF (Coalition Against Insurance Fraud) www.insurancefraud.org on to your clients. This link gives you a world of information about fraud. The CAIF is made up of consumer groups, public interest organizations, government agencies, all of whom are very dedicated to the prevention of insurance fraud. Think about displaying this link in your office waiting room or in your next client newsletter.

WHO WE ARE

NAAFA, Inc. is a professional organization established to promote education and communication for and between both active and non-active American Family agents. NAAFA is the vehicle whereby agents can express their opinions openly and without judgment. Our desire is to be a vital active group who is interested in sharing experiences, knowledge, and recommendations with other agents, always encouraging, listening, and growing in ways that not only profit the agents, but their businesses and customers as well.

OUR MISSION STATEMENT

NAAFA, Inc. shall strive to provide professional fellowship by dedicating its activities to encouraging the highest degree of ethical service both to our members and to the insuring public. NAAFA, Inc. will support the strictest adherence to the integrity of its members as professional insurance agents. We will promote professional conduct, protect confidentiality, and protect the legislative interests of our members through awareness and understanding of the issues facing the independent contractor insurance agent in the American society.

SUPPORT NAAFA PAINLESSLY

The most painless way you can pay NAAFA membership dues is by the monthly EFT method. Most people do not miss the $25.00 a month ($13.00 if retired) that NAAFA deducts from the account of your choice around the 20th of the month. Some agents add an extra $5 or $10 a month to be donated to NAAFA's new NDW Fund or the NMEF Fund. It's all so easy. Open your account now by sending your check for $25.00 ($13.00 if retired) to:

NAAFA, PO Box 578, Circle Pines, MN 55014.

***IF YOU HAVE MOVED*, please inform us of your *CHANGE OF ADDRESS*!!**

Contact us at:	**(888)716-2232**	**Email us at: NAAFAwest@comcast.net**
Or mail us at:	**NAAFA, Inc.**	**PO Box 578, Circle Pines, MN 55014**

Directly to Members…Directly from NAAFA **is NAAFA's direct and fastest informational pipeline to our members. Check www.NAAFA.com often for members-only updates. (Password needed.)**

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Thriving in the Future with Independent Insurance Companies

Mike Golonka, VP of Strategic Partners, SMART CHOICE

An independent insurance company functions through independent agents who act as middlemen between insurance buyers and multiple insurance providers. These agencies aren't bound to a single insurer. There are many advantages for agents to work for an independent insurance company as opposed to being captive to one carrier. These include:

Enhanced Coverage and Expanded Reach:

Independent insurance companies offer a wide range of insurance products, giving clients more options to tailor coverage to their specific needs. This sets them apart from captive companies who are limited to products from their parent organizations. Additionally, independent agencies can reach out to clients across different geographic regions, expanding their ability to serve a larger number of customers. This broader reach allows them to connect with more people and help them search for the right insurance solutions, contributing to business growth and success.

Higher Earnings Potential:

Independent agencies have more control over pricing and underwriting, giving them the opportunity to earn more. Additionally, they can earn money from commissions from multiple carriers, which further increases their income potential.

Improved Flexibility:

Independent agencies have the freedom to set their own schedules, make business decisions, and implement marketing strategies according to their preferences. This flexibility enables them to adapt quickly to changing market conditions and better serve their clients.

Long-Term Business Ownership:

Many independent insurance agencies are owner-operated, allowing the independent agent/owner to directly benefit from the company's growth **and providing the opportunity to cash out upon retirement**, offering a level of financial security not commonly found among captive agencies.

Market Adaptability:

By offering a diverse range of products from various carriers, independent agencies can better withstand economic downturns. Their ability to adapt their insurance coverage offerings to meet evolving market demands and navigate challenging economic conditions makes them more resilient in the face of uncertainty.

Adaptive Capabilities and How Independent Insurance Agencies Respond to Market Demands

Independent companies have the capability to swiftly respond to ever-changing market demands and consumer needs. The insurance industry, like many others, is feeling the effects of globalization. This means that things are changing rapidly, from the size of the markets in which agencies operate to the rules governing how agents and agencies are compensated. To stay competitive, agencies must be agile and ready to embrace change.

Independent insurance companies need support to thrive in a changing landscape. This means reaching out when in need of help as well as lending expertise to fellow agencies, especially in areas like digital marketing, strategic planning, talent acquisition, and keeping up with new technologies. By working together, agencies can overcome challenges and seize new opportunities for growth.

What The Future Holds for The Industry

As we peer into the future, the insurance industry is poised to undergo significant changes, presenting both challenges and opportunities that will reshape the way agencies conduct business and engage with their clients.

Leveraging Partnerships

Independent insurance companies have the benefit of being able to explore partnerships with networks. These partnerships can provide access to additional carriers, supportive field staff, networking opportunities with other agents, and much more.

Mike Golonka joined Smart Choice in 2021 as VP of Strategic Partners. For the prior 2 decades, Mike worked exclusively with multistate IA Networks and Brokers in his role as National Sales Director at MetLife Auto and Home. He helped create the IA National Accounts Division - contracting Smart Choice as one of their first National Account partners - and then transitioned over to Farmers/Foremost. Prior to National Accounts, Mike also worked at MetLife as an Underwriter, Project Manager, and then Regional Sales Manager in New York.

WE JUST REPORT IT AS WE HEAR AND SEE IT

Insurance Journal reported in November of 2023 (Corporate America Is Rethinking Diversity Hiring as Legal Challenges Rise (insurancejournal.com)) that "*Corporate America is Rethinking Diversity Hiring as Legal Challenges Rise*." The article linked the reader to a Bloomberg article which reminded us that the US Supreme Court barred universities from using race as a factor in their admissions. It was a 6-3 vote by the justices. Supreme Court Rejects Use of Race in University Admissions (insurancejournal.com)

We know this decision by the ruling court did NOT cover businesses (only campuses), the action is still warning enough that some companies have scaled back their efforts to promote DEI. Several law firms (Morrison & Foerster LLP and Perkins Coie LLP) have decided to end their diversity requirements for fellowship programs after they were both sued by Edward Blum who brought the Supreme Court suit.

Law firms Morrison & Foerster LLP and Perkins Coie LLP have eliminated their diversity requirements for fellowship programs, a common tool for recruiting from under-represented groups. The changes were disclosed after both firms were sued by legal activist Edward Blum, a long-time affirmative action foe who initiated the successful Supreme Court suit.

Pharmaceutical giant Pfizer Inc. removed race-related requirements from a similar fellowship program after a suit challenging it had been dismissed. More than 20 companies have had complaints entered against them with the US Equal Employment Opportunity Commission arguing that their efforts to hire and promote more women and people of color amount to discrimination.

Companies such as American Airlines Group, Inc., Macy's Inc., McDonald's Corp and Salesforce, Inc. are a few of the companies listed in the article who have complaints lodged against them with the EEOC.

We urge you to draw your own conclusions.

The Gallatin Point Capital Partnership with American Family Insurance Group

As we promised, we're submitting this anonymously.

My views on this Partnership:

It is interesting. I think they've always wanted to go to Florida so the big dogs could justify living there. However, while other wise carriers are leaving that hurricane market, it seems we're hell bent on destroying our profitability more.

The good thing about this is that I'm about to uncork on corporate management for their criminal negligence to our Long-Term Care policyholders. When they say there is no money, they're going to have to justify if it was more important to justify this expansion on a whim versus protect the people we promised to be there for in their elder years. But instead, they squandered the $$$ they promised us was in a separate management fund but all the time it is a verifiable lie.

They currently manage it themselves but for a period of time we turned all funds over to a management company who spent most of it on 'fees and management expenses' for themselves leaving our (under 3,000) customers holding the bag with another set of excessive rate increases.

They thought they could insulate themselves by allowing our own chief legal officer (I believe it was Mark Afable) to be the Wisconsin head of the Insurance Department. And now they have him on AmFam's board in an obvious (and successful) scheme to make it almost impossible to get the Wisconsin Department of Insurance to take up any major action against those who have feathered their nests for decades. This may have to be won in the courts of public opinion....

"IT TAKES 20 YEARS TO BUILD A REPUTATION AND 5 MINUTES TO RUIN IT." ~Warren Buffett

SOCIAL SECURITY CHANGES–have you heard?

NAAFA Office Staff Contribution

Did you know that over 48 million retirees receive Social Security benefits? Each year the Social Security program goes through what they call, “regular adjustments.” We’re warned that beginning in 2034, the Social Security administration will run out of excess reserves and will probably only be able to pay out 77% of a retiree’s full benefits. It seems too bad that Social Security retirees who worked all their lives contributing to this fund are eventually going to see their SS checks drop or even disappear, while it’s reported that illegal immigrants are receiving more than generous assistance in the form of housing, food, federal cash, free medical coverage, free transportation, etc. And we hear little mention of their fund(s) running out, however, there are two sides to every story. Be sure to read about this, especially the ending, at the following link! https://apnews.com/article/fact-check-illegal-2200-payment-government-821946727757

We’d like to at least tell you about some of the positive enhancements Social Security beneficiaries receive in 2024.

1) A cost-of-living adjustment of 8.7% came in 2023, largest in 30 years. (In 2022 it was 5.9%, in 2024 it’ll be 3.2%)
2) Maximum taxable earnings went from $160,200 to $168,600 in 2024.
3) A higher earnings limit for workers receiving retirement benefits. Remember the $1 Social Security deduction for every $2 in earnings beyond earnings of $21,240? Now it’s $1 for every $3 in earnings. Yeah!
4) Increased maximum benefit for recently retired workers. We’re told only about 6% of people in the US reach the maximum benefit. In 2024 it went from $3,345 to $3,627.
5) Disability income limits increased. 8.95 million people receive disability benefits. A study on how they qualified is interesting.
6) The qualifying limit for receiving Social Security benefits became higher. Yes, a person needs 40 lifetime work credits, and you can only earn 4 a year. For 2024, it will take $1,730 in earnings per credit, up $90 from 2023.
7) In 2023, high-earning workers were subject to higher tax rates. The self-employed (think insurance agents!!) will understand this one. The self-employed pay all their own social security tax of 12.4% plus 2.9% for Medicare or a total of 15.3% on earned income up to $168,200. It is estimated that only about 6% of workers make over $168,200.

It's good for you to remember that NAAFA’s SECA Kit explains how you can legally avoid paying this 12.3% social security tax on your Termination Benefits (Benefits paid to you ***after*** *you retire) even though American Family continues to issue you and the IRS a 1099-NEC, a form which the IRS says indicates you are essentially still actively employed. Duh!*

IF YOU CAN’T BELIEVE MCKINSEY, WHO CAN YOU BELIEVE??

Remember the name ‘McKinsey?” Didn’t McKinsey put out a study a few years ago called, *Agents of the Future: The Evolution of Property and Casualty Insurance Distribution,* and didn’t it say that insurance agents were going the way of travel agents? That they just wouldn’t be needed anymore because the manner of marketing was changing? Gone? Zip!

Well, even though American Family seems to have a great amount of respect for McKinsey, we don’t! McKinsey has had to eat their words regarding the independent insurance agent because today the public seems to have recognized a greater need for agent counsel when purchasing insurance than ever before. It looks like McKinsey has made a few mistakes because it has agreed to pay $78 Million to health insurers and company benefit plans because of its role in advising opioid makers in their sales of painkillers. Besides, McKinsey has previously paid (more mistakes) over $600 Million to settle opioid lawsuits by State Attorneys General, and also agreed last September to pay $230 Million in claims by local governments and school districts.

So, what is the truth? Insurance Journal concludes that the independent insurance agencies are NOT going away. People want the human touch, especially with complex insurance products the customer might not fully understand. Agencies are adapting, of course they are. Agents are brilliant people who love to help others. Many claim that is their first calling. Personalized service can be enhanced by the adaptation of the agency to the newest technologies. Let’s give our salute to independent agents of today!! The Future of Insurance Agencies (insurancejournal.com)

Embracing Independence: How Transitioning to an Independent Insurance Agent Opens Doors to Opportunity

For captive insurance agents contemplating the leap to independence, **spreading your wings**, and charting your own course can be both exhilarating and daunting. But beyond the thrill of autonomy lies a world of opportunity — a chance to help your clients in new and meaningful ways, grow your agency, and build equity for the future. So, folks, let's embark on this journey together and explore the benefits that await those who dare to embrace independence:

1. **Tailored Solutions for Every Client:** As an independent insurance agent, you're no longer bound by the constraints of a single carrier or limited product offerings, quotas, lower commissions, and unexpected contract changes. You'll be free to quote multiple carriers and provide the best coverage and rate for your customers. Finding a solid partner that provides access to multiple carrier options will help you hit the ground running faster, whether it's with an MGA or as a partner with an Insurance Agency.

2. **Unlimited Growth Potential:** Independent agents can represent multiple carriers, tap into new markets in personal and commercial lines, cast a wider net, and attract a broader range of clients. These options lead to much higher closing ratios and, ultimately, higher retention. It is important to find a partner or group that will provide you with ongoing training and support and who can negotiate carrier appointments on your behalf so that you can focus on cultivating your relationship with your customers and writing new business.

3. **Building Equity for the Future:** One of the most significant advantages of transitioning to independence is the opportunity to build equity in your agency. Unlike captive agents, who often have little to no ownership stake in their book of business, independent agents have the chance to create tangible value that can be leveraged for future growth or an eventual sale. You've worked hard to build your agency and should benefit from your legacy. Find an insurance agency partner or group with a built-in succession plan for their agents. This should ensure you have a built-in buyer to buy your book at fair market value.

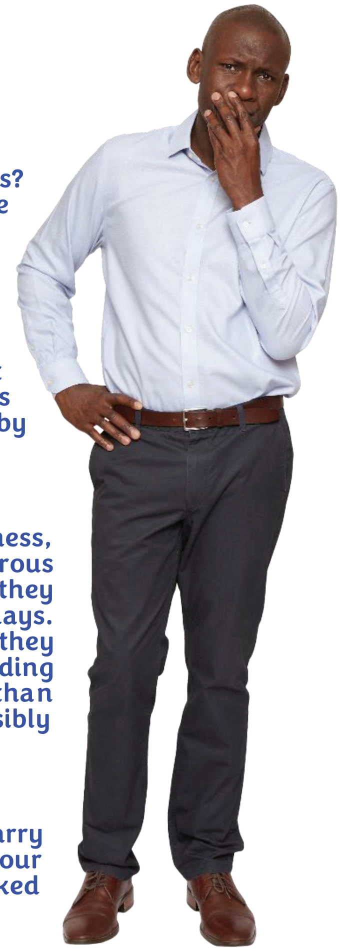
4. **Adopt a Culture of Innovation:** Independence breeds innovation, and whether it's adopting cutting-edge technology, implementing creative marketing strategies, or introducing innovative product offerings, you have the flexibility to experiment and evolve with the ever-changing needs of your clients and the industry at large. Finding a partner with innovation at the core of all they do will be crucial to your agency's long-term success.

5. **Fostering Meaningful Relationships:** Last but certainly not least, transitioning to independence allows you to forge deeper, more meaningful relationships with your clients, earning their trust and loyalty through genuine care and meaningful choices. And if you partner with a group or agency that fosters connectivity with other agents and a strong culture, you might get a new insurance family out of the deal, too. We learn and grow from these connections, and knowing others have your back through tough times is worth its weight in gold.

Transition to independence is not just a leap of faith — it's a journey filled with boundless opportunities for growth, innovation, and fulfillment. Take a moment to visit twfg.com/freedom to see how TWFG can assist you during your transition to independence. We've successfully helped agents for over 23 years, and your clients, your agency, and your future self will thank you for it!

~~Alex Bunch, Chief Marketing Officer, TWFG Insurance

BEEN THINKING ABOUT WOKENESS?



Editorial comments:

Have you ever wondered why things have changed so much in the last few years? Have you noticed the change in company attitude toward their workers? Are you aware of the delay in nearly every avenue of service these days? Perhaps you've even noticed a decrease in the quality of food served in restaurants or the quality of meat you can buy at the grocery store. Or have you noticed the increase in the price of everything?

The changes are evident. No doubt about it. Buy why? Some would argue it's because companies have gone so *woke*. Others say that's not the cause. But think about it. No one believes that racial or sexual biases are right. Some argue that today there is at least as much bias against whites as there is against blacks. When positions are filled by race rather than by qualification, something is askew. Or at least, soon will be.

Programs on diversity, equity and inclusion in the workplace seem to cause more bitterness, division, and blame than compassion and consideration for one another do. Numerous NAAFA members have expressed concern about the direction not only the company(s) they work for are going, but also how difficult it is to work for almost any company nowadays. Complaints that it's not safe to express your opinion any more are common. Agents say they are constantly having to defend the company's actions, especially at claims time. Finding oneself accountable to a supervisor who has much less experience and qualifications than you do is discouraging to most of our members. Combine that with prejudices on possibly both sides, and we have a severe case of what most call, "wokeness going bad."

Can we agree that the color of your skin, or your religion, or even the degree(s) you carry are not what makes you successful? It's your determination, your will, and your commitment to achieve a goal you've set for yourself that make you successful. You worked for it. You deserve it. The credit should be yours!!

So, what's all this got to do with BlackRock? Read carefully. Think about what the superpower(s) want from those under them. Think about the agenda that is being pushed on us, being pushed on the companies we work for. Think about the boards that have accepted the superpower agenda. Then, think about why the superpower is getting away with it. You figure it out. It should be pretty clear after reading the following article. As always, NAAFA urges you to stand up for what is fair and right. Be brave. We can make a difference in this fight for decency. Pray it's not too late.

Now do take time to read the following:

BlackRock: Masters of the Universe

~~~by Alex Newman

The financial monolith known as BlackRock has an estimated $10 trillion under management and is using its clout to change the world — but not for the better!

Despite what you may have heard, it *is* about much more than "money." It always has been. The recent cultural transformation of corporate America — think Bud Light, Target, and Disney as some of the more recent examples — has shocked traditional Americans to the core. Suddenly, it seems that every major company in the nation has gone "woke," promoting everything from man-made global-warming alarmism and "transgender" mutilation of children's genitals to godless globalism and vicious race-mongering. It is all happening under the guise of improving "Environmental, Social, Governance" (ESG) scores and "Diversity, Equity, and Inclusion" (DEI) metrics.

Customers hate it, of course, as many companies facing boycotts and steep financial penalties have learned the hard way. So do shareholders, managers, and employees. Yet, despite being a money loser and despite the endless "Go Woke, Go Broke" chorus chanted by conservatives, more and more companies and brands are jumping on the "woke" bandwagon, apparently oblivious to the catastrophic damage they are doing to their brands. But there is more to the story; a simple explanation to the madness is lurking just beneath the surface.

Behind the scenes, quietly, there is a vast power responsible for pushing all this "woke" corporate fanaticism. It has a name: BlackRock. The world's largest asset manager, the corporate giant, has an estimated $10 trillion under management. For perspective, that is more than the gross domestic product (GDP) of every country on the planet except the United States and Communist China. When the overlord of it all orders lesser mortals running Fortune 500 companies to jump in his annual "letter to CEOs," business leaders around the world stand at attention and ask, "How high, sir?"

Journalist Matt Taibbi famously referred to *Goldman Sachs* in a 2010 *Rolling Stone* article as a "great vampire squid wrapped around the face of humanity, relentlessly jamming its blood funnel into anything that smells like money." But as the largest stakeholder in the great vampire squid from hell, BlackRock, while less well known than its diabolical cephalopod minion, is now orders of magnitude more important in both business and politics. It is the Grand Poohbah of all the vampire squids, to borrow Taibbi's language.

The power of this corporate leviathan is unfathomable. It owns more than 5% of most S&P 500 companies, according to CNBC. And its tenacles extend to every corner of the global economy. In fact, along with State Street and Vanguard, BlackRock is among the largest stakeholders in most of the major companies you can name. It frequently is the largest stakeholder in companies that *compete* against each other, too.

In a three-part expose' of the financial monolith, independent journalist James Corbett of the *Corbett Report* begins with a thought experiment. In his scenario, you start by shopping at Walmart, where BlackRock is one of the top stakeholders. Then you buy some Coke, another company in which BlackRock dominates. Then you get your Moderna shot—again BlackRock is there with about a seven-percent stake. Next you fill up at Exxon, and again, BlackRock is there. Finally, frustrated, you decide to lock yourself in your house and do your shopping on Amazon, and again, BlackRock owns one of the largest sakes.

Once it buys these huge positions, BlackRock makes clear that the firm *will* go woke. Worst of all, perhaps, this evil imposed on companies is being advanced with *your* money. Despite the protests of investors, political leaders, and even institutions with massive amounts of money invested with BlackRock, the firm dutifully votes the shares that its clients technically own to promote the "woke" agenda. Indeed, the threat to board members who resist that they will be ousted from their lucrative posts looms large over corporate board meetings everywhere.

BlackRock Chairman and CEO Larry Fink has bragged repeatedly about what he is doing with your money. Behaviors are going to have to change, and this is one thing that we are asking companies," Fink declared during a 2017 discussion hosted by *The New York Times*. "**You have to force behaviors, and at BlackRock, we are forcing behaviors.**" It is true; BlackRock is, in fact, *forcing* behaviors on companies, as well as on the people who work in those companies and even consumers.

But the almost $10 Trillion it manages for clients like you (via your retirement funds) and your local and state governments is only part of the picture. While State Street and Vanguard are major players in investment management, both of those corporate giants, among many others, now rely on BlackRock's Artificial Intelligence platform known as Aladdin (Asset, Liability, Debt and Derivative Investment Network). The system now dominates the global economy, with lesser vampire squids everywhere taking their cues from the Dracula of cephalopods.

Aside from his company's unimaginable economic power, the man who created and continues to lead BlackRock, self-proclaimed globalist Fink, is also one of the most powerful global corporatists in the public eye in his own right. Among other roles, he sits on the board of trustees of Klaus Schwab's World Economic Forum (WEF), the organization bringing together leaders of government and business to advance the "Great Reset." In addition to being a top champion of ESG, the Switzerland-based WEF is also a "strategic partner" of the United Nations in radically transforming the world through the 17 "Sustainable Development Goals" known as UN Agenda 2030.

Fink also sits on the board of the globalist Council on Foreign Relations, which basically serves as Deep State headquarters in the United States. Then acting Secretary of State Hillary Clinton admitted that the CFR tells globalists like her "what we should be doing and how we should think about the future." Former Vice President Dick Cheney, a Republican, boasted of his longtime association with the group, though he admitted that he never told his constituents in Wyoming. Joe Biden once joked on stage that CFR President Richard Haass was his boss. And US Navy Admiral Chester Ward, who spent 16 years as a CSR member before defecting, said the group and its members were dedicated to the destruction of American sovereignty and the creation of a one-world government.

---*The New American*, July 31, 2023

https://thenewamerican.com/print/blackrock-masters-of-the-universe/

Editorial comments, continued:

So, does Blackrock have any kind of a hold over insurance companies? Take a look at the following link and excerpts taken from BlackRock's website: (https://www.blackrock.com/institutions/en-us/our-clients/insurance-and-financial-institutions)

"Why insurance companies and financial institutions partner with BlackRock
Our deep understanding of the financial, accounting, and regulatory complexities facing insurance companies is supported by an experienced team of former industry executives, actuaries and seasoned investment professionals across all major asset classes.

Meet our insurance team
Since founding the Financial Institutions Group (FIG) in 1990, BlackRock's focus has been to enhance outcomes, returns, convenience, value, and transparency for our insurance partners and deliver holistic portfolio solutions. **Today, we manage US $403 billion in general account assets on behalf of insurers and have a dedicated team of insurance portfolio managers, relationships managers, actuaries, and strategies to deliver the breadth of BlackRock's global resources.**[1] We also leverage Aladdin®, BlackRock's proprietary technology platform and risk analytics, to support our insurance clients."

Continued Page 32

Charles Hatami

Global Head of the Financial & Strategic Investors Group

Charles Hatami, Senior Managing Director, is Global Head of the Financial & Strategic Investors Group (FSIG) and a member of **BlackRock's Global Executive Committee**. He also oversees the firm's Middle East business and serves on the Board of BlackRock Saudi Arabia.

Editorial comments, final:
Well, there you have it. We have every confidence that you will figure things out. We have every confidence that our NAAFA members will not only figure things out but will be brave and take a stand for what is right. Silence is deadly. Nothing is ever accomplished by being quiet. Do you want to see things get better, not only in the insurance world, but in our country as a whole? Then let the music begin! Write to NAAFA with your own opinions. We try to publish both sides, and we promise not to divulge the source.
Contact us at: Email: NAAFAwest@comcast.net or give us a call at 888-716-2232.

Conundrum: **Something that is Puzzling or Confusing**

Here are six Conundrums of socialism in the **United States** of **America**

1. America is capitalist and greedy - yet half of the population is subsidized.
2. Half of the population is subsidized - yet they think they are victims.
3. They think they are victims - yet their representatives run the government.
4. Their representatives run the government - yet the poor keep getting poorer.
5. The poor keep getting poorer - yet they have things that people in other countries only dream about.
6. They have things that people in other countries only dream about - yet they want America to be more like those other countries.

Think about it! And that, my friends, pretty much sums up the USA in the 21st Century. Makes you wonder who is doing the math.

By Lee P Weber www.postguam.com

NAAFA Mission Statement

The Association shall strive to provide professional fellowship by dedicating its activities to furthering the highest degree of ethical service to the insuring public. The association will support the strictest adherence to the integrity of its members as professional insurance agents. We will promote professional conduct and protect the legislative interests of our members through awareness and understanding of the issues facing the independent contractor insurance agents in the American society.

"IT DOES NOT TAKE A MAJORITY TO PREVAIL, BUT RATHER AN IRATE, TIRELESS MINORITY, KEEN ON SETTING BRUSHFIRES OF FREEDOM IN THE MINDS OF MEN" by SAMUEL ADAMS

"I BELIEVE WITH ALL MY HEART THAT STANDING UP FOR AMERICA MEANS STANDING UP FOR THE GOD WHO HAS SO BLESSED OUR LAND." by RONALD REAGAN

"I LIKE TO SEE A MAN PROUD OF THE PLACE IN WHICH HE LIVES. I LIKE TO SEE A MAN LIVE SO THAT HIS PLACE WILL BE PROUD OF HIM." by ABRAHAM LINCOLN

"THE PEOPLE....ARE THE ONLY RELIANCE FOR THE PRESERVATION OF OUR LIBERTY." by THOMAS JEFFERSON

Breaking Up is NOT Hard to do:

Your Path to Independence.

ASNOA

Embarking on the journey to independence is a significant step for any captive agent. Breaking free from the constraints of a captive position and transitioning to an independent agent is a pivotal moment in your career. How do you gracefully navigate this transition, especially when it comes to resigning from your current position?

The first step to becoming independent is to resign from your captive position. After you make the decision to jump from captive to independent agent, how do you politely tell the company you've been with that you want to leave? In this blog, we'll break down the three major steps (and the order in which to take them) to successfully and politely terminating your employment.

Step 1: Check your Contract and See the Writing on the Walls

When your captive carrier continuously changes for the worse, it is time to leave. Sure, rates go up and down, however, when they:

- Cut commissions
- Limit appetite and
- Change bonus structures
- You lose retention

Unfortunately, there's no cookie-cutter way to resign. We can tell you that whether or not you decide to notify your District Manager prior to your date of resignation depends not only on your contract specifics (e.g. Farmers has a strict 90-day notice vs American Family who does not have a prior notice requirement), but on your relationship with your District Manager. When in doubt, consult your contract, and take note of the specifics.

Another key aspect of resigning is knowing your contract value. If you are considering selling your book to another agent, the length of your non-compete can extend. It might be better to get your contract value (and abide by your current non-compete).

Step 2: The Resignation Letter

Before you give your two weeks' notice, it's time to write your resignation letter. Though it may be tempting to unleash whatever feelings you've acquired over the years (good or bad), your resignation letter must be polite and professional. Try to avoid embellishing as much as possible, your employer will know whether you enjoyed the work environment.

Insurancejobs.com says that the best resignation letters are "short, simple, and positive". You will want to mention how thankful you are for the opportunity to work for the company and for the experience the position gave you. Other important information to include in your resignation letter:

- Your last day of employment (good practice is to provide at least two weeks' notice to your supervisor, however, consult with your contract for specific timeframes).
- A very brief, one sentence overview of your next steps.
    - Example: I am leaving to pursue a different path of professional growth.

    The format of your letter should include a formal address of your superior (whomever you report to or work under) and the date you are writing the letter. Here's a quick template to give you an idea:

Today's Date

Manager's Name
Manager's Title
Name of Insurance Agency
Address

Dear [Insert Supervisor's Name]:

Please accept this letter of resignation from [Your Position Title], effective [Insert Timeframe] from today. My last day at [Name of Insurance Agency] will be [date].
Thank you for the opportunity to work for [Insert name of Company] and for the valuable experience I gained from you over the years. I am leaving to pursue a different career path.
Again, it has been a pleasure working for you as a part of [Insert name of Company].

Best regards,

Your signature
Your typed name

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Step 3: The "Talk"

Set up a five to ten minute meeting with your manager. Remember: the purpose of this meeting is to inform your employer of your resignation, not for progress reports or idle chit-chat. Take a deep breath, and calmly and resolutely announce your decision to make a career move. Keep in mind that the intention behind having this meeting is also to make the transition process positive. Setting aside emotions, especially feelings of guilt or remorse is crucial during this step.

Here are the different responses for which you should prepare yourself according to insurancestaffing.net:

- "Clear your desk and leave!"
- "How can you do this to the clients?"
- "What can we do to keep you?"
- And finally, and most ideally, "I accept your resignation and want to work out a smooth transition."

Although it may be difficult, you should give your supervisor a chance to explain why they want you to stay. This way the discussion is more likely to be reasonable and respectful, and you're also likely to hear why you are considered valuable. Don't be afraid to reiterate that your decision is final if your District Manager starts to carry on. If you don't know how to respond and your boss is giving you a hard time, thebalancecareers.com offers this: "I appreciate and understand your concerns about my departure, but my decision is final and my last day will be [date]. Please let me know what I can do between now and then to make this transition easier."

Once you have this end date set, you can start creating your agency's entity and taking action to build your brand. Next in the series, we'll talk about 'Forming an Entity: what does it mean and how do I do it?' in which we'll walk you through the formation of your own independent agency.

At ASNOA, we prioritize seamless onboarding experiences to ensure that every new member of our team feels supported and empowered from day one. Our comprehensive onboarding process is designed to familiarize new employees with our company culture, values, and operations, setting them up for success in their roles. Through mentorship, training programs, and ongoing support, we strive to cultivate a welcoming environment where every individual can thrive and contribute to our collective success. Join us as we continue to build a dynamic and inclusive workplace where talent is nurtured and opportunities for growth abound.

~ Jen Larson, ASNOA Communications Specialist www.asnoa.com

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THINGS AREN'T ALWAYS AS THEY APPEAR

A former Sergeant in the Marine Corps took a new job as a high school teacher.

Just before the school year started, he injured his back. He was required to wear a plaster cast around the upper part of his body. Fortunately, the cast fit under his shirt and wasn't noticeable.

On the first day of class, he found himself assigned to the toughest students in the school. The smart punks, having already heard the new teacher was a former Marine, were leery of him and he knew they would be testing his discipline in the classroom.

Walking confidently into the rowdy classroom, the new teacher opened the window wide and sat down at his desk. When a strong breeze made his tie flap, he picked up a stapler and stapled the tie to his chest.

DEAD SILENCE.....

The rest of the year went very smoothly.

The Way Forward:

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- **Cost-effective launch:** Begin your venture with minimal startup costs.

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