

# The NAAFA Report

Fall-Winter 2022



"Spotting the DARK EMPATH in our Midst"



*You won't want to miss  
these articles.....*

"The Great Deception"

"Getting Fired isn't Always  
a Disgrace"

"Agents Then & Now"

"Many Corporations are Evil,  
but You Don't Have to Be"

"Don't write Me Off Cause  
I'm Old"

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NAAFA exists for the benefit of our members. We share knowledge, encourage, listen, promote communication all of which helps 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've committed. For this we're proud but humbled by our calling to be agents with dignity.

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# GREETINGS FROM YOUR NAAFA PRESIDENT

As you will soon see, our theme for this issue is helping you to “Spot the Dark Empath in our Midst. On Page 4-5 you will find out just what a ‘dark empath’ is. Our research seems to point out that a dark empath is an individual, but it leaves us asking the question of whether it might also refer to the characteristics of a corporation as well.

You are going to see in this issue several examples of dark empathic attacks on agents, agents who have actually described such examples as they happened to them. It is hard for us to believe the degree to which this unfair treatment has occurred, but it has. As a result, we are seeing agents leave at a faster rate than we’ve ever seen before here at the NAAFA office. But after you read the Page 4-5 article, I believe you will come to realize that this is exactly what the company wants. It is advantageous for them to end the careers of any agent under the 1993 contract, especially if the agent doesn’t qualify for lifetime benefits. And if the agent does qualify, it’s advantageous for the company to see that renewal commissions drop so that lifetime benefits are also lower. Reductions in renewal commissions come 1/1/2023 are doing just that.

We do not recommend that you continue in a stressful environment. It’s not healthy for you or your family. There are other opportunities for you to make a decent living. We suggest you do some research. Think over carefully what you want to do with your life. And by all means, realize we aren’t saying ‘do nothing.’ Remain active and vital. Insurance is a wonderful field, one where you can help people and still make money. You don’t have to betray your conscience as you’ve perhaps had to do in your present career. Please remember, you can call our office anytime to discuss your options and always know that what you say will be kept strictly confidential. We represent our members, not any other entity.

May you find it possible to have a wonderful Christmas, remembering the *reason for this holiday*, and may you find quality time with your family and friends. Thank you from the bottom of our hearts for supporting NAAFA. **MERRY CHRISTMAS.**



Your **NAAFA** President

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Our advertisers are extremely important to us. We encourage our readers to look to these people for direction and answers when the captive road gets bumpy. Many former AmFam agents have taken the independent route and have found great satisfaction and success. Check them out today!





# SPOTTING THE DARK EMPATH

## IN OUR MIDST

*Joint Board/Staff Contribution*

A few weeks ago, one of our members forwarded NAAFA an article he found in *Inc.com* entitled,

***Beware 'dark empathys.'***

The article grabbed our attention because of the heading----

***New Research:***

***Beware 'Dark Empaths,' the Toxic Personality Type That Hides in Plain Sight.***

*Understanding this toxic personality type can help you defend against it, in your business and elsewhere.*

<https://www.inc.com/jessica-stillman/psychology-psychopaths-dark-empaths-study.html>

Needless to say, we were curious about what a “Dark Empath” was. Our research turned up some rather frightening information. First of all, *empaths* are individuals who are so attuned to other people’s emotions that they can actually experience the other person’s feelings. *Dark empathys* can use this cognitive empathy to gain what they want at the other person’s expense. Now, after learning the definition of a “Dark Empath” we just had to ask the question,

### **“Can a corporation/company take on the characteristics of a Dark Empath?”**

The following bullet points might help you identify what a Dark Empath is.

<https://www.mazzastick.com/signs-dark-empath/>

- Dark Empaths are people who probably understand the emotions or feelings of a person but couldn't care less. (*It is hard for upper management to miss the fact that agents are upset with how the company is mistreating them because the agents, many of them, have been brave enough to express their thoughts on the harm caused by the company.*)
- Understanding another’s emotions enables the Dark Empath to take advantage of that person because he couldn't care less. (*The company (the dark empath) can harm and mistreat agents like they do because they just don't care how agents feel.*)
- Dark Empaths are very self-centered, so about you they couldn't care less. (*The company feels it's all about them, so what agents need/feel is not important.*)
- Dark Empaths are skilled and selfish, and they use these “gifts” to manipulate and control you. (*The dark empathic company is giving a slight commission increase in an effort to manipulate agents into selling more....which (agents know) mostly benefits the company.*)
- Dark Empaths are clever at *pretending* to care about you but are extremely dangerous because they enjoy seeing your discomfort. (*The company always precedes bad news by telling agents how important they are. And dark empathys (company) enjoy seeing how it hurts the agents.*)
- Dark Empaths are so full of pride that they have a huge sense of entitlement. (*Think CEO's huge bonuses and refusal to take a pay cut like agents have often had to do.*)

- Dark Empaths can be complimentary and charming to your face but do all they can to harm you indirectly. (Think commission cuts, think bypassing agents whenever possible, think app quotas intended to allow the termination of agents, think the watering down of recent agent contracts, etc., etc., etc.)
- Dark Empaths will place blame on you for all their problems. (Company blames losses on agents. It's agents' fault, so agents are the first to receive commission cuts and character belittling.)
- Dark Empaths lack empathy so when you're hurt, they couldn't care less. (Don't feel sorry for you when your renewals drop, when you can't meet app quotas, when you're being terminated, etc.)
- Dark Empaths have a sense of superiority over you, (Company thinks they know what is best for you because they are superior to you. Sad, Dark Empaths, but that's exactly how we see it.)

Alas, we once again ask the question, “**Has this company taken on the characteristics of a dark empath?**” Should we be concerned? Will we be harmed if we're not aware? The answer is **yes**, it is extremely important that we are able to spot these Dark Empathic behaviors.

Each of us needs to be responsible for ourselves and our family. If we *are* under the stressful blows of a Dark Empath, then our ability to be creative and productive in making a living is diminishing. We need the ability to identify the Dark Empathic characteristics of a company (or any other individual) in order to protect our own emotions, so important to success. When a company doesn't express joy at our accomplishments, it may be time to run. For about the last ten years this company has made its agents feel less and less valuable, a definite Dark Empath characteristic.



Psychologists will tell you that if you don't feel free to express your thoughts, concerns, or ideas, you are subjecting yourself to an environment that can have a lasting effect on your own ability to be productive. The interesting thing is many agents have already figured this out. And yes, they're getting ready to run! Does the company care? No! Another indication of the Dark Empaths that they are. 🦋

## BE AWARE, BEWARE!



# LET'S TALK **COURI** FOR A WHILE, SHALL WE?

## Interview with several Couri agents

*A bit of background first: Jerry and Judie Couri started the Couri Insurance Agency in 1970 in Waukesha, Wisconsin. They now have access to more than 100 companies and offer more than 12 different insurance products and services. Today Couri is licensed in 31 states. Couri calls themselves a 'unique partner' rather than a cluster, franchise, or sole owner of agencies. You can get more information by visiting their website at [www.couriagents.com](http://www.couriagents.com) or by calling Steve Albinger, Chief Operating Officer/Owner, at 414-916-9321.*

In preparing this article, we interviewed several different Couri agents. All of these agents have been with Couri for many years, so they've had a chance to really observe the inner workings of the Couri agency. Right up front, we wish to tell you these agents are mighty happy with the Couri operation.

When asked what first attracted each of them to Couri, we got a variety of answers. One agent said he knew several other AmFam agents who had gone with Couri, and these agents professed to be very happy. So, he checked the Couri agency owners out himself. He said that what he found out was that when Couri told you they'd do something, they did what they said. He felt he could really trust them.

Another agent said that he didn't choose Couri, that his dad did. He said Couri made the agency transition from father to son extremely easy, unlike what it's like to try to pass your agency on to your children in the captive world. This agent said he never felt that his dad had made the wrong decision. In fact, this agent said he 'loves working for Couri.'

All the agents interviewed stressed how important it is to have access to many different insurance companies. If a client complains about rates being too high or coverage not being just what he needs, there is always another company he can be transferred to. He said he just couldn't do that with AmFam and because of this, he would sometimes lose the client.

The other thing that's great about being independent, the agent said, is that you can choose what markets you want to work in. With the number of companies Couri is licensed with, it's easy to find a competitive market. In the rare instance when the Couri agent can't find a company that's competitive with the market type the agent wants, Couri will immediately work to bring in companies to fill this void.

Another agent pointed out that he appreciated not having to deal with a bad district manager. In the independent world, the power is in the agent, not the company.

Several of the agents interviewed had over 10 employees. It doesn't take long to realize that rates must be consistently competitive to be able to keep that many employees on the books. Persistency is much higher, they claim, in the independent world than in the captive world, and it's probably due to always having competitive rates. Of course, service is extremely important, too, or customers will leave you, one agent said.

When asked if they made as much money in the independent world as they did in the captive world, several agents just laughed. One agent said he'd been independent just about as long as he'd been captive, but his gross was 3 to 4 times higher now as an independent than it was as a captive. Expenses are an issue, but

several of the agents confessed to their net income being about 3 times higher now as independents.

One of the questions we asked was "Has Couri always fulfilled your needs as far as training, advice, etc.?" All agents agreed that training was super at Couri. Especially since today there are good videos where you can self-train.

When asked what advice these agents would give any agent thinking of leaving AmFam and going independent, one answered, "It's a marathon...not a sprint." He said he didn't want to mislead prospective agents into thinking the conversion was real easy. He said that first year is difficult, but he said the rewards are enormous after that.

Another agent said that if you are going independent at an older age, you need to try to consider *why* you should go independent. Is it because you feel you'd want to pass your agency on to your kids? Is it because you might want to sell your agency and essentially get paid twice for your agency...once when you leave AmFam and again when you sell your Couri agency. Or maybe you simply like selling insurance and want to keep your mind active. There are many reasons that can make it worth it for you to keep working in your agency. When you enjoy what you're doing, it really doesn't feel like work! All agreed they certainly enjoyed working with Couri over anything else they could do. ☺



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# YOU ASKED, SO I'M GOING TO TELL YOU

(Why Couri?)

My interest in Couri was initially piqued back in 2006 when one of the largest and most respected AmFam agents, to the surprise of everyone, left AmFam and signed up with Couri. At the time, his AmFam agency was the 9<sup>th</sup> largest agency within the company. It was initially quite a shock because my father's Am Fam agency, where I'd been working since 2004, ended up having to service his clients for the better part of a year until they brought in a new agent. We were already a huge agency, so those were some very stressful months. At the same time, you couldn't help but wonder what great benefits Couri could offer someone, already sitting at the very top of the mountain, to make the switch at that point in his career and start over, re-building his book of business. It sounded insane, but there had to be some excellent reasons. His decision couldn't be ignored and at that very moment I knew that if things ever went south, that was the move I'd eventually make if I stayed in the insurance business. Ten years later, after my dad retired, I reached out to the agent mentioned above to once again confirm he'd made the right decision. He gave me the contact info for Steve Albinger and the rest was history.

*Being independent means exactly that. You are truly independent. We already know how to do our jobs well and Couri understands that. There is no micro-managing whatsoever and we aren't forced to sell life products we'd never want to own ourselves. Don't even get me started on my own personal AmFam Whole Life policies, some of which haven't paid dividends...ever. On the independent side of this business, we aren't forcing a need upon clients to hit a production goal. An excellent insurance policy or a certain coverage should sell itself if we do our job of explaining it. As an independent agent, we can walk away from business we feel uncomfortable about without the added pressure of taking a chance to hit a goal. That has been one of the most beneficial aspects of my excellent long term loss ratio, because no one is forcing me to get business on the books. I can hand pick it.*

We **work with excellent companies** who appreciate our clients as much as we do. These companies don't have \$100,000,000 advertising budgets; they take care of clients when it matters most...*after a claim is filed*. That's how they separate themselves from other companies. In those monumental moments, no one cares which NFL quarterback is in your commercials if their adjusters aren't communicating.

The **relationships I have with my underwriters are amazing**. It is hard to put into words how wonderful they are to work with. If we do our part as first line underwriters, they are invaluable partners who have a vested interest in seeing us succeed.

**Claims service is second to none**. Night and day different from my experience in the captive world in a positive way. Fast, prompt, and efficient service. The way it should be. Claims logs are available, so every correspondence and every note is recorded for agents to see. You don't allow that type of access unless you are 110% confident in your process and claims departments.

**The bonus structure on the independent side is outstanding**. These companies want to see you grow and they motivate you to do so in those early building stage years. After only a handful of years, my bonuses were reaching levels which took decades for my Dad's Am Fam agency to reach. The bonus structures that Steve Albinger and the Couri organization have negotiated are outstanding and are higher than your typical independent agency. Actually, they're reported to be much higher than AmFam's bonuses. Although you do incur more expense for software/equipment, it is more than made up for through your ability to earn bonuses. You also have a much wider web of options to write coverage, so you don't leave business on the table if your underwriter on the captive side isn't on board with a certain risk.

Think about it this way. When you shop for a certain product, you naturally research many different brands. You can read reviews and do your homework so easily these days that it has become common practice. Why on earth would you want to sell a single brand of product? Furthermore, if the company makes a decision you disagree with, you are still forced to push/sell their single product. As a shopper, you consider multiple brands, and as salespeople, why wouldn't you want to offer multiple brands?

Couri has a wide-ranging staff for training and advice. The answer is a phone call, email, or text message away. Like any great organization, Couri has in-house experts, and everyone has been a pleasure to work with. In times of need, Couri staff members have been invaluable partners as my business has grown. They leave no stone unturned. Steve Albinger and Jerry Couri are some of the most well-connected people in this industry, and I am proud to be a part of such a sought-after and recognized team. 🦋

~by one very happy independent agent



"The bad news is, time flies. The good news is, you're the pilot."

~Michael Altshuler

## IF IT'S NO BIG DEAL, THEN WHY BRING IT TO OUR ATTENTION??

*"Yesterday, S&P downgraded our current "A" rating to an "A-" rating with a negative outlook based on our year-to-date results and their prospective views of our capital."*

All active AmFam agents will recognize this quote. OK, so it's no big deal. We get that. You really don't want us, the agents, to worry about it. But you also want us, (the agents) to pacify our clients with the excuses you passed on to us in your August 26, 2022, message:

**To: All Agency Owners.**

(Here we go again, with another lie....we **don't own anything** except maybe our office furniture!)

The article goes on to try to explain AmFam's attitude toward this action by saying the following:

*"We do not anticipate this rating action will have material impacts to our business operations. Our internal views of capital will continue to drive our decision making, but we are also mindful of rating agency views of our business, and the potential impact on the perception of our various stakeholders. We have taken action to preserve strategic and financial flexibility, and we continue to accelerate action toward executing our strategy and achieving our strategic goals."*

At least the company recognizes that their 'various stakeholders' might have a negative perception of American Family after learning about this rating drop. And we agree. None of the rating companies would lower their rating if they didn't think something serious could happen. Are they concerned about AmFam's debt? Are they concerned about changes in management skill. Are they concerned about AmFam's ability to pay their claims?

The article assures us that they are taking certain steps to raise their capital position and guess what, agents, **it will definitely affect us!** Here is what AmFam says:

*"We have taken and will continue to take action in **underwriting, pricing, expense management, reinsurance, investments and other areas to accelerate our path toward our strategic goals,** which will bolster our capital position and deliver value to our customers now and in the future."*

So, you see, even though we are to get a tiny commission increase come 1/1/2023, we are also going to get a huge renewal cut. It's always the same story. The easiest place to recoup losses is to take it away from the agency force. They are first to bring it in, and they are first to have it taken away from them. To our knowledge, there's been no talk about cutting CEO/Upper Management salaries and bonuses. How about lowering the minimum wage from the current \$23 an hour to something more realistic to our times....maybe \$20?? Every AmFam worker should be willing to make a sacrifice....don't just make the agents do it.

Where does the blame lie for this? Who in this company is making the decisions that can affect the ratings and ultimately the whole company? Oh, we suppose you could blame it on climate change. Or cultural disparity. Does corruption play a part in it? What about apathy of company workers? There's supposed to be a big drug problem in the United States. Is it a problem at American Family? Has the company dealt with this issue among its workers?

JUST AN ASIDE: *The United States' "new" S&P rating dropped from AAA+ to AA+, still strong, but not the highest. The downgrade puts the US debt rating on a par with that of Belgium, but **below** countries like the United Kingdom and Australia. Why did this happen now? S&P gave two primary reasons for downgrading US debt: The nation's fiscal path and its broken political system. But **did you know that Moody's first assigned the US a AAA rating in 1917. S&P, the first to drop the US rating, dropped the US rating in 2011 to AA+.** This was the first time the US federal government was ever given a rating below AAA. Look at the US debt now! \$31.14 Trillion. Debt has a big affect on the health of any group or organization no matter whether it's the United States, American Family or any large corporation, any small business, or family. Yes, especially the family! Our suspicion is that most agents manage the financial responsibilities of their agencies in a much healthier way than AmFam handles theirs.*

Editorial Review 



# The NAAFA Report.....



## 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.



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Before Smart Choice was established, for smaller independent agents being “independent” also meant being hopelessly isolated. Getting appointments with the top-tier carriers was nearly impossible, which meant you didn’t have access to the more lucrative insurance buyers. You couldn’t find options for the best coverage for your clients across multiple carriers, which made you non-competitive. That’s why we created Smart Choice – to give agents the freedom to succeed.

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## WHAT'S THE MORAL OF THIS STORY?



It's not like they haven't (allegedly) broken financial laws and taken commissions/sums of moneys from customers and agents in the past ..... and gotten by with it. They have and you know it. But I bet you haven't mentioned it.


I remember even in the early years when AmFam would pay us a commission based upon a percentage of the auto, homeowner annual premium and didn't expect agents to do the math. Often there would be a partial penny that had to be dealt with on almost every transaction which the company always rounded to their favor.

For example, if a change of vehicle generated a return of premium to the customer, and mathematically there was to be returned credit to the insured (say) five dollars and 42 and  $\frac{3}{4}$  cents. The company would round down and return \$5.42 to the insured and retain the  $\frac{3}{4}$  cent for themselves. (corporate)

However, when the transaction resulted in a charge that the insured would need to pay five dollars and 42 and  $\frac{3}{4}$  cents, corporate would (allegedly) charge/bill the insured \$5.43. Thus, in billions of transactions over the years, they (allegedly) skimmed huge amounts of money off the insureds. We saw this in commissions as well as just transactions.

A retired agent (I'll withhold his name, but I know him well) originally pointed this out to me years ago. We realized that they didn't expect us to do the math, but we did. My friend is pretty sharp, but it really didn't take a mathematician to figure this out. My friend says he still has copies of old account statements even going back to the 1980s where he was able to prove it happened on every transaction. We noticed it and suspected it, but never really believed that our leadership was probably consciously committing fraud and hoping no one was paying attention.

As it has always been, he who points these things out gets retaliated against. (I certainly can attest to that!) Very few have been screwed over who had documented proof as much as I have. Every time I pointed some irregularities or obvious preferences like files always going to the corrupt agents, I was the one who suffered for mentioning it.

Well, I'm proud that I can stand tall knowing that I haven't cheated. But just look at what is happening in the corporate world today. And most of the time they make no attempt to hide it. As agents, we need to remain truthful not only to protect our relationship with our clients, but to be able to sleep at night. I dare say that if the agents turned equally as fraudulent as corporate America, most customers would turn and run. 

~NAAFA Member Contribution

## Many Corporations are Evil, but You Don't Have to Be

Recently, AJ Dellinger, in his MIC.com website, wrote, "Corporations are Gleefully Evil Now. Here's How I'd Fix It." His solution: a corporate death penalty.

<https://www.mic.com/impact/facebook-exxon-goldman-sachs-evil-how-id-fix-it>

AJ recognized, as we have, that corporations are behaving badly. He goes on to point out all the evils like pursuing profits, ignoring social responsibility, stomping out organized labor movements, and then, being brave (yes, they feel justified) enough to dump huge amounts of money into the pockets of the top executives but neglecting to pay appropriate wages to its workers.

AJ says it's time to do something about it and we agree. What punishment would fit the crime? He says it's time for a corporate death penalty. But how are we to determine who deserves the punishment? Who gets the guillotine? AJ asks.

From our point of view, it's not just the insurance companies. It's social media companies, it's banks, it's pharmaceuticals, it's health organizations, it's schools and universities, it's the coal industry, the tobacco industry, it's car manufacturers, the government agencies, you name it, you can spot the evil everywhere. Need we give you examples of what these 'wonderful' companies have done?

AJ seems to feel he can spot the worst of the worst and he gives suggestions on how to punish them. But we're

suggesting the problem might be solved from within, that is, by the workers themselves. Perhaps it is time to unionize so when union members stand up and expose the executives, the unions would protect the members and support them.

Exposure is often the trigger to behavior clean-up. A movement to refuse to carry out orders that are unethical might jolt management's thinking a bit. And all workers should learn to take a risk....they need to speak up when they see unethical and unfair behavior.

Or perhaps it's time to look at even other alternatives. Instead of corporate America, go out on your own. Become a consultant, buy a franchise, start your own company, work for a startup company, work from home or check out the list of companies with the happiest employees at [www.flexjobs.com](http://www.flexjobs.com). You might even want to become a truly independent agent! You do have a choice if you want to escape from evil corporate America.

*Now we realize AJ appears to be liberal leaning and we've been accused of being conservative leaning, but that's ok. There is some good on either side. If we're smart, we'll pick the best from both sides and work together to make this a better Corporate America.* 



~Submitted by NAAFA members who care

# THE GREAT DECEPTION

(No, we're not stupid! Here's why we lose money when the company raises commissions.)

Recently, American Family announced to agents that there was a commission change coming effective 1/1/2023. Of course, when the company finds themselves about to negatively treat the agents, they always preface such actions with what they assume are words of praise and encouragement. (You know, pat you on the back with one hand and pick your pocket with the other!) What we have learned is that when AmFam says "We remain committed to you and invest in your growth" we automatically know something bad is about to happen. Most actions by the company profit the company, not the agents. We learned that many years ago, right??!! Remember the commission cuts of 2013-2014?? How many of us got ahead then??

We do believe them when they say, "**Agency compensation continues to be our biggest investment in agencies.**" **Commissions and renewals are the life blood of agents. Termination Benefits are based on renewals. The company would like nothing better than to get rid of the responsibility of paying Termination Benefits.** That's why contracts that came out after the 1993 contract continue to provide less Termination Benefits. In fact, it appears the newest contract which is now being signed by newbies (who are being hired to take over the large books of retiring agents) has no Termination Benefits at all.

So, you can very easily see why the recent announcement of a commission change is important to AmFam. They will come out ahead and agents will lose. That's a fact!

Let's look at what the company presented:

	AUTO	PROPERTY	SPECIALTY	COMMERCIAL
NEW	Increase	Increase	Vehicles: Increase 9% to 16%	No Changes
BUSINESS	9% to 16%	15% to 20%	Boat: Increase 15% to 16%	
COMMISSIONS			Umbrella: Increase 15% to 27%	
RENEWAL	Decrease	No Change	Vehicles: Decrease 9% to 8%	No Changes
COMMISSIONS	9% to 8%	10% Advance	Boat: Decrease 10% to 8%	
	(Includes additional cars on existing business after first year)	13% Classic	Umbrella: Decrease 10% to 9%	
GROWTH BONUS	<b>Isolated</b> Personal Lines Growth Bonus  Shifts from Monthly to <b>Quarterly</b>  Targets <b>based on agency size</b> in Personal Lines  Includes a new <b>Annual</b> component, with stretch target			Enhanced commission <b>contingent on agency's CFR profitability</b>  <b>Quarterly volume-based</b> tiers, not tied to agency size

At first glance, it looks like we're really going to get an income increase, doesn't it? Auto going from 9% to 16%, and Property going from 15% to 20%. Looks good. And even when you look down to the Renewal Commissions, the decrease is only going down 1% on Auto and staying the same on Property. Yes, we noticed the decrease on Specialty items, but they don't make up a very large portion of our income. This is looking good, isn't it?

Wait! Wait a minute! Does the company really think we are stupid? Well, we're not. Just to reiterate; a reduction of 1% in renewal commission is actually a 10% reduction in my commissions. [\$100 premium @ 10% commission gives me \$10. \$100 premium @ 9% commission gives me \$9. \$9 is a 10% reduction in commissions. Going from 9% to 8% is going to be a 11.11% reduction! Now digest that!!]

Agents need to look at what percent of their renewal income comes from auto. Then reduce that by 11.11%. That's how much you will lose on this "great deal." And then, don't forget how much you are losing on boats, umbrellas, and specialty vehicles.

One also must take into consideration how much you will lose by not being able to sell AmFam products because often the company rates are so high it's *impossible* to bring in new business. Competitive rates are so important, and this company just doesn't seem to have them.

For each \$100 auto premium I write I now get \$9 or 9%. Under the increase on 1/1/23, I will get \$16 or 16%. Yes, that is a 77.77% [\$9 from \$16 equals \$7 and that amount divided by \$9 = 77.77%] increase, but do you write enough new auto apps a month to compensate for what you are going to lose on your present book of decreased auto business renewals? Hardly. It will NOT make up for your loss in renewal premiums.

Many agents are contacting NAAFA explaining that with this commission change, they feel they have no choice but to retire. Seeing their renewals go down really hurts their Termination Benefit amount. Of course, that's the goal of AmFam. Getting rid of the agents who are 'costing' them so much money is really the reason for this commission change. Of course, the app quotas being once again forced on agents will also lower the company's expenses because agents just can't meet the quotas and will be terminated if they don't resign first. It's a sad situation when you realize how this company is really treating the agents, the people who have kept this company afloat. No, we're not stupid!

By NAAFA Member



### WHAT CAN "SILENCE" DO TO A SOCIETY?



- **Allows what's bad to continue.**
- **Silence becomes a bad habit.**
- **Silence shows those in authority that you're content and in agreement with their ways.**
- **Silence means staying at the level you are. (No progress)**
- **Silence means never taking a chance.**
- **Silence comes just before death.**
- **The opposite of silence is noise:**
  - a. **Bad or confusing noise**
  - b. **Clear, organized voices**
  - c. **Bad only prevails when it's allowed to. Find the heroes and get behind them. Offer your support.**

**REALIZE THAT OFTEN THE ONE MAKING THE LEAST NOISE IS EASIEST TO FIRE BECAUSE MANAGEMENT KNOWS YOU'LL GO AWAY QUIETLY WITH YOUR TAIL BETWEEN YOUR LEGS.**

**If you see me talking to myself, just move along.  
I'm self-employed. We're having a meeting.**

# ASKING

## THE RIGHT QUESTIONS



By Steve Woodworth

I have had the fantastic opportunity to be in the insurance marketplace for almost 30 years. I started my career as an American Family agent, then agent trainer. For the past 20 years on the independent side, many of the most rewarding experiences have been from assisting other agents transitioning from captive to independent agency ownership or providing options for existing independent agents (IAs) looking for ways to increase agency revenue.

From a historical perspective, many of the traditional insurance aggregation models, which I will simply refer to in this article as “groups”, quickly grew 20+ years ago due to captive agents’ demand to simply gain access to carriers. At that time, groups had the “upper hand” to include many restrictive clauses in agreements that made it difficult for agents to separate from the group relationship if they felt the group no longer offered benefits that outweighed the fees to be a member.

I also realized how important it was to have the right tools, training, and support. Whether captive or independent, success often depends on the foundation and support you receive from your carrier(s) and group you affiliate with.

No agent can be an island in this business, which is why it is important to be diligent when assessing the groups, you may be considering. Will they provide you with first-class training, resources and/or assistance...or will they leave you in the lurch to figure it out for yourself? Unfortunately, this happens more than you would think! For agents, this is often demoralizing and frustrating, and leads to disenchantment with the carrier and the group. And if it persists for a prolonged period, it can force the agent to seek opportunities elsewhere or leave the industry all together. Unfortunately, this normally involves more financial risk.

If you are an agent who is looking at independent agency ownership opportunities, there is more to consider. Several important premises to know are:

- *No two groups are exactly alike.*
- *The only similarities between groups are that they aggregate premium for bonuses and that they provide carrier access,*
- *All groups do not split commissions and bonuses equally*

The following is a list of questions I have developed for agents to ask when interviewing independent agency groups regarding ownership opportunities. It’s smart to ask the group representative to put all responses in writing so there is less misunderstanding of what you were told. The questions are:

1. Are there any initial startup fees to join?
2. What is included in the startup fees, if applicable?
3. What tools, software, and support are provided by the group to get my agency operational?
4. Are there other tools or software not provided by the group that I will need to purchase?
5. Are there monthly base fees?
6. What ongoing benefits, services or programs are provided in return for monthly fees? (Think software, errors and omissions coverage, technical support, and more.)
7. Are there other monthly fees – such as commission splits – which I am obligated to pay?
8. Are there production requirements to remain in the group?
9. Are there carrier production requirements for access? (These requirements can sometimes be a moving target, but it is helpful to at least know what the current requirements are.)
10. Does the group share in contingency bonuses?
  - a. If so, how are they shared?
  - b. Are all bonuses/extra incentives shared with agents?
11. What are the criteria to earn bonuses? (*Think minimum earned premium, time in group, individual agency profitability, group profitability and other factors.*)
12. Am I able to obtain independent financing to purchase other agency books or implement marketing plans without the approval of the group? (*This can be especially important as you grow.*)
13. What additional tools and support are available to assist me in managing my agency to grow a large, profitable book of business?

14. Are there any clauses in the agreement that could force me to leave the group? If so, are there exit or penalty fees? What happens to the book of business?
15. If I decide to leave the group and want to take my book, are there exit fees?
  - a. If so, how much?
  - b. Are my codes, business, and data released or am I required to broker or record (BOR) my business?
  - c. Is there a contractual restriction preventing me from getting my own codes with carriers?
16. If there are no exit fees, is there a period that I cannot compete for the book I built while with the group?
17. Is there an amount of time I am obligated to stay in the group before I can exit?
18. Is there a specific time required after notice before I can exit the group?
19. When I am ready to sell my agency, what costs do I incur when selling to an agency that is affiliated with the group?
20. What if I sold my agency to an individual/agency outside of the group? What is the process and costs to do so?

There are a lot of questions to be answered, but getting the answers to these questions will help an agent evaluate and understand the group.

I also recommend that agents request a list of all agents affiliated with the group(s) you are evaluating. The “real proof in the pudding” is how the group is viewed by their existing agent associates. These agents will give frank and honest reviews and will add additional value when making your decision on group affiliations.

I wish you all the very best in your journey and encourage you to reach out if I could assist you!

*Steve Woodworth (“Woody” as he is known in the industry) is President of Agent Associations with CLI Select Agencies. He started his insurance career in 1992. For the past 20 years, he has assisted hundreds of other agents looking at independent insurance agency ownership options. He may be contacted at [woody@cliselect.com](mailto:woody@cliselect.com) or (623) 466-3942. ✍*



## HELPING YOU AVOID SCAMS

Fraud exists everywhere, it seems!

Sometimes we think the reason there’s such a shortage of workers is that the workers are all busy scamming people. Nearly every bank, credit union, insurance company, or business that handles private information has been hacked.

Recently, one of the financial institutions NAAFA does business with sent us a list of tips to help us keep our accounts safe. We thought we’d share a few of them with you.

- If you receive a one-time passcode you didn’t request, don’t give the code to anyone who contacts you for it.
- Don’t open or use a personal bank account to deposit or transfer funds for someone else.
- Never trust “get rich quick” or “easy money” schemes, especially if they are unsolicited.
- Use only links you know to be accurate to access a business online.
- Check out any phone, text, or email contacts to see if they are legitimate before sharing information such as your account number, security word, PIN, UserID, or password with them.
- Be skeptical of requests to download apps to fix issues or to allow access to your device.

But listen, there’s more: There are just so *many* scams today. Remember the gift card scam. The NAAFA office experienced a scammer using that tactic. Scammers pretend to be someone they’re not in order to convince you to buy them a gift card. Legitimate companies or government agencies would not make this request. Friends shouldn’t do this either!

Watch out for utility scams: There’s the Disconnection Deception, the Overpayment Trick, the Power Restoration Rip Off, the Smishing Scam, the Equipment or Repair Bogus Fee, all of which are described (just so you’ll be aware) at [www.utilitiesunited.org](http://www.utilitiesunited.org).

Fraudsters may ask you to deposit a check into your personal account and promise you can keep a portion of the money. These checks are often counterfeit and may be returned or sourced from illegal activity. You could lose money or even become unknowingly involved in a crime.

Lots of fraudsters are requesting donations. Never give donations to unverified charities. [www.FTC.Gov](http://www.FTC.Gov) provides guidance to help donate wisely and ensure your contributions reach their intended targets.

Lastly, never give out account information. People posing as employees of respectable organizations can sometimes fool people into giving them account information which allows them to access your account. They may email you, text you, or call you.

**Beware, be alert.** ✍

# AGENTS THEN AND NOW

Staff Submission

A page I ran across when I was cleaning out my office before getting a new computer made me stop and think about how the lives of the American Family agents have changed.

Here's my quote, probably written back in 2010-2012 or so:

*“Agents who sue or are sued are similar to the early pioneers who forged their way across seas and the unexplored territory, seeking freedom to live their lives, free from the strangling restraints of unfair rulers and governments. Both pioneers and these agents risked their lives and fortunes for a better life, not only for themselves but for posterity.”*

But, today I see an attitude of concession, of surrender, of despondency. These heroes have fought the battle but lost. Freedom to own and operate their businesses according to their own manner became a dream never truly achieved. Captive agents today have given up on selling insurance, on trying to be independent and self-employed. They have resigned themselves to being just agency managers. They are tired of the fight. What was once a fun game is now a dreaded endeavor. One they want to get away from as fast as they can.

Sad, isn't it? The young people taking over these seasoned agencies don't have a clue about what freedom is, or about the dream of actually owning a business. They don't have a clue about the watered down, one-sided contract they signed. If the agents of yesteryear were agency managers, these agents are simply yes-persons, minions, so to speak. They are clerks hired to run an office. Perhaps they are worse off than an employee because, after all, employees have benefits such as health insurance, 401(k)s, employment rules to protect them...things that independent contractors don't have. Do they even know what they don't have as they work for a captive company? Probably not, or they'd run like heck to get as far away as they can.

Saying goodbye to all the retiring agents we've seen leaving this company in the past 2 or 3 years is hard. Most say they want to get as far away from insurance as they can. That's sad, too. Today's retiring agents, from my perspective, have been experts in seeing that their customers were properly covered by the products they sold. They agonized when their customers suffered losses such as a fire, a car accident, or the loss of a family member. Their customers felt they had a true friend in their insurance agent because they could see how he (she) cared, how he related. For the most part, in the captive world anyway, that relationship will be replaced by a phone conversation with an anonymous being somewhere in a far distant place, a voice that really doesn't care.

But listen, we want to wish agents in *all* situations the very best. The young agent of today needs our encouragement because he's facing a whole different environment than what the seasoned agent of yesterday faced. The company is different, communication is different, the world is different. The best advice we can give both of you is to always take a stand for truth, for high ethics, for compassion and sincerity, no matter what the repercussion. Don't be persuaded to live on the edge by doing just a little bit that isn't quite ethical. It's just not worth it to sacrifice your own values to maintain your job and to satisfy a company that doesn't appear to value you in the least. ✨

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*“The hottest place in hell is reserved for those who remain neutral in times of great moral conflict.*

~~Martin Luther King Jr.

*The further a society drifts from the truth, the more it will hate those that speak it.*

~~George Orwell



# How An Agent Found Freedom

By a  
Former Captive Agent



I think it is fair to say that from a dedicated agent's perspective, there has been more turmoil and disruption in the past five years than ever before. Carriers are reevaluating their business models and their agents are facing an uncertain future. The journeys of so many agents have changed dramatically from early career plans, with many choosing to go independent and others left without a choice due to termination.

**You don't realize the importance of having choices until you have none.**

When dedicated agents start out, there is the early excitement of receiving a call from a prospective client – but then after a few years you realize that your carrier can't always offer what the client needs or offer coverage at a competitive price. If consumers are focused on only your carrier, things work out. If they comparison shop, it is a different story, of course.

**Many need to spread their wings but are afraid to leave the nest.**

So many agents started down the captive route because they wanted a work family that would support their business, answer their questions and help them grow up in the industry. Captive roles served that purpose for a while – but at some point, many agents outgrew their offerings.

One after another dedicated agents found the courage to leave their captive after speaking with other independent agents who had done the same. Like many scratch agents, the most challenging part of going independent involved securing carrier appointments – and we realized the process could be simplified by joining a network.

I was also surprised to learn that many independent agents considered their network to be their family. As it turns out, you don't have to be part of a captive company to feel totally supported in your journey.

Todd Henderson of Carriage Hill Insurance & Risk Management in Tennessee is one example. He has a tight relationship with his network. In a recent webinar, he explained that the one thing that really stands out about his network, Smart Choice, is the family atmosphere it provides his agency staff. He has lunch with his team regularly, and they even know each other's kids. "They are an extension of our agency and they go above and beyond with the support they provide," he says.

**You know what they say about hindsight.**

Many agents wish they knew then what they know now. So many of us thought we had to go captive to get the support we wanted. As it turns out, you can find it on the network side as well. I finally feel confident that I'm protecting clients with tailored solutions. Plus, I have access to surplus lines and a new work family that has my back and gives me resources to grow.

**Now that you know this story, I have an important question for you.**

Have you done your due diligence to look at other opportunities? You are going to need to do a fair amount of advance planning if you decide to go independent, so start exploring and information gathering now so you know what to do before you have to make a decision.

To learn more about making the journey from captive to independent, check out [www.smartchoiceagents.com](http://www.smartchoiceagents.com). 🐦

# NATIONAL SCOPE

# LOCAL SUPPORT



Data & Information



Opportunity/Distribution



Success



Evolving



Relationships/People



Digital/Technology



SIAA is dedicated to the creation, growth, retention, and **evolution** of the local independent agency. How does that translate for SIAA's member agencies? They...

- Have access to 5 ways to get paid
- Own their books of business
- Collectively write over \$11 billion in total premium
- Receive insights and favorable pricing on digital tools needed to evolve
- Are independent, but never alone



To learn how you could be the owner of your own independent agency, contact us today.

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# Thriving or Surviving:

## Who Does Better in a Hard Market – the Independent or Exclusive Agent?

By Doug Coombs, Chief Marketing Officer, SIAA

A hard insurance market presents many challenges for insurance agents, both exclusive and independent alike. Increased premiums, reduced underwriting capacity, limited coverage, non-renewals---the year ahead will no doubt have its challenges irrespective of how one chooses to sell insurance.



This article is not intended to provide a clear winner, but rather, intended to provide some food for thought.

What if the key difference between surviving and thriving in a hard market was simply a matter of adaptability? Of being able to pivot and respond to what the market brings?

Conventional wisdom indicates that premium increases can be a commissions boon, and for some lucky agents that may be the case. Recession fears and high inflation have led to increased belt-tightening, with insureds more likely to shop around than ever before.

That could leave exclusives feeling the squeeze. With their ability to access products from multiple carriers, independent agents have a greater likelihood of being able to provide options that meet clients' needs on both price and coverage.

Conversely, the marketing and outreach in support of an agency's brand is certainly well maintained in the exclusive agent arena, given the support of larger pools of advertising dollars through the parent company channels.

An area that has hit exclusive agents particularly hard recently has been commission volatility. Typically, an independent agent receives higher commission rates than an exclusive agent and seems to be better insulated against extreme highs and lows. When coupled with an exclusive agent's lack of ownership over renewal commissions, independent agents again seem to fare better in the short and long-term.

Of course, in this hard market, we are experiencing inflationary economics as well, and the costs for all facets of running the agency are borne by the independent agent. In contrast, the exclusive agent receives varying levels of assistance from carrier headquarters.

The independent agent benefits from being positioned as more of an objective insurance provider simply because of their lack of affiliation with a particular carrier. That is a competitive advantage over an exclusive agent, who can be perceived as pushing specific carrier policies to meet sales quotas.

*There is no right or wrong way to be an insurance agent---there is just the right or wrong way for you. As we head into 2023 and the challenges of a hard market, consider the advantages and disadvantages of being either independent or exclusive, then consider which option works better with your personal style and business goals. If you believe that, overall, adaptability and control over the business is a better way, then an independent agency may just be your solution to a hard market. ☺*



# WHO IS ASNOA?

## More Profit Less Hassle

**Indiana Insurance Agent Sells Book for 280% of Its Revenue. Our most recent in-network marketplace acquisition resulted in a 12-year agency cashing out with 280% sale of their annual revenue. The agency kept 100% of the proceeds and paid \$0 in exit fees.**

### How were they able to do this?

To keep their business highly desirable for buyers, this agency followed these four easy steps.

#### **STEP 1: The Agency built a diverse book of business free of traditional network added qualifiers.**

As an ASNOA agency, this Indiana agent was able to build a lucrative book and share in more bonus earnings within a short period of time. They qualified for premiere commission rates automatically as a member. Because we believe networks have no business adding additional qualifiers to profit sharing, (added loss ratio, retention, new business growth, aggregated ratio qualifiers, etc.), every bonus they earned, they received. Simple as that.

To diversify quickly and cheaply, this Indiana agent also utilized ASNOA's licensing and staff onboarding trainings whenever hiring a new employee. This allowed them to quickly expand and diversify their sales and customer service staff across multiple insurance lines within just a few short years.

#### **STEP 2: The Agency streamlined operations to ensure upmost cost efficiency**

The Indiana agency simplified and digitized their financials by utilizing ASNOA's free accounting and analytics support, including ASNOA's monthly commission statements broken down by producer and carrier. ASNOA also helped to track down missing commissions with carriers, and compiled network expenses into one statement.

#### **STEP 3: The Agency maintained sales management and client data in one fully supported management system**

Each time the agent required assistance, they did not have to rely on a 1-800 number. The ASNOA training department acted as a true extension of their agency staff, resulting in more time available to sell and service their valuable clientele. The Agency also had access to best practice workflows which allowed them to optimize their book value with a paperless environment and an E&O-proof documentation process.

The agency also quickly scaled operations by taking advantage of the latest Insure Tech and ASNOA marketing programs. ASNOA makes integrations easy between your data and third-party companies, creating a fast way to connect and innovate.

Lastly, because ASNOA fully supports the agency management system, potential buyers had peace of mind regarding data quality and control.

#### **STEP 4: The Agency conducted the sale through our competitive marketplace**

ASNOA assisted with the in-network sale and transition of ownership for no additional fees to make things easy for all parties involved.

**AND MORE: Want to read more about how we help with this process? Go to [www.asnoa.com/save](http://www.asnoa.com/save) and see step-by-step how this is done.**

#### **In Summary:**

- Acquire & roll new books easily
- Take advantage of accounting done for you
- Access instant sales and customer reporting
- Plug and play with the latest Insure Tech
- Utilize free staff training
- Save money with key discounts
- Enjoy no membership fees
- Leave at any time

#### **Who Is ASNOA:**

**The Agent Support Network of America (ASNOA) is a fully integrated service and support provider that helps independent insurance agents grow their business. We are an independent insurance network that provides more than just carrier access.**

**ASNOA works hard to ensure our agents have all the resources and support they need to build a lucrative and highly desirable book within a short amount of time. From the very first day you join to the day you sell or pass on the agency, your business will earn more, cost less, and get valued higher than your competitors.**

# ASNOA®

866-484-9849

## WHY LOYALTY AND LONGEVITY PAY OFF

So often agents tend to join NAAFA after they sever their American Family relationship. Although NAAFA appreciates every new member, we do tend to wonder about loyalty. New members really aren't loyal until they have shown longevity. Think about a life insurance sale. It's great to get app count by selling a life app and the commission is good, too. But what is your attitude if a couple months later that life policy cancels out. No longevity, no loyalty and how do you feel toward that client? Do you feel like really going to bat for that customer? Hardly.

NAAFA appreciates loyalty and longevity. In fact, we give a free (\$500) SECA Kit to anyone who has shown loyalty (paid their dues) and longevity (maintained membership for the past 3 years). For those of you who aren't retired yet, here's what that means. Our SECA Kit suggests how you can file taxes on your Termination Benefit/Life Extended Earning. Why is this important? Because about 99% of the accountants believe (as they rightly should) that when a 1099-NEC comes in the door, that client must pay the IRS self-employment (SECA) tax. This amounts to an additional 15.3% on top of the ordinary income tax (depending on your tax bracket which could be 25, 30, 35%). Realistically you could end up paying nearly 50% of your Term Benes back to Uncle Sam. The SECA Kit properly explains IRS Code 1402(k). So, SHOW LOYALTY...SHOW LONGEVITY. JOIN NAAFA NOW. It's truly worth it.

Cut along line



### NAAFA, INC. MEMBERSHIP APPLICATION 1-888-71-NAAFA

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 \_\_\_\_\_  
(Signature of Applicant)

\*Must fill in these blanks

<b>MEMBERSHIPS*:</b>	Annual Active AmFam Agent	\$264
(Circle one)	Semi-Annual Active Agent	142
	EFT (Monthly) Active Agent	22
	EFT (Monthly) Non-Active Agent	10
	Retired or Non-AmFam Agent Annual	120

<b>DONATIONS:</b>	NMEF Fund	\$ _____
	SECA Kit (\$500)	\$ _____

**PAYMENT OPTIONS:** CHECK: Make your check payable to: NAAFA, Inc.  
Mail to: PO Box 578  
Circle Pines, MN 55014  
EFT: AmFam Agents send check for \$22, ACP Agents send \$11 to above address.  
CREDIT CARD: Go to [www.NAAFA.com](http://www.NAAFA.com), click JOIN NAAFA tab & pay by PayPal.

\*Membership and donation records are kept strictly confidential. Due and donations are not deductible as a charitable contribution. Annual dues may, however, be deductible as a business expense. Questions: Call 888-716-2232.

# SHORT AND SWEET TWEETS

## INDEPENDENT VS CAPTIVE

The Big I says that the independent agency channel is today placing 62% of all property-casualty insurance written in the US, according to the Big "I" 2022 Market Share Report. <https://www.iamagazine.com/news/big-i-releases-2022-market-share-report> And guess what? The independent agencies are writing 88% of all commercial lines written premium.

Even with State Farm in the pool of captive insurance companies, (ie. Allstate, Farmers, American Family, Geico, they are still only producing about 38% of the U.S. property-casualty insurance.

The 10 largest P&C insurance companies in the US:

- State Farm 9%
- Berkshire Hathaway 7%
- Progressive 6%
- Liberty Mutual 5%
- Allstate 5%
- Travelers 4%
- Chubb 3%
- USAA 3%
- Farmers 3%
- Nationwide 2%

(Only 3 out of 10 are captive. Where's AmFam??)

<https://www.valuepenguin.com/largest-property-casualty-insurance-companies>

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Have you ever wondered how racial and ethnical equality were determined?

It seems companies and businesses feel they must increase their percentage of racial and ethnical workers to a much higher level in order to meet the guidelines set by various governmental and racial injustice organizations. Yes, it is very important that all groups be represented fairly in each organization. But the question that begs to be asked is, "How do you arrive at an equitable percentage?"

Some have suggested that the percentage goal should reflect the distribution of each ethnic group as they appear across the face of the general population. For instance, if the US Census Bureau <https://www.census.gov/quickfacts/fact/table/US/PST045221> says the US population is 59.3% white, then each corporation/business's workers should reflect 59.3% white workers, etc. The Census Bureau's 7/1/2021 report says Black or African Americans alone equal 13.6% of our population. American Indian and Alaska Natives alone, 1.3%; Asian alone, 6.1%; Hispanic or Latino is 18.9%; Native Hawaiian & other Pacific Islander alone .3%. Do U.S. businesses meet these numbers? Just what is racial and ethnical equality? Do you mean being equal to the percentages they represent in the general population, or do you mean one race being equal to another in percentage of the group? You might want to give it some thought!

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**Do quotas encourage cheating? Do goals discourage workers? Think about it!!**

**What's the reason people cheat?**

- Some individuals feel that if they probably won't get caught, why not cheat?
- If the individual fears losing income or a job, the incentive is there to cheat. After all, the individual may have rent to pay or a family to feed.
- *"People figure out the metric and do whatever it takes to meet it." ~Maurice Schweitzer*
- Many individuals feel that when they meet their goal, they can quit.  
The "ratchet effect" is the perverse incentive that employees have to not surpass targets even if they could do so with no trouble." <https://knowledge.wharton.upenn.edu/article/truth-quotas-get-pay/>
- Many times, people stop working just short of the target because they fear that if the target is met, the target will just get raised.
- Do reasonable goals set by managers cause employees to cheat? Or do employees cheat just when goals are unreasonable?

- It is not unusual for managers to encourage cheating because they know their subjects' accomplishments reflect **his** ability to manage. One manager told his rather unproductive worker, "You're no good to me." Discouragement!!
- "We have within us a goal for what we feel is acceptable performance. We work hard to achieve the goal and less hard once we've achieved it." ~Matthew Bidwell
- A study conducted in 2011 by Harikesh Nair of the Stanford Graduate School of Business and Sanjog Misra of UCLA's Anderson School of Management suggests that quotas may, in certain situations, undercut profits. When one Fortune 500 company eliminated quotas, the study found, revenue increased by 9%, which translated to about \$1 million in incremental revenues per month.
- Requiring quotas without the tools and skills to meet them is a sure-fire way to encourage cheating and discourage integrity.
- Your quota performance should not reflect your personal worth, but many feel it does.



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Concerns you might have are: Workplace Harassment, Track a Car, Truck, or Other Asset, Watch the Babysitter, Record your Conversations, Catch a theft.

**DOCUMENT, DOCUMENT, DOCUMENT**

### What's your opinion on "Embedded Insurance?" Do you even know what it is?

Well, unless I miss my guess, insurance agents, both captive and independent, don't (won't) like it. The whole idea is that insurance is sold at the point of sale. In other words, when you buy a car, the insurance comes with it. When you buy a house, don't worry, the insurance comes with it. No need for the agent. Sound good? It's happening. *InsurTech Embedded Insurance* was recently reported by Carrier Management.

<https://www.carriermanagement.com/features/2022/09/13/240261.htm>

## DID YOU KNOW THAT 90% OF U.S. COUNTIES

### HAVE BEEN HIT WITH DISASTER IN THE LAST DECADE?

Rebuild by Design recently published a report declaring this statistic. This organization is a nonprofit that researches ways to prepare and adapt to climate change. According to this article by Drew Costley on November 17, 2022, in the Insurance Journal, Rebuild by Design published the report. (<https://www.insurancejournal.com/news/national/2022/11/17/695499.htm>) Rebuild by Design was started by the Deptment of Housing and Urban Development in the wake of Hurricane Sandy.

California, Mississippi, Oklahoma, Iowa, and Tennessee had the most disasters, evidently, with about 20 in each state. Some disasters were wildfires, flooding, landslides, severe storms, etc. Interestingly, Louisiana, New York, New Jersey North Dakota, and Vermont received the most disaster funding per person of the 11-year period studied.

But another report by Robert Bullard charges that people who are most vulnerable to these extreme weather events are not receiving much of the money. He says that funding is oftentimes skewed toward communities that are more affluent and have the most resources. Others are charging that climate change is to blame, but Rob Jackson, a climate scientist at Stanford University says he doesn't think you can call every disaster experienced in the last 40 years a climate disaster.

No matter what you believe the cause of these disasters is, the fact remains, evidently, that nearly everyone in the US has experienced a disaster of some type. The article quoted disaster costs of over \$100 billion in 2020 and more than \$150 billion in 2021.

The writer concludes that the government should invest in areas with the highest social and physical vulnerability by doing prescribed burns, build levees, and doing other things to prevent damage rather than spending so much on repairs after it happens.

*Our conclusion is these disasters are really making a dent in the pockets of the insurance companies. And although raising premiums should help offset the losses, the fact that the companies are placing sales quotas on agents seems to assume the agents are part of the cause for the loss. We certainly don't agree with this. Do you? Let us know. ✂*

## GUIDELINES FOR SECA KIT AVAILABILITY

**To all 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 (\$264) 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. **JOIN NAAFA TODAY! BE PREPARED!!**



SECA Kit

*I contend that for a nation to try and tax itself into prosperity, is like a man standing in a bucket and trying to lift himself up by the handle.*

*Winston Churchill (1874 - 1965)*



# ***Laughter Is the Best Medicine***

By Lezlee Liljenberg, CIC, MLIS, CRIS, PA  
Allstate Agent

***T***imes are very trying for many in the insurance industry right now: Chasing new business and not having enough time to service existing customers. Not enough help from our corporations to sufficiently help customers. Chatting all day for answers, often with no results. Commission cuts. Difficulty finding good help. The list goes on and on. As small business owners we are very aware of the issues in productively managing these areas of our offices. The struggle is real!

I have a couple of questions though.

When did you last go out and share a good time together with your employees? When is the last time you laughed with your team? Just a good old fashioned belly laugh? When have you spent time on each person as individuals-with no focus on customers, the company or anything related to sales or service?

If you answered any of these questions with words like “it has been forever” or “I can’t remember,” then maybe it is time to “make” this happen for the health of your business, you, and your staff. Research has shown that laughter can help in relieving pain, bring greater happiness and to even assist with our immune system.

**Laughter reduces stress hormones such as cortisol and endorphins. It can provide physical and emotional release as well as providing an internal workout. It can bring the focus away from anger, guilt, stress, and negative emotions. It can truly help us change our perspective on a particular issue, topic, or person. Laughter is a tranquilizer with no side effects so you can maintain a “drug-free” environment while winding down from an uncomfortable moment.**

When your team seems dull and lifeless, an injection of humor and laughter just might be the ticket to turning the day, week, or month around. It can wake them up and turn a frown upside down.

***“I love people who make me laugh. I honestly think it's the thing I like most, to laugh. It cures a multitude of ills. It's probably the most important thing in a person.”***

— Audrey Hepburn

You may be thinking, “Well that all sounds good and fine, but we are too busy to laugh and have fun!” Remember in the beginning of this article I used the word “make”. There are times that we must put forth the effort to produce opportunities to giggle, smile and roll with laughter. Here are a few easy and inexpensive ways to bring the laughter to you:

1. Find a funny movie, bring in lunch, lock the doors, forward the phones, gather round and give everyone permission to enjoy.
2. Celebration Days-have each team member pick their favorite Day of the Year, give them \$50-100 and let them create the fun around that day. For instance, October 1<sup>st</sup> is International Coffee Day. They could use the money to bring in coffee for the team. Let them be creative and adventurous with the activity.
3. Want something that is a quick pick-me-up? Then find motivational and humorous videos on YouTube and show it at the end of your weekly team meeting. Keep it clean and make sure you are inclusive of everyone. Sticking with children and pet videos are always pretty safe.

There are thousands of ideas out there so do a little research and find enjoyable and interactive exercises to spread the smiles. A good leader also participates and joins in on the fun.



***“To Laugh at Yourself is to Love Yourself” -Mickey Mouse***

Do you ever laugh at yourself, or do you beat yourself up for some mistake or a situation you got yourself into? Laughing at yourself rather than beating yourself up will relieve a stressful moment. I truly laugh at myself every day. I mean I really crack up at some antic that I pulled and most times I am not even aware that I did it!

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Though being totally frustrated at myself when misplacing keys, reading glasses, coat, \_\_\_\_\_ (fill in the blank) it made me “real” to my team. They started teasing me and laughing when I had to go back into the office to retrieve the missing item.

Allowing myself to see the irony in always forgetting something (and the fear that I was getting dementia) let my staff see the humor and it gave them a good laugh every time I was heading out the door.

Never be too vain or stuffy to miss the humor in certain situations. It is not about being flippant. It is about being happy and there are times we need to “fake it till we make it.”

*“The human race has only one really effective weapon and that is laughter.”  
— Mark Twain*

So, take a minute right now and find one thing to laugh out loud about. Now pull up Google and figure out one activity that you will implement in your business to engage everyone in a moment of laughter for the soul. Try it and see if it makes a difference within your people, interaction with clients and productivity.



In closing, I share this with you:

*Proverbs 17:22 tells us,*

*“A merry heart doeth good like a medicine: but a broken spirit drieth the bones.”*

Keep the bones of your business strong by adding a little fun, frivolity, and laughter any time you can. The positive results might amaze you! 🦋

*Editorial note: NAAFA wishes to thank Lezlee Liljenberg for her skill in helping us to laugh. We thought her advice was so good that we just had to share it with our readers. Thanks, Lezlee.*

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## CONTINGENT WORKERS??

(People we depend on only in certain circumstances?)

**Agents, did you know you are considered “contingent workers” by the American Family Enterprise? The following is posted on the AmFam website under “57 JOBS FOUND.”**

**Summary:**

“Business owner. Community leader. Protector of dreams. That's what makes an American Family Insurance Agency Owner. It's a highly rewarding opportunity that allows you to create financial stability while making a positive impact on our customers' lives. If you're looking for a chance to build a business and own your future — we're interested in you! Apply today. When you work at American Family you can expect benefits that support your physical, emotional, and financial wellbeing. You will have access to comprehensive medical, dental, vision and wellbeing benefits that enable you to take care of your health. We also offer a competitive 401(k) contribution, a pension plan, an annual incentive, and a paid-time off program. In addition, our student loan repayment program and paid-family leave are available to support our employees and their families. **Interns and contingent workers are not eligible for American Family Enterprise benefits.** We also consider qualified applicants with criminal histories, consistent with applicable federal, state and local law.”

**It is so interesting that AmFam considers agents as “contingent workers.” Makes me feel like I’m needed only for a while.**

**If you look up the word *contingent* it means, *dependent upon for existence.* It also means *liable to happen or not; uncertain; possible.* Perhaps more clearly, it means “depending on certain circumstances.”**

**Gosh, I guess as an agent, I don’t like being referred to as a “contingent worker.” Yes, I am dependent upon AmFam for my income/living, but I’m also the one who is supplying most of the income for AmFam to even exist. Who’s really contingent here, me or the company? 🦋**

# THE FIELD LEADERSHIP DIFFERENCE WITH CBIG

## YOUR AGENTS ARE...

- ✓ Rarely Competitive
- ✓ Have 10% Close Ratio
- ✓ Fearful of New Commission Cuts
- ✓ Discouraged at Score Card Changes



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Insurance Group

## YOUR AGENTS ARE...

- ✓ Always Competitive
- ✓ Have 70% close ratio
- ✓ Never worried about commission cuts
- ✓ Encouraged with bonuses
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CLICK ON JOIN US →  
FIELD LEADERSHIP OPPORTUNITES  
OR CALL 253-300-5224 TODAY!

## ARE THE CAPTIVES JUST A REFLECTION OF ONE ANOTHER?

As I go through the articles in the magazines of the other captive agent associations, I see a direct reflection there of what is going on at AmFam. How ironic it is. These companies are all tightening the noose around their captive agents' necks, almost in unison. Has some evil higher power ordered them to dispose of their captive agents simultaneously? Sure seems like it.

These captive companies are squeezing the life out of their agents, one notch at a time. As one anonymous author said in a recent captive association magazine, the agents at that company must accept mandated office hours and work week schedules, must adhere to the company's holiday schedule, must meet company imposed selling quotas, must buy E&O insurance from the company's chosen vendor, must sell only the company's products, must use/buy the company's phone system, must hire company approved office staff, the list goes on and on all of which shows the control these companies have over their "independent contractor" workers.

Today, you cannot work for a captive company and "be your own boss." New agents are told they will make thousands...no cap on the potential, but little did they realize how much it would cost to hire office help needed to keep the ship sailing while they are out selling just to buy fuel for the ship.

And then there is the miracle of district managers...or whatever you call them today. How do these people sleep at night? Pushing the company rhetoric has to cause them many sleepless nights. Believe me, they know what's a lie and what isn't. But they have apparently made a decision to promote the lie(s) rather than lose their jobs. SAD!

I used to marvel at how companies with this type of management behavior could escape the punishment of government authorities. I guess we only know of one or two companies who have been caught and punished for putting sales requirements on workers. (Think banks) But this, I guess, is no surprise. When we see the illegal and unethical activity occurring in nearly every company, we

recognize that our own company will probably get by with their actions without any repercussions whatsoever. And so evil continues, it grows, it festers, and eventually this evil affects everyone, except that by now, most don't even recognize it as evil anymore. ☹

By Another Anonymous Writer

### Tsk, tsk!!

"I hate it when I can't figure out how to operate the iPad and my tech support guy is asleep. He's 5 and it's past his bedtime.

When I get a headache, I take 2 aspirins and keep away from children just like the bottle says.

Be decisive. Right or wrong, make a decision. The road is littered with flat squirrels who couldn't make a decision.

Your call is important to us. Please enjoy this 40-minute flute solo.

Tip for a successful marriage: Don't ask your wife when dinner will be ready while she's moving the lawn.

-Thanks, Tim

# The

## NAAFA MAILBOX

*(The mailboxes are for keeping our diversified contributors unified. A place where they can express their thoughts anonymously. We're unified because we remember that we're responsible for what we say, not what you understand.)*



*“Diversified Mailing”*

**“Whoever would overthrow the liberty of a nation must begin by subduing the fairness of speech.”**

~Benjamin Franklin

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*The NAAFA office received this note from one of our members.  
We encourage humor..it's good for the soul, so we decided to share it with you:*

**Re: Just a little humor**

District Sales Mangers Wanted  
Be a part of the team

Requirements:

Must have current insurance license  
Must be proficient as a dark empath  
Must be able to shovel forward a ton of BS  
Soul must be available as collateral for employment  
Call 555- MyAmFam for details on your new future!!

---

Received 10/14/2022

**Re: AmFam's Lowered ratings**

Hey NAAFA,

I recently saw the article from AmFam about their ratings being lowered that was sent to all agents. In my opinion, the article by Jeff, the great, is cow pies (BULL CRAP).

Name withheld

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Received August 26, 2022

**Re: AmFam's Lowered Ratings: Did Going Woke Cause This?**

When companies no longer hire the best qualified for the job, but instead hire to fill a WOKE agenda, and when they raise minimum wage to \$23/ hour for said employees who have not proven their fiscal value, it appears expenses must go up. It's a lot like the situation the government is in with Biden's cabinet picks being based upon race and not who brings the best knowledge and value to our team.

Eventually, the dross that rises to the top needs skimmed off or the end product has no chance of being anything but inferior. The refiner's fire is much like the HR process should be. Throw out/reject the dross regardless of how much fuller it appears to make the smelting pot, and seek the purest version of expertise when we hire and when we refine our team members who are our gold. Do this, or else your product will be determined as inferior compared to the other better choices, and the business goes under. Is an unprecedented reduction in S&P rating taking AMFAM down to an (A-), the first sign of the inevitable decline of the company?

Name withheld

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Received 10/14/2022

**Re: AmFam's Lowered Ratings**

Yes, ratings have gone down. I wondered if that was part of their *crazy* goal to increase premium when claims were actually lower. Corporate expenses are out of control with their woke \$23/ hour minimum starting wage and the addition of dozens of overpaid multicultural (non-white male) management people who know nothing that we need.

Just my thoughts.....

Next Page



Received 10/31/2022)

**Regarding: My thoughts on issues for agents today.**

NAAFA,

Here's what I feel the issues are today for me at AmFam. Approaching nearly 38 years as an Agent (I don't use Agency owner, since I don't own any AMFAM policies or have any control over the future of the Agency). Being forced to put in my retirement due to not being able to meet App quotas, my view of AmFam isn't very positive. At 60 years old, losing my income and having to seek employment again to allow retiring somewhat comfortably isn't something I planned for. I can only hope my 38 years of experience will pay off for me.

I was asked by my DSL if I would introduce the Agent taking over my agency to my clients. Before I could answer, he stated, "You don't have to." He could see the not-so-willing expression on my face.

The constant "we continue to invest in our Agency Owners" BS, while at the same time stating our agents continue to be our biggest expense and then cutting commissions, is just one example of "The AMFAM Winner Takes All" philosophy.

Best Wishes,

Name withheld

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Received 11/7/22: NAAFA received this email. "I keep hearing of more AmFam agents quitting, especially since the announcement of the commission cut. The loss of local agents will continue to decrease AmFam's PIF."

Name withheld

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Received 9/15/2022

**Regarding: Seems like all they do is try to figure out how to get rid of people**

NAAFA,

Hey, did you see this coming? In July, 2022, AmFam announced that it will begin using *Tractable AI* in their claims settlement process (<https://www.repairerdrivennews.com/2022/07/13/american-family-to-use-tractable-ai-in-claims-settlement-process/>). Now don't try to tell me AI isn't going to steal jobs from adjusters!! Look who the article says it benefits, "the repairer, the consumer, and the carrier." But what is it doing to the adjusters? Sounds a bit like the replacement of captive agents, doesn't it? Company think-tank issues must certainly involve how to get rid of certain company workers. Isn't it about time the think-tank got rid of some of the corporate management think-tank workers?

Name withheld ✍

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## DON'T LET YOUR MIND DECLINE

*The information below, taken from an article that appeared on June 8, 2022, in the Gunnison Country Times, seems to contain lots of information that might be interesting to numbers of American Family agents who are leaving their agencies behind. NAAFA often suggests that agents delay their retirement because of the very issues mentioned here, particularly because of the possibility of mental decline. Read this and rethink your future!*

If asked to describe how they envision retirement, many professionals might reference travel, time spent with grandchildren and various recreational pursuits. Few, if any, would mention cognitive decline. However, cognitive decline poses a significant threat to aging men and women, especially during retirement.

Researchers have long since recognized that certain cognitive abilities begin to decline with advanced age, even among elderly individuals who are healthy. However, despite that decline, the Centers for Disease Control and Prevention notes that dementias like Alzheimer's disease are not an inevitable part of aging. In fact, the CDC estimates that as many as 40 percent of dementia cases may be prevented or delayed. In addition, the CDC reports that *it's not uncommon for routine memory, skills, and knowledge to stabilize or even improve as the brain ages.*

That's good news for retirees who want to spend their post-work life pursuing their passions and hobbies. Individuals also can embrace some strategies to stay mentally sharp in retirement.

- **Consider delaying retirement.** Even if early retirement is a dream, it might be better to work a little longer than you had planned. A 2021 study published in the journal *SSM-Population Health* found that postponed retirement is beneficial to cognitive function for all genders, races/ethnicities, educational levels, and professional status. The study reported that individuals who waited until age 67 to retire experienced less cognitive decline than those who retired prior to turning 67.
- **Make exercise part of your retirement routine.** A lack of structure may seem enticing to individuals who have spent decades working. However, many retirees find that little structure loses its appeal quickly after calling it quits. When creating a new routine in retirement, include regular exercise. According to the Mayo Clinic, studies indicate that people who are physically active are less likely to experience a decline in their mental function. So daily exercise not only gives retirees something to do, but also benefits their brains.
- **Enroll in an adult education course.** A 2014 study published in the journal *JAMA Neurology* examined the association between lifetime intellectual enrichment and cognitive decline in the older population. The study's authors found that higher levels of late-life cognitive activity were associated with higher levels of cognition. The study's authors concluded that lifetime intellectual enrichment might delay the onset of cognitive impairment. Retirees can look into adult learning programs at local colleges and universities to see if anything piques their interest. Retirement can be everything professionals hope it will be, especially for those who make a concerted effort to maintain optimal cognitive function after they call it a career. <https://www.gunnisontimes.com/articles/staying-Mentally-sharp-after-retirement/> ✍

# DISCRIMINATION OR NOT?

Authors request to remain anonymous

It has come to the attention of quite a few of us agents that district managers and state directors are discriminating against agents. Let me explain.

Certain managers and directors have been making offers to certain agents they want to make AFLIC by the end of the year. This offer includes \$1000 plus free help from corporate in selling Life policies.

Naturally, those of us who did NOT receive this private incentive offer are quite offended. In fact, we feel it's discriminately unfair. Even the agents who have already made AFLIC are disgusted that we didn't receive this offer because who wouldn't like a \$1000 incentive?

Research shows that incentives work best when the programs are structured with all the employees having input. It is interesting that only about 23% of incentive systems were selected with employee input. Sometimes team incentives programs work a little better, having known to increase performance by about 45%.

<https://www.ehstoday.com/archive/article/21910336/do-incentives-work-landmark-study-unveiled>.

Rewards can come in many different forms. Sometimes it's the paycheck, or the thanks and recognition of a supervisor, or even just the satisfaction of a job well done.

The argument against incentives is that sometimes participants are encouraged to misrepresent their products. Sometimes participants make up negative marketing tactics in an effort to reduce the value of the competitor's product. Sometimes a participant will lie about his own experience and qualifications.

American Family already offers a nice reward for making the AFLIC goal. It's sad that this 'secret' bribing has happened because now it appears this program has alienated some of the agents in these districts. The fact that this bribery is endorsed by the state directors is sad and seems to reflect a frightening company attitude.



**Life**

# Make Life Sweet

Campaign Run Dates: 11/1/22 – 12/30/22

Life Apps: 32  
Life Points: 3,200  
Persistency: 85%

Agent: \_\_\_\_\_

Payout Total: \$1000

Plus Year End AFLIC Bonus of \$2000

*\*Payment will be expedited as soon as you achieve AFLIC*

**AMERICAN FAMILY INSURANCE**

# GETTING FIRED ISN'T ALWAYS A DISGRACE



A high percentage of the calls coming into NAAFA these days are from agents who either know they are going to be fired or from agents who can 'see the writing on the wall' and are calling it quits. Either way, their reason for leaving American Family seems forced upon them. Why are we not surprised? After all, AmFam has been disposing of agents for years. If they can't do it one way, they do it another.

The 1993 agent contract is pretty specific about how and when an agent can be fired. Immediate termination can be enacted for dishonest, disloyal, or unlawful conduct, but for undesirable performance, the Company must give notice in writing and cannot terminate without a 6-month notice allowing the agent in question time to rectify the undesirable performance. (Section 6, h.1,2.)

We often experience, however, what is known throughout the industry as "Quiet Firing." Quiet Firing is not the firing that happens when the Company claims you have done something illegal or have violated some compliance rule. This type of firing is instant. Bang, you're gone.

No, "Quiet Firing" as defined by [www.newsaroundthehill.com](http://www.newsaroundthehill.com) is "a more silent and damaging process of encouraging certain employees to quit by making their workdays as unpleasant as possible. Sometimes this takes the form of neglect, where employers or managers begin to ignore employees they either don't like or feel aren't performing well. Other times, it presents itself as outright bullying."

Presently, we seem to see app quotas being applied to agents. From our standpoint, it's a way of setting up the agent to fail. When rates are high ("When aren't they?" some ask.) it's nearly impossible to meet the quota.

And many agents have suspected that in these situations the company has ordered underwriting to stiffen up their rules so as not to clear apps for the agents in question. There are so many tactics that are being used to cause agents to fail it's unbelievable. We don't need to go into that here, but our readers know what we're talking about.

Evidently, "Quiet Firing" has been going on for ages, according to Annie Rosencrans, director of people and culture at [www.hibob.com](http://www.hibob.com). She says, "It isn't really a new technique. In fact, quiet firing has been going on for decades throughout the U.S."

NAAFA recognizes that once in a while a manager rebels when the company asks the manager to 'set up an agent to fail.' Usually, those managers don't last long. But there are those managers who seem to thrive on the Quiet Firing process. What can the agent do about it? You might try approaching your manager directly, explaining that you have a problem with meeting the company goals, and what can you that manager help you. Explain right up front that you feel you are being singled out. Communicate often with your manager, don't let the manager off the hook. The more questions you throw at your manager, the more the problem will come to a head. Managers usually feel very uncomfortable when they have to communicate with someone who is on the chopping block. Of course, we do admit that this approach can accelerate your termination or cause you to consider leaving on your own. So, as you can see, the agent doesn't win.

**Remember, however, unless you've broken the law, getting fired by American Family is no disgrace. Finding a company that values you is probably your best next step. And believe us when we tell you, that's not hard in the truly independent world.** ✂



~Board Member Contribution

*"If you're going through hell, keep going." By W. Churchill*

*"If you want to destroy someone, make them great!" By J. Hibbs*

*"Perseverance doesn't feel good---till it's over." By J. Hibbs*

# DON'T WRITE ME OFF CAUSE I'M OLD

By 'Just another Ageless Wonder'

Recently, I received the following message in a MAYO CLINIC HEALTH LETTER:

*“Astronaut John Glen returned to space at age 77. Julia Child had her TV debut at age 51 and wrote a cookbook at age 87. Frank Lloyd Wright was still working at age 91. Ronald Reagan was elected to his second term at age 73. Dr William Worrall Mayo founded May Clinic at age 70. Recently, William Shatner (a.k.a. Star Trek’s Capt. Kirk) blasted into space for real at age 90.*

*What makes the difference among such people? Why do some stay active and vibrant despite their biological age?*

*Most people who live long, healthy lives are just regular folks who refuse to equate age with illness and inactivity. And they get reliable information they need to help them stay active and prevent illness in order to achieve a longer, healthier life.”*



Of course, one might ask, “Where do I find such information?” Of course, this information came from the MAYO CLINIC HEALTH LETTER where they were enticing readers to subscribe to their publication. You may or may not want to do that, but there is a world of information out there which encourages you to “stay young.”

American Family recognized at one point that the average age of their field agents was inching up. Pretending to ensure that the customers were ‘adequately cared for’ American Family began encouraging agents to retire. AmFam was especially happy if you retired before the age of 60 because under the 1993 contract, retiring before age 60 meant you just lost your lifetime Termination Benefit package. Oh yes, you got Term Benefits for 5 years, but you were hoping to live longer than that, right? Well, we hope so.

We see many agents who leave AmFam with very few plans for their future.

Some mention that they plan to travel a bit. Some suggest they have lots to do around their homes. Some just say, “I’ve had it with insurance...I’m getting out.” The NAAFA office always encourages retiring agents to do something productive where they are using their brains to think. Being idle promotes a slow down of those brain cells, we feel. Exercise is important, too, and a healthy diet is critical.

A recent 95-year-old friend just completed her ½ mile swim at Camp Lebanon to raise money for tuition for children who might not be able to attend the Bible Camp because of financial reasons. Did I mention that this is the 6<sup>th</sup> time she’s done this?

So, here’s praying you all live to be a ripe old age. Not retiring unless you have to might be wise, especially if you like what you do. It pays to be happy. And that payment might just come in the form of a long healthy life. ☺

TO BE CONTENT WITH BEGINNING WELL  
IS BUT THE FIRST STEP IN A BACKWARD COURSE.

By Andrew Murray



# YES, IT'S ALL ABOUT THE *NUMBERS!*

Somebody told me the other day that some AmFam sales specialists were bragging about a program they had implemented and how successful the program had become. Of course, I was wondering what it was all about since our rates have been so high that it's hard to write new business. I finally heard that the sales specialists were telling agents to convince long time Classic customers to switch from Classic Home & Auto to Advance.

I guess everybody knows that as transferred files, the agent gets a 5% renewal commission. But if they submit the policies as new Advance business, they get a 9% base commission (right now). I guess somebody asked the specialists whether or not this was churning or not when they were asking a customer to switch for a better Classic Policy to a More inferior Advance contract. The specialist remarked that they could add the extra options to make the Advance better. But I guess when the specialist was asked just which options they could add to make it better, he never gave an answer.

It amazes me that specialists don't realize how wrong this churning is. In all honesty, I don't think he has any intention of stopping it because this churning makes him appear to be a great manager. Can you imagine how much churning they will do come January 1<sup>st</sup> when new business commissions increase?

Renewals will drop to 8% (4% when coming from bulk transfers to new agents) but new biz increases to 14%. Add to that, the new agents get triple commission the first year and 250% the second, 200% year 3. So come January, these new agents will be churning all the Classic they were transferred from a half of 8 (4%) renewal commission to a 14% x300% or 42% 1st year commission.

I'm having a hard time understanding how AmFam can be comfortable screwing the customers like this. And then I'm disturbed because the honest veteran agents' Termination Benefits will suffer because this money will go to subsidize this travesty. It's **all about the numbers!**

*~by anonymous contributor* 



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## DID YOU HEAR ABOUT THE "MOST HATED INSURANCE COMPANIES IN AMERICA?"

As reported by Sam Gupton, 11/26/2022 in [www.247wallst.com](http://www.247wallst.com) "To identify the most hated insurance companies, 24/7 Wall St. reviewed the American Customer Satisfaction Index's Insurance and Health Care Study 2021-2022, which surveyed 12,841 people between October 2021 and September 2022 on their satisfaction with different insurance companies that offer property and casualty insurance. Company profits and revenues come from the most recent financial statements."

Listed below, hated to most hated:

- |                    |                |
|--------------------|----------------|
| 9. State Farm      | 4. Geico       |
| 8. American Family | 3. Nationwide  |
| 7. Liberty Mutual  | 2. Progressive |
| 6. Allstate        | 1. Farmers     |
| 5. Travelers       |                |

## WHAT I DISLIKE ABOUT SALESPEOPLE

### WHO 'COLD CALL' ME

(Tsk, Tsk)

- 1) I hate it when the salesperson says, "How are you today?"
  - a. I know darned well you really don't want to know.
  - b. I don't like break-the-ice chatter. Get to the point.
- 2) I hate it when I know more about your product than you do.
  - a. If I must spend my time teaching you, I'll hang up.
  - b. And don't read any script to me. Learn your product or don't call.
- 3) I hate it when you don't know what makes your product sparkle.
  - a. If you don't know what's good about it, then don't try to sell it to me.
- 4) I hate it when you call me at 7 in the morning or 6 at night.
  - a. I never talk to anyone till I've had two cups of coffee. Bug off!
  - b. I'm eating dinner at 6. Take a course in people habits so you know the best time to call. Learn the FCC rules of telemarketing.
- 5) I hate it when you call with such an accent that I can't understand you.
  - a. Get a speech coach if you're going to cold call.
  - b. Consider switching careers cause you're wasting my time.  
(And probably yours!)



### ISN'T IT TIME YOU JOINED NAAFA?

OK, we know what you're thinking..... I'll just wait till after I retire. After all, the dues are about half of what I'd pay if I joined NAAFA now while I'm still working. Besides, I know my SDL doesn't like NAAFA, actually has said I'd better stay away from that organization. The SDL says they're negative, cliquy, anti-company, well, you know what they say. Depressing to be around. But some other agents are telling me they're a really good group. And when I do retire, for sure I'm going to need a SECA Kit. One agent told me the SECA Kit is free if I am a member for 3 years. Let's see. That's \$264 a year times 3. That's \$792. I can get the kit after I retire for \$500. But then I guess they charge me the active dues rate of \$264 that first year even if I am retired. That's \$764. Hmmm! Maybe it's not such a bad idea to join now after all. I've heard they have some pretty important stuff on the member side of their website. But I guess I have to have a password to get into that. Well, I bet my friend Joe would give me his. Course, that's not exactly kosher, I guess. I hear they keep your membership pretty confidential. I'd probably be safe from any retaliation then, wouldn't I? I do read their magazine whenever it comes out. Seems like they said in one issue that it's against the law for a company to retaliate against any worker for joining a professional organization. Course, sometimes they don't pay too much attention to the law. They got deep pockets, so they don't worry. NAAFA seems pretty supportive of the agents. And I know a lot of agents who've gotten a lot of help and good advice. Gosh, I think I will join NAAFA, after all, I'm supposed to be an independent contractor, aren't I?

## THINKING ABOUT THE FUTURE.....

Anonymous Submitted

Although someone recently said that agents bring in about 65% of American Family's income, it's no secret that insurance companies are buying in to other types of businesses. Carrier Management just covered the big story about State Farm purchasing ADT for some \$1.2 B. We know the "enterprise" is made up of more than insurance companies, right? Should we be worried?

It's our guess that the companies see the writing on the wall, especially the captive companies. It's our guess that State Farm feels going from their "repair and replace" model to a 'predict and prevent' mindset is what they want. And perhaps we can agree with them.

As agents making a living selling insurance policies to homeowners, changes such as this might be a wake-up call. Actually, just one of many. Yes, we, as agents, realize doing any kind of business these days is much different from 10 or even 5 years ago. Employees work from home, no claims adjuster needed when a car is damaged. Customers call in for policies, bypassing the agents, the agent's office can be on the other side of the country from the customer, changes, changes, changes. And now we're realizing that perhaps the end of the age of insurance agents as they're known in the captive world is nearly upon us.

People are always going to need insurance, but it's all a matter of how they get that insurance. It might be a good idea to think about your future if you're in your 30s, 40, and 50s because what you're doing now may not last. NAAFA has always recommended a second vocation. Have a way you can make money because if selling insurance goes away for you, you have another means of supporting your family. Most agents are talented people who can figure this out, especially the ones the NAAFA office deals with. Get creative. Get ahead of the game.

[Bigger Than a Hippo: State Farm Invests \\$1.2B in ADT; Hippo Reacts \(carriermanagement.com\)](#)



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