

The

NAAFA™ Report

Spring 2017



WAITING, WAITING, WAITING.....

If you wait to do everything until you're sure it's right,

You'll probably never do much of anything. ~Win Borden

***FEATURING: 2016 AmFam Corporate Salaries~~Class Action Update~~The Greed of American Family
The Redneck Rides Again~~A Woman for All Seasons~~The Real Cost of Working for American Family
Did you hear.....~~Astounded at AmFam's Internal Corruption~~ Cutting Edge Sales Techniques #2***

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WAITING, WAITING, WAITING

Editorial

Waiting when you know things are out of your control is enough to drive

anyone crazy. But that’s what we are all doing these day as we wait for.....

- My final day at American Family
- Word from a possible new employer
- Decisions in the class action lawsuit
- The phone to ring
- Results of an important medical test
- The ASM to walk in the door with my termination letter
- On and on and on it goes.....

Yes, it’s true. You can’t always control your own destiny. But remember the old quote of Reinhold Niebuhr (actually called by some, The Serenity Prayer) that says “God, grant me the serenity to accept the things I cannot change, the courage to change the things I can, and the wisdom to know the difference?” I think we’ve all heard this before, but let’s focus on the line, “*the courage to change the things I can.*”

Too often we sit and wait instead of working on our back-up plans. If you are not ‘making it’ or ‘enjoying it’ at AmFam, start seriously working on another way to earn a living. Do you enjoy selling

insurance? Then start figuring out how to stay in that field. If you are the kind of a person who wants to sit on the porch and rock, then just sit idly by while AmFam takes your business away from you. (Did you know you can be at peace even doing this?) They’ve done it to so many, and they will keep doing it to reach their own goals, regardless of what yours are. However, you do have options. Learn to accept what you cannot change, (like waiting for a decision in the class action case!!) but move ahead with what you can change.

And then, try to develop some peace in your life. Recently, a NAAFA member remarked that his wife told him he was now more like the wonderful man she married many years ago since he finally got away from American Family. Do what you have to do to have peace and contentment. Seek to not only help yourself but help others.

NAAFA receives hundreds of calls from anxious agents. We understand the agony of waiting and we’re happy to help relieve your anxiousness in any way we can, so feel free to call. BTW...we’re waiting, too, probably just as anxiously as you are. Just know that when we learn anything helpful, we’ll let our members know ASAP so keep checking “Directly to Members...Directly from NAAFA” on the member side of www.NAAFA.com. Happy waiting!!

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AMERICAN FAMILY EXECUTIVE COMPENSATION FOR 2016

How do we justify the difference in CEO compensation between Farmers CEO Jeffrey Dailey at \$2,147,267 and AmFam CEO Jack Salzwedel at \$8,245,025? We can't...it's as simple as that. Please visit www.NAAFA.com to see a more complete list of AmFam salaries which also includes AmFam Board's compensation.

NAME	POSITION	SALARY	BONUS	ALL OTHER COMPENSATION	TOTAL
Salzwedel, Jack C	Chairman, CEO and President	\$1,095,006	\$6,692,876	\$457,143	\$8,245,025
Kelly, Daniel J	Chief Financial Officer/Treasurer	\$525,000	\$1,371,336	\$329,505	\$2,225,841
Westrate, William B	AmFam Agency Chief Operating Officer	\$600,003	\$1,278,352	\$183,522	\$2,061,877
Gunder, Peter C	Chief Business Development Officer	\$512,003	\$1,123,800	\$154,344	\$1,790,147
Schmoeger, Mary L	Personal Lines President	\$475,003	\$1,022,568	\$1,473,200	\$1,640,770
Holman, David C	Chief Strategy Officer/Secretary	\$425,002	\$921,723	\$185,519	\$1,532,243
Kirkconnell, Kristin R	Chief Information Officer	\$431,802	\$892,574	\$145,494	\$1,469,870
Graham, David A	Chief Investment Officer	\$446,800	\$902,734	\$89,747	\$1,439,281
Benusa, Gerry W	Chief Sales Officer	\$423,002	\$854,154	\$154,248	\$1,431,405
Afable, Mark V	Chief Legal Officer	\$432,502	\$791,230	\$131,882	\$1,355,614
St Vincent, James E	Human Resources Vice President	\$330,000	\$624,681	\$226,293	\$1,180,974
Vancy, Telisa L	Chief Marketing Officer	\$350,000	\$582,767	\$81,690	\$1,014,457
Francher, William T	Life President	\$315,002	\$499,150	\$156,173	\$970,325
Grasee, Karl E	Information & Data Mgmt Vice President	\$345,502	\$447,431	\$124,795	\$917,728
Listau, Christopher R	Commercial Farm/Ranch President	\$335,000	\$430,577	\$138,101	\$903,678
Theilen, Mary	Chief Risk Officer	\$325,000	\$486,973	\$84,552	\$896,526
Steffen, Richard M	Customer Experience Vice President	\$324,200	\$442,641	\$119,119	\$885,960
Geracl, Sebastian J	Strategy Vice President	\$324,300	\$436,803	\$111,761	\$872,864
Constien, Timothy D	Chief Customer Officer	\$317,802	\$441,125	\$111,021	\$869,947
Rekowski, Jerome G	Retired Sales Strategy & Support Vice President	\$288,578	\$491,168	\$76,166	\$855,912
Rupert, Julie B	IT Security Vice President	\$280,000	\$466,034	\$89,223	\$835,258
Cruz, Justin B	Strategic Data & Analytics Vice President	\$314,703	\$423,852	\$93,281	\$831,836
Gilb, Carolyn S	Agency Sales Vice President	\$303,900	\$407,580	\$113,318	\$824,798
Seymour, Scott J	Government Affairs & Compliance Vice President	\$278,301	\$374,822	\$169,320	\$822,443
Tjugum, Steven R	Agency Strategy Vice President	\$247,101	\$405,262	\$161,123	\$814,486
Castellucci, Marc A	Personal Lines Claims Vice President	\$317,002	\$405,869	\$83,285	\$806,156
Pfluger, Gregory J	Business App Systems Mgmt Vice President	\$312,000	\$415,692	\$62,383	\$790,075
Stauffacher, Jessica J	Chief Administration Officer	\$297,447	\$361,555	\$80,040	\$739,043
Gisl, Gregory V	B & A Insurance Solutions President	\$267,300	\$352,795	\$101,585	\$721,679
Van Beek, Troy P	Controller Vice President	\$280,400	\$349,667	\$81,327	\$711,394
Bergquist, Elizabeth A	Business & Workplace Services Vice President	\$250,213	\$307,917	\$116,553	\$674,684
Preston, Jeffrey N	Reinsurance Vice President	\$292,116	\$320,341	\$45,268	\$657,725
Pinzon, Cesar A	Agency Sales Vice President	\$241,300	\$311,004	\$78,946	\$631,250
Lien, Kelly J	PL Product Management Vice President	\$234,801	\$337,656	\$48,281	\$620,738
Buchhelm, James S	Communications Vice President	\$240,000	\$300,687	\$46,819	\$587,505
McCartan, Bernard T	Retired Claims Legal Vice President	\$229,096	\$285,895	\$32,781	\$547,772
Madden, James J	Computing Services Vice President	\$220,300	\$191,392	\$81,943	\$493,759
Swalve, Jeffrey J	Sales Strategy & Support vice President	\$233,662	\$126,847	\$65,941	\$426,450
Riggs, Michael R	Agency Sales Vice President	\$234,327	\$128,607	\$57,210	\$420,145

“It is hard to imagine a more stupid or more dangerous way of making decisions than by putting those decisions in the hands of people who pay no price for being wrong.”

~ Thomas Sowell

FARMERS EXECUTIVE COMPENSATION 2015 v 2016

For the past several years UFAA has provided the Supplemental Compensation of the Board of Governors for the Exchanges. This year is no exception. Please make note of the Option Awards category. Since this category has been added the reporting form we have only seen one executive receive it. As a note on the following Compensation Chart notice that we do not know the actual value of the Option Awards as we do not know the "set price" offered.

2016 Supplemental Compensation Exhibit								
Officer/Employee Compensation		Year	Salary	Bonus	Stock Awards	Option Awards	All Other Compensation	Reported Total
FIE President CEO	Jeffrey Dailey	2016	984,615	700,000		53,919	408,733	2,147,267
FIE President CEO	Jeffrey Dailey	2015	975,000	990,000	1,831,749		360,042	4,156,791
FIE CFO	Ronald Mayhan	2016	374,740	657,069		66,360	143,071	1,241,240
21st Century Vice President	Ronald Mayhan	2015	375,000	624,599			130,540	1,130,139
FIE Chief Claims Officer	Keith Daly	2016	402,365	449,282			90,242	941,889
21st Century Vice President	Keith Daly	2015	380,000	330,640			73,417	784,057
FIE CFO, Treasurer	Scott Lindquist	2016	467,615	227,700			99,359	794,674
FIE CFO, Treasurer	Scott Lindquist	2015	457,013	319,236	599,309		88,655	1,464,213
FIE General Counsel	Steven Weinstein	2016	478,711	195,938			91,454	766,103
FIE General Counsel	Steven Weinstein	2015	475,000	324,900	411,270		75,781	1,286,951
FIE Chief Actuary	James Nutting	2016	283,272	113,756			49,674	446,702
21st Century Actuary	James Nutting	2015	279,525	191,251	206,325		49,003	726,104
FIE Secretary	Doren Hohl	2016	229,684	72,219			40,733	342,636
FIE Secretary	Doren Hohl	2015	211,952	121,108	103,508		38,200	474,768
21st Century President	Glenn Alan Pfeil	2016	428,309	123,975			48,682	600,966
21st Century President	Glenn Alan Pfeil	2015	435,001	117,450	224,612		50,756	827,819
21st Century Treasurer	Thersa Leona Harm	2016	172,896	48,556			14,666	236,118
21st Century Treasurer	Blank	2015						
21st Century Vice President	Shannon Leigh Kelly	2016	255,386	87,075			39,929	382,390
21st Century Vice President	Shannon Leigh Kelly	2015	253,975	81,675	84,531		36,824	457,005
21st Century Vice President	Victoria Louise McCarthy	2016	211,660	79,987			45,790	337,437
Bristol West Vice President	Victoria Louise McCarthy	2015	208,958	73,570	82,461		35,058	400,047
21st Century Assistant Treasurer	Jeffrey Len Pepper	2016	191,646	96,059			34,778	322,483
21st Century Assistant Treasurer	Jeffrey Len Pepper	2015	187,250	86,195	76,251		38,631	388,327
21st Century Secretary	Maura Crough Popp	2016	210,329	34,475			13,929	258,733
21st Century Secretary	Maura Crough Popp	2015	206,930	57,257	67,280		13,224	344,691
21st Century Vice President	Maite Irakoze Baur	2016	185,289				60,768	246,057
Bristol West Vice President		2015						
Bristol West President	Sharon Bornandez	2016	300,765	192,850			72,518	566,133
Bristol West President	Timothy Madeen	2015	298,500	167,580	187,004		53,542	706,626
Bristol West Treasurer	Maria Aguilera	2016	199,435	68,252			13,209	280,896
Bristol West Treasurer	Maria Aguilera	2015	199,567	67,935			13,219	280,721
Bristol West Vice President	Todd Williams	2016	228,885	208,689			33,896	471,470
Bristol West Vice President	Todd Williams	2015	220,750	152,838			33,084	406,672
Bristol West Secretary	Martin Brown	2016	198,903	58,140			33,537	290,580
Bristol West Secretary	Martin Brown	2015	196,149	97,499	94,192		38,309	426,149
Total Compensation paid for FIE, 21st Century and Bristol West		2016	5,804,505	3,414,022	0	120,279	1,334,968	10,673,774
Total Compensation paid for FIE, 21st Century and Bristol West		2015	5,360,570	3,803,733	3,968,492	0	1,128,285	14,261,080



THE GREED OF AMERICAN FAMILY

By Bruce Murphy

Bruce Murphy is editor of the online daily, *Urban Milwaukee*, and can be reached at bruce@urbanmilwaukee.com

April 27th, 2017

Last week a jury ruled that the Madison-based company, American Family Insurance, has grossly underpaid retirement benefits to its agents, and may owe them as much as \$1 billion. Why would a company want to treat its agents, who are so critical to its success, in this way? The answer tells us a lot about the state of American business today.

American Family began modestly, as a small company founded in the 1920s that mostly provided car insurance to Wisconsin's farmers, who were considered lower risks than city drivers because they drove less often. Over the decades the company gradually added other customers and other lines of insurance and today sells insurance in 19 states.

Despite that growth, the company remained a mutual company, meaning it is owned by its policy holders rather than stock holders. And the policy holders in turn have their closest relationship with the company's insurance agents. As the company's website notes, "American Family Insurance and its sales force of nearly 3,500 agents provide industry-leading service to customers... No matter how life changes, your American Family agent will be there, providing the caring support and dependable service you deserve."

But by the mid-1990s, that homey sounding philosophy began to change as the company moved toward the winner-take-all philosophy of America's corporate board rooms. By 1994, as *Business Week* then reported, corporate executive pay had skyrocketed over a 20 year period: In 1974, CEOs in America earned about 35 times more than the average worker, but by 1994 they made 150 times more.

American Family began jacking up its executive pay, as a column I did for *Milwaukee Magazine* back then documented. CEO Dale Mathwich saw his compensation rise by 26 percent in 1994, rising from \$681,192 to \$856,121. The company now had 23 executives making more than \$200,000, up from just two the year before.

Meanwhile, the agents, who worked on commission only, were being forced to take a 10 percent cut in commissions while increasing the amount of paperwork they handled for the company. In response, one agent named Dan Gadzinski organized a proxy fight, pushing American Family policy holders to elect a different slate of company directors.

Gadzinski had worked for the company for 29 years, supporting his two children and his wife of 32 years, was a U.S. Navy veteran, regular church goer, and seemed to embody the American dream of middle-class success. As an American Family policyholder, he was one of the company's owners and felt he had a right to organize the proxy fight. The company felt differently and fired him.

In the years since then, compensation for corporate executives has, if anything, grown at an even faster pace. By 2014 CEOs were earning 331 times more than the average worker; that was more than twice the gap in Switzerland and Germany, about four times bigger than in Australia and five times bigger than in Japan, the business publication *Bloomberg.com* found.

At American Family, its top 10 officers earned \$23.6 million in 2014, led by chairman and CEO Jack Salzwedel with \$8.1 million and president and COO Daniel R. Schultz with \$4.1 million. Salzwedel's pay is 12-times higher than the company CEO earned back in 1994.

"We are totally startled at the HUGE increases the AmFam officers took for 2014. Absolutely FLOORED!" wrote an analyst for the NAAFA, which represents insurance agents nationally. "The

average increase for the top ten officers was 27.81%. Overall... our top ten officers cost the company 34.4% more in 2014 than they did in 2013."

The analysis noted that American Family's board of directors, which approved these huge raises, is well-paid by the company, with an average annual fee of \$122,875 per member.

Certainly the company has been successful. In the mid-1990s it had grown large enough to join the Fortune 500 and today, with annual revenue of \$8.7 billion, has risen to the 332nd biggest company on the list.

And how much of that success has been shared with the company's agents, which its website tells customers is "your very own dream champion. No matter how life changes, they'll be by your side, ready to support you."

A jury has found that the company violated the federal Employee Retirement Income Security Act and owes money to 6,978 current and former American Family agents across the country, including about 700 based in Wisconsin.

"You can work for American Family for 10 years and not get any retirement benefits," notes Milwaukee attorney Charles Crueger, who along with his partner Erin Dickinson is representing the agents. Agents aren't vested, the retirement money can always be taken away, and the company hasn't put "a dime" into the plan, Dickinson noted.

If the judge agrees with the jury's advisory finding, the company would be required to "restore and protect retirement benefits," as the *Milwaukee Journal Sentinel* reported, providing full vesting for agents and creating a retirement fund that could cost the company more than \$1 billion.

American Family claims the agents it touts as so critical to the company are actually "independent contractors" who needn't be offered these benefits. But Dickinson noted that they are "captive agents" who cannot shop around for insurance from other companies for their customers, and can only sell American Family policies.

"A company cannot just call its agents 'independent contractors' to avoid following the federal law protecting retirement benefits and then insist on controlling how those agents do their work," she told the media.

American Family spokesman Ken Muth told the media "We strongly disagree" with the jury's finding.

As for how the company treats its employees, its website declares that "Our holistic approach to employee well-being goes beyond promoting physical health and nutrition. We focus on overall quality of life including mental health, stress management, mindfulness and emotional well-being, financial health, community engagement and social well-being."

There was no mention of retirement benefits in that description.

[Used with permission of the author] ✍

UPDATE on 1416-CVO2573-D A MILLER V JOHN BOSMAN et al



A Woman for All Seasons

The Debbie Miller v John Bosman case reads like an interesting documentary...one most American Family agents and employees really should not miss reading. Defendants (AmFam) of course, deny all allegations but evidence has been very credible, to say the least. We would like to share with you some of the facts and allegations as they were explained to us. As you read, we're sure you will relate to some of the things that happened to Mrs. Miller. We feel that her experience is just the tip of the ice berg of what has been reported to us as having been happening throughout the company. Many agents are discriminated against. Many, both male and female, both agents and employees, have been terminated because they were the "older workers" the company doesn't want any more. We're told that almost invariably, harassment accompanies the age discrimination treatment. Evidence presented in Debbie Miller's case proved this to be true. Debbie Miller has become our hero, our mentor, our role model because she was brave enough to stand up against the great Goliath. She has done this at a great risk to her family and to her own health. We all thank you, Debbie. Now, here is how the case was presented to us:

Facts & Allegations

In 2012, plaintiff Deborah A. Miller, 57, an Area Sales Manager overseeing American Family Agents in Western Missouri, was fired from her position. Miller claimed that she was fired due to her age and her gender.

Miller sued her supervisor, John Bosman, and her employer, American Family Insurance, for age and gender discrimination. Bosman was dismissed from the matter at the close of all evidence by Plaintiff and before the case was submitted for final argument to the jury.

All parties agreed that from 1997 to 2008, Mrs. Miller was a highly successful captive sales agent for American Family Insurance who had built a strong and successful agency. Mrs. Miller then applied for and received a promotion to work for American Family Insurance as a sales manager. The person who hired her was released by the company shortly after her arrival. From 2008 to 2012, she was an agency sales manager, overseeing 25 sales agents and each year was awarded bonuses for meeting and/or exceeding production goals. Miller claimed that in 2012, she was fired from the agency sales manager position and forced to start over as a sales agent.

Plaintiff's counsel argued that Miller was demoted as part of corporate restructuring to eliminate older employees. They argued that Miller was an exemplary employee who exceeded required expectations **and was given an award of a highly coveted Championship Ring for her performance at approximately the same time she received the performance improvement plan from Bosman.** Plaintiff's counsel argued that Miller's supervisor, Bosman, wanted her out and demanded that she persuade older agents to retire. Miller refused to abide by this directive and was put on a performance improvement plan despite her high ratings and evaluations, according to plaintiff's counsel.

Alas, the story doesn't end here. We wish it did. But it is evidently very difficult for AmFam to admit defeat because after an unsuccessful mediation session, AmFam has decided to appeal. Never mind the fact that if they lose the appeal, they will have to add approximately 4½% interest to the award amount! We are told that the judge has ordered AmFam to post a supersedeas bond.



Whose money is American Family management playing with anyway? They seem to be throwing it around too freely to be their own. Of course, this money has come from *our* pockets. The policyholders who don't see their premiums ever go down, the agents who continuously see their commissions cut and rates so high it's nearly impossible to sell, the claim victims who are underpaid.....we are all affected by such corporate decisions. Our prayer is that the judges and juries are all perceptive enough to see through the schemes that keep hurting the very people who have dedicated their lives to making this company successful, and who are now so saddened to see what it has become.

Plaintiff's counsel contended that Miller was told that she lacked "leadership skills" and a "critical eye," in addition to the fact that she "could not have the hard conversations with her agents." They further contended that Bosman gave Miller an ultimatum to either quit or return as a sales agent. **At trial, internal HR documents were admitted into evidence which stated, "There is an undertone in Missouri in comparison to other states . . . that women are not treated equally with the men. The recognition and opportunities are very limited for women but not so for the men."** And also that, **"there is pressure for women [managers] to look 30 years old."** The Court ruled these to be admissions by American Family.

Defense counsel denied that Bosman told Mrs. Miller that he wanted her gone and/or that he directed her to try and get older agents to retire. They contended that American Family Insurance does not discriminate against its employees.

Injuries/Damages

Miller sought recovery for past and future loss of earnings, emotional distress and punitive damages.

Result

The jury awarded Miller \$450,000 for past loss of earnings. Future loss of earnings will be awarded at a later date. The jury awarded \$20,000,000 in punitive damages.

Plaintiff(s)	Deborah A. Miller
	\$450,000 past lost earnings
	\$20,000,000 punitive damages
	\$20,450,000 plaintiff's total award

Note: On 3-24-2017, Judge Patrick William Campbell awarded another **\$411,018** to Deborah A. Miller for pay forward. Another **\$766,606.87** was awarded for Miller's attorneys' fees.



MY THOUGHTS ON DISCRIMINATION

.....and it's not always 'age' discrimination!

Now don't go getting' the idea that this is gospel. **Yep, the Redneck rides again!** What I'm writin' is all my own opinion and the last time I checked, it was still legal for me to express my opinion.

First Amendment TextU.S. Constitution

"Congress shall make no law respecting an establishment of religion, or prohibiting the free exercise thereof; or abridging the freedom of speech, or of the press; or the right of the people peaceably to assemble, and to petition the Government for a redress of grievances."

Hey, how long's it been since you actually read the real thing? Well, there it is so digest it, will ya? I did some Googlin' the other day and here's a couple things that popped up on my old XP. First of all, during most any corporate downsizin', older workers are often the first to be canned. I got to wonderin' about that. Well, it seems that even though older folks are often the most experienced and most likely the best at their jobs, they're also usually the highest paid. All companies love to cut their expenses, but it's the dumb ones that can't figure out that cuttin' the highest paid people also cuts quality of workmanship, often cuts out the most loyal, the most conscientious, the most reliable, and often the ones who have both hindsight and foresight. The corporation is headin' for the dumper and doesn't even know it.

Now I know there are a few exceptions to every rule. I'm just guessin' most older folks have the above characteristics. But gol darn, I have seen a few who ruin it for the rest of us by sort of slidin' into home base. They don't keep current on their computers, they walk around with their eyes half open and their shirt tails hangin' out, they doze off at their desks, and can often be seen shufflin' down the aisle to the water cooler to see if a drink will wake 'em up. Not good! Employers want to know they're pickin' the right person for the job....someone who is alive and kickin'. Someone told me the other day when he talked to me on the phone that I sounded like I was a 20-somethin'-or-other. Didn't know just how to take that cause I don't know too many 20-somethin'-or-others that I'd want to emulate. This I do know...I gotta show spirit or we're both dead!

Gosh, another thing....did you ever think to ask for feedback? A lot of people are afraid to ask for feedback....for fear they'll get it. What I learned a long while ago is that feedback is one of the most important bits of knowledge you'll ever get.....important, that is, if you're trying to improve yourself. If not, then just lay back and be lazy. You'll get the job you deserve! But learnin' to make changes based on the weaknesses pointed out in your feedback is good ammo to point out to any dim-wit DM who thinks you've stopped growin' and learnin'. Keepin' track of your own improvements and being excited about them means you're gonna shine, man. And believe me, anybody who's showin' a little snow on top of their mountain needs to shine or they'll melt away to nothin'. Get it?

Now since the recent Miller v American Family case in Missouri, we know that discrimination is alive and well at AmFam. We know this company is downsizin'. We know (according to testimony in this case) that the company is ordering their ASMs to "*persuade their older agents to retire.*" And also presented as evidence were internal HR documents that stated that "*women are not treated equally with the men. The recognition and opportunities are very limited for women but not so for the men.*" And "*there is pressure for women [managers] to look 30 years old.*" That MO court ruled these to be admissions by American Family. Get it?

~by a Redneck from the North ✍

Editorial comment: Before you go out and get your hair dyed, listen up. We have an opportunity here to 'know our enemy.' If you're still in enemy territory, learn how to adapt to your environment. Heed some of the suggestions above. Learn the laws of your state regarding the recording of conversations. And remember, all wars come to an end eventually. If you feel your departure date is near (for whatever reason) plan ahead. Are you going independent? Or are you simply going to roll up the street and get out of the insurance business? Have you chatted with NAAFA? Better get your membership in immediately....the NAAFA member is the informed member. Don't be stupid and try any change without joining. And BTW....save every document! Never know when there might be another lawsuit where you'll need proof. Lastly, STAND TALL, STAND FOR TRUTH, AND KEEP ON FIGHTING FOR WHAT IS RIGHT AND FAIR.



REFLECTIONS FROM OUR PRESIDENT

MY THOUGHTS ON BENDING THE RULES

Dear NAAFA Report Friends and Readers:

We hear a lot these days about the pros and cons of bending rules. Most would say that if the rule is being bent for you, you're in favor of it, right? We could probably say that you'd be wrong if you said it is always wrong to break the rules, right? Now that I've got you agreeing with me, let's talk about this a bit more.

At American Family, we hear that rules are being broken all the time and there are many agents who simply don't think it's right. I know I don't. We hear of underwriters who bend the rules just so a particular agent can get a certain application passed. We hear of ASMs who make exceptions so certain agents can win certain bonuses or achieve certain goals. We hear of agents whose persistency has dropped too low and who are allowed an exception so they will win certain awards. You know what I'm talking about.

Who makes the rule breaking rules anyway? I suspect that often the rule breaker just takes the risk and decided to break the rule....for his own personal reason or gain. Often we guess the company upper management doesn't know anything about it.....that is, unless it is exposed. That isn't to say upper management doesn't bend the rules themselves. Of course they do, but they believe they have that *right* to because of their 'position.' And maybe they do. Often the creative person is hampered by rules. When someone tells the creative person he can't do something, he will often do it, and do it successfully. Douglas MacArthur once said, "You are remembered for the rules you break."

But breaking the rules can range from just bending them a bit to doing illegal acts. Perhaps there are rules that need to be changed for the good of everybody. One should always ask, "Is it the right thing to do?" Now days, many people don't seem to know what is right because our society has sanded off the edges of correctness and allowed the filthy ink to permeate the reasoning of our minds. We have become blinded to what it is to be ethical, totally truthful, and correct.

Way back when, if the company management would have asked themselves whether it was wrong to control the independent contractors in the way they do their employees, perhaps the current class action law suit would not have been needed. But what is so interesting is that the control attempt, instead of lessening since the filing, seems to have increased. There appears to be no fear in upper management regarding the breaking of rules.....control is what they are looking for. We'll control you or we will get rid of you, seems to be the mantra.

In a perfect world, the few rules that are needed would be beneficial to all. And yes, any group of people needs rules. A decision to break a clear-cut rule would be cause for punishment. Everyone would know why the perpetrator was punished and would agree that punishment was due. Everyone would be treated the same. But alas, the world doesn't work like this. Wish it did. Meanwhile, all we can do, it seems, is speak out when a rule seems bad or unfair, insist that if a decision is made to bend a rule that it benefit everyone...not just one person, and that consistency and fairness always be the goal in applying the rules.

At NAAFA, our #1 rule is we must take a stand for TRUTH. We must be bold about our desire to uphold all rules. And never, NEVER consent to doing what is unethical even if our jobs depend on it. It is better to be fired for standing for TRUTH than to go to jail for standing for a LIE.

May your days be filled with peace and contentment. And remember to support NAAFA.

Your NAAFA President,



ANOTHER AGENT ASTOUNDED AT AMFAM'S INTERNAL CORRUPTION

--You're right, I don't dare tell you who I am!!



Tell me.... why is it unethical to sell a life app to a youthful driver whose auto rate is going down because he's an age older (18, 21, & 25)? Well, it's unethical because we agents are told to tell the youthful drivers that they wouldn't have gotten the lower rate without buying the life policy. This is an outright lie and therein lies just one example of the corrupt behavior which is promoted and endorsed by the company. I am astounded at AmFam's willingness to turn their eyes away from their own corruption!

Recently, the company informed the agents that no funding from Shark Tank (now called "Think Tank") reviews would be given unless the agent is AFLIC. This is to begin, we're told, sometime next year (2018). With the qualification for AFLIC being the number of life apps written, the incentive for unethically selling the Simply Protected (SP) policies is high and the incentive for *deceptively* selling SPs is enhanced.

It seemed good (at first glance) that the company was changing their qualification from 'apps written' to 'premium volume' but why did they have to ruin what appeared as an effort to stop the corruption by once again raising the minimum life app requirement from 24 to 30. And still, the points were left the same at only 2500, so the new rule simply compounds the corruption!

Can you just imagine now, how the agents will scramble to sell more SPs in order to make AFLIC and in order to get the \$12,000 of funding promised in the "Think Tank" scenario? This corruption goes on and on. My feeling is that many know the corruption exists. They're a bit nervous about it but they are willing to endorse it till someone else points it out as being down right wrong.



What former Enron Chief Financial Officer Andrew Fastow learned (too late to avoid prison) was that management knew things were not ethical, but no one was brave enough to raise his

hand to object. He learned too late that just because you 'follow the rules' doesn't mean that you are doing things ethically. Fastow said in the following article, "Very often, executives and directors don't see the problem with their decision---they rationalize."

<http://www.insurancejournal.com/news/national/2017/02/15/441619.htm>

Can you now see how ASMs and State Directors rationalize that it's OK to carry out such promotions because they know that company management approves the deceptive method of selling these SP policies? Regrettably, it seems that many agents are willing to sell their soul to reach a goal. Yes, it's OK, they think, because after all, the technique has been approved by the Home Office. Fastow suggests you ask not only if it's legal (approved by the attorneys and accountants) but ask, "Is it right?" Surely we haven't reached the low level of not being able to tell right from wrong, have we?

NAAFA has been suggesting for years that every action you take should be carefully weighed by a standard of ethics and morality that is well *above* any the company has. Don't let your agency, for which you are responsible, try to find loopholes that will enable you to "beat the system." Ultimately, it will come back to haunt you and it could find you looking between the bars. PUBLICALLY TAKE A STAND FOR TRUTH, ETHICS, AND OUTSTANDING MORAL BEHAVIOR!! THAT'S OUR THEME AT NAAFA. ♡

WHEREVER YOU SEE A MAN WHO GIVES SOMEONE ELSE'S
CORRUPTION OR SOMEONE ELSE'S PREJUDICE
AS A REASON FOR NOT TAKING ACTION HIMSELF,
YOU SEE A COG IN THE MACHINE THAT GOVERNS US.

John Jay Chapman

CUTTING EDGE SALES TECHNIQUES

By Mitchell Pomper, JD, CLU, ChFC

Column #2

**SELL
OUTSIDE
THE BOX**

You may recall that my last column discussed how I built my insurance business up quickly by cold calling, yes, even property casualty agents can make effective and profitable cold calls. I was with American Family for over 13 years, and built up a scratch agency of over 4,000 policies, primarily by making cold calls. About 90% of my business was personal lines, the other 10% was small commercial and habitational. I wrote very little workers comp or business insurance for contractors or manufacturers.

I left American Family in 2009, and at age 50, I started as a scratch independent agent with Couri. Because I had to follow my termination contract, and I couldn't contact former customers, I had to again make cold calls to rebuild my business. After only 8 years as an independent agent, my business is larger than the 13+ years I was with American Family. In addition, the commission rate for an independent agent is higher than the captive carriers, so I got a double whammy pay increase when I went independent.

When I started from scratch the 2nd time around in 2009, I didn't have time to take the 10-15 years it typically takes to develop a high-paying living selling insurance. If you follow the traditional path of referrals, walk-ins, advertising, natural market, etc., you may eventually slowpoke your way to success, but I couldn't wait that long.

In addition, being in the heart of downtown Chicago, I couldn't market or build my business like a smaller town or rural agent. There is no corner diner or coffee shop where everyone knows everyone. Insurance agents here are a dime a dozen, with an Allstate or State Farm Agency almost on every other block. Nobody walks into your office to buy anything, except sales people trying to sell *you* stuff. And advertising really doesn't work, it's way too expensive and generates very few leads and even fewer sales.

When I started from scratch the 2nd time around in 2009, I didn't have time to take the 10-15 years it typically takes to develop a high-paying living selling insurance. If you follow the traditional path of referrals, walk-ins, advertising, natural market, etc., you may eventually slowpoke your way to success, but I couldn't wait that long.

So, by this time maybe I have convinced you that if you want to have a huge business, either you, or someone on your staff, need to make pure cold calls. This is not fun, but that is why they call it 'work.' Even if you are not a big city agent, and you are in a small town, cold calling probably works even better, is my guess. *But, who are you going to call, when should you call, what are you going to say, and how are you going to follow up on your leads?*

I decided a long time ago that I don't mind working hard, and starting early, but I don't like to work after 5:00 PM. I don't want to see people at night, and I don't want to call people after 4:30 PM. After 4:30 PM, I want to be either at the health club, biking down the beautiful Chicago Lakefront, or having a martini with my lovely wife. I also don't even like seeing people in the day, unless they come to my office, which is almost impossible, since business people won't take off work during the day to buy insurance. In addition, going on daytime appointments at any time in the city is unbelievably time consuming, since you have to allow at least 2 hours for every appointment.

So I had to figure out a market to call and sell to people during daytime hours. I also figured that if I was going to make daytime calls, I should concentrate on a specific market, that way, when I wrote insurance for that market, the referrals would be from that market, too. I also wanted a market that made a really good living--I didn't want to mess around with any household making less than six figures.

Some insurance agents make daytime cold calls looking to develop quotes and write higher premium business insurance, but I figured that was a more saturated market. Getting hold of the decision maker at a big company is also a huge problem, and any company employee or executive who handles commercial insurance for their company is usually talking to multiple agents for quotes. And trying to get small business owners to talk about insurance on a cold call is also challenging. But how often are *professionals* approached to shop their *personal car and home insurance*? If you guess hardly ever, you're probably correct.

As a matter of fact, when I practiced law in the middle 1980's, before I went into the insurance industry, I used to get cold calls all the time from *Northwestern Mutual* for life insurance, from *Merrill Lynch* for investments, and from other financial brokers who wanted to do financial planning for me. But never did I once get a call from *State Farm*, or *Allstate*, or any independent property casualty broker who called to offer me a chance to get a lower rate. So I surmised that there was a gap in marketing personal insurance to lawyers, and I was the perfect person to exploit that niche!

You may recall from my last column that there is no such thing as a national “Do Not Call List” for businesses, or individuals you call at work on a business number. The *Do Not Call List* typically only protects ‘consumers.’ So, you can call away, and when someone says they’re on the “Do Not Call List,” you can politely tell them that you’re calling them at work, there is no such thing as a national *Business Do Not Call* registry, and if they’ve registered on a cell phone or home telephone *Do Not Call List* it’s not applicable, and if they’re not interested, you won’t call them back again.

You may decide that you have found another category of professionals that you can easily market, like accountants, or company executives. Or, you may decide to concentrate on contractors. I will say that if you determine you want to market to contractors or physicians, you will probably starve, since you will never be able to reach them at a good time. The key to all this is really not what they do for a living, but the fact that they have a job, they are making decent \$\$, and that you have a physical address to send them info, and you *must have a way to call them directly at their office.*

So, the first strategy is to determine your market, and figure out if you have the potential to contact hundreds or thousands or these people over a year. If your market is too small, you will run out of people to market to. For me, in Cook County, there are over 50,000 lawyers—I will never run out of lawyers to market to, and there are newly minted new attorneys every year. And there is a directory published every year with all of their contact info.

Pick a market that makes sense for you, figure out if you are able to get directories, whether online or some other way, so you know how to reach these people by mail and telephone. You want to be the dominant insurance agent for that market. Maybe you’ll need to buy a list from Dun & Bradstreet, you’ll have to figure this out yourself.

In future articles we’ll concentrate what to do after you figure out a market, how are you going to turn that prospect list into a gold mine!! Good Selling!!

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Mitchell Pomper Insurance Agency,
2034 N. Clark St., Chicago, Illinois 60614
<http://www.pomperinsurance.com/home.html>



HAVE YOU EXPLAINED TO YOUR BENEFICIARY WHAT HAPPENS TO YOUR TERMINATION BENEFITS WHEN YOU DIE?



Even though NAAFA readers/agents were successful a couple of years ago in convincing American Family to lower the interest rate they used in their “present value formula,” we still get calls from widows and beneficiaries of deceased agents who are very distraught over the fact that the balance of the Termination Benefits paid to them is much lower than what they knew the actual balance remaining really was. We urge all agents to explain to their beneficiaries how and why the balance is reduced.

As we explained in an earlier issue, “the agent contract says that the agent’s beneficiary will receive the *present value* of the balance of the agent’s Termination Benefits package. Many agents believe “present value” means the sum that is left when the agent dies. We urge all agents to explain to their beneficiaries that “present value” involves a rather complicated mathematical formula which centers around an interest rate that determines how much the Termination Benefit payout amount will be. “

We are told that AmFam now revisits the present value interest rate quarterly and that it is at a more reasonable level. Remember, the lower the interest rate, the more the beneficiary gets. But we now have another issue that is really hurting the beneficiaries. We have talked about this before, but nothing seems to get done about it. The problem? The payout after the death of an agent of the Termination Benefit is issued in one lump sum. This sum which has to be claimed on your taxes pushes the beneficiary into a very high tax bracket and allows the IRS to eat up quite a chunk of the remaining Termination Benefit package.

The problem? The payout of Termination Benefits after the death of an agent is issued in one lump sum. This sum, which has to be claimed on your taxes, pushes the beneficiary into a very high tax bracket and allows the IRS to eat up quite a chunk of the remaining Termination Benefit package.

It would be prudent for all agents to periodically check with AmFam to find out what interest rate they are using in their present value formula. And more importantly, please urge American Family to consider the financial plight of an already stressed widow or widower by perhaps offering to distribute the Termination Benefit balance in two evenly divided lump sums within two calendar years.



NAAFA MAIL BOX

MAIL'S
HERE !

(Unedited)

NAAFA,

It's really unfair that many of us agents (before and after the statute of limitations) who have experienced the same kinds of control and mistreatment by American Family are not going to be included in any reward in the Jammal v American Family class action case, should the agents win the case. I miss the statute of limitation date by just a few months. I have suffered greatly at the wicked and unfair hands of AmFam and yet I don't qualify because of the limiting qualification of the statute. It's like offering health care to some and not to all. This is sick!

One of hundreds of Omitted Misclassified ICs

Dear NAAFA,

Been a long road no one really wanted. Remember when all three parties would win on a sale? Company, Agent and Consumer? The good old days. Greed did this, nothing else. Now it is up to the judge. Sure hope he/she is not a part of the problem by being owned. I do know he has to follow the law.

I don't know if I'll get a piece of the pie or not, don't really care. Now the only thing left to do is protect the consumer by getting the agents their rights.

Thank "Everybody" for all the hard work.

FORMER (PERSECUTED) AMFAM AGENT

To: naafawest@comcast.net

Subject: Congrats on the Jammal vs Amfam, I just found out yesterday

I retired in 2009 from am fam- I could not take one more day of them, and I am glad someone sued them for their crimes. After 20 years of working for them I saw way too many abuses. I also contributed to your newsletter when I was working there.

I just wanted to thank you for following this and sticking with the agents, the abuse from insurance industries is sickening.

Thank you

Dear NAAFA,

How are you folks doing? I have a few questions below:

I am an American Family Insurance Agent for about 10 years and I have a book with over 2,600 policies inforce.

I've intended to sell the book back to AmFam when I've met my 12th year anniversary with the company.

However, I feel like I have been targeted and been put under a lot of pressure from the managements, although my agency performance is in line with other agencies in WA. My agency has been assigned to a different district manager again due to recent AmFam reorganization.

Last Tuesday was our first 1 on 1 meeting. My ASM has warned me that my agency performance has not met her and American Family expectations such as quotas, sales, claims, etc. She said she will issue my agency a 6 months termination letter if the performances won't improve. She suggested that I must hire new staff, quotas and sales must be doubled. My district manager also dictated that I must attend OSAT meetings even though my OSAT is above 9.0 and rolling quarters is 9.08 (any agency with OSAT below 9.0 must attending weekly OSAT Pow Wow meetings .

I have been with AmFam for many years, working very hard with good and bad years. American Family has been taking multiple rate increases in the recent years and currently is not very competitive. So the sales become harder and harder.

These are some of my concerns. Please advise!

Break the Shackles...



*Get
EXCITED
About
Insurance
Again!*

***Remember Why You
Became an Insurance Agent!***

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With Freedom, Autonomy and Without Limits
Yet With Support and Experienced Guidance

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We offer access to Auto, Home, Business, Life, and Health insurance policies from some of the most competitive insurance companies available.



We Invest In Your Future

Affordable American Insurance provides a turnkey business model for a captive insurance agency to transition to the independent world; or for an existing independent agency a platform to increase carrier representation and revenue while removing carrier production requirements.



Own Your Business & Future

Owning an agency with AAI provides everything you need to reach your goals and give optimum service to your clients, while being surrounded by ongoing support from our carrier representatives, corporate staff and fellow agents.

Technology at AAI

- Platform to leverage technology & social media
- PC and tech support
- Website with online quoting capabilities
- Tech training classes

Agent Statistics

- Our agents grow extremely fast for the first few years.
- In the 7th year, where other agents become dormant AAI agents grow 14%

What Makes Us Stand Out



Team Concept

We like to say that Affordable American Insurance agents are “independent, yet not alone”. We have a growing group of agents that think like a team, act like a team, and win like a team.



Training

AAI has developed a unique and sophisticated platform combining the best technology, innovation, IT support staff. We have modern tools to ensure accuracy and efficiency.



Core Values

We Practice Integrity
We Support the Team
We Delight Our Clients
We Demonstrate Competence
We Are Daring

Gain Back Your Future by Calling Us Today!

AAI INVESTING IN THE FUTURE OF AGENT OWNERS!

By Steve Woodworth

Affordable American Insurance (AAI) was established over 13 years ago. The group was formed to provide agents with a fair and equitable program to transition into independent agency ownership, as well as helping agents grow large, profitable businesses.



Tony Fernandez, AAI's founder and CEO, started his career as a captive agent in Colorado. Like many of us, he struggled with the idea that he could best serve the needs of his clients with only one option for them. It was hard to conceive that "one size fits all". His only option to remain in the insurance business and serve his clients was to become an independent agent.

After his decision to resign from his captive agency relationship, Tony spent 8 months researching different groups he could join to setup his independent agency. He found, through this process, that none of the groups offered a "win-win" solution for agents. These other groups' contracts were weighed heavily in their favor and did not necessarily meet the needs of individual agents.

After much consideration, Tony, and his wife Lissa, while sitting on their back-porch swing, came up with the idea to form a group that would better serve the needs of agents looking to band together without the "lop-sided" commitments they would have to make with other groups.

AAI was founded on the principles that the group needed to provide carrier access to compete, as well as upfront support, systems, and training to get an agent operational easier and faster than the competitors. The idea was that no agent should be an island inside a group and must learn on their own.

Today, AAI is one of the fastest growing groups that originated in Colorado with over 86 independent agency owner affiliates and we're still growing.

AAI has positioned itself with strong carrier partners as well as invested heavily in systems and "cutting edge" technology. This technology, as noted by an executive of a top 100 carrier, is something that he has never seen before in the industry...the goal to help agents leverage data for growth and profitability. This is a part of our investment in the insurance owners who are affiliated with us.

We are expanding into the Midwest and Western states where we feel we can assist agents and give them an added advantage to compete in the marketplace.

We recognize that nothing remains constant in our industry. We realize that with the advent of the Internet of Things (IoT), new InsurTech startups (resulting in new ways to evaluate risks and collect data) and changing end-users' expectations, that we need to assist our affiliate agency owners and give them the advantage of remaining relevant and strongly competitive for the business. ***We will never become complacent because it is the success of every agent that brings about the success of our group!***

Steve Woodworth has been in the insurance industry for over 24 years, starting his career as a captive agent. For the past 13 years, he has been an independent agent and has assisted many independent agents. His mission is to help agents grow profitable books of business. Steve can be reached via email at swoodworth@insuranceaai.com



- ❑ Over 3,800 start-up agencies
- ❑ \$6.8 Billion in Premium
- ❑ Full & highest commissions
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- ❑ 6,300 signed member agents can't be wrong
- ❑ Your clients and companies are always yours

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

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**Become
Instantly
BIG**



Stay Captive or Start Over as an Independent Agent? It's Not as Hard the Second Time Around!

By Matt Masiello, Executive Vice President and Chief Operating Officer,
SIAA

Many experienced exclusive agents dream of leaving their captive agreement and striking out on their own. Starting over, building an agency from the ground up, is a giant leap that will require a certain amount of determination, planning and support to successfully transition. Even the most successful independent agency owners who were previously captives describe challenges along the way: carrier appointments, agency management systems, marketing, bookkeeping, staffing and more. **Experienced captive agents do have a leg-up on other start-ups**, however; they know the products, are members of the community, and understand the customer relationships. For many, joining an agency network can ease the transition from the exclusive agency arrangement to independence, reducing the amount of time to become a profitable, successful agency.

With over 6,300 signed member agencies, SIAA (Strategic Insurance Agency Alliance) is the largest network of independent agents in America. Unlike other networks that prefer existing agencies, SIAA has fostered the growth of over 3,800 startup agencies, or nearly 10% of all independent agencies! Regardless of the situation, whether a captive agency seeking independence or an existing agency looking to increase its revenues, SIAA helps agencies become “Instantly Big”. SIAA membership provides access to over 20 highly rated national insurance companies with top-level commissions, profit sharing, and overrides paid quarterly. SIAA member agencies have access to extensive onboarding and success training, marketing and sales programs.

To ensure quality partnerships, SIAA performs due diligence on all potential members to confirm their strength and likely longevity. Upon joining, Agency Development Teams are assigned from the local master agencies nationwide to deploy SIAA’s Agency Foundation program. The Foundation program provides 1:1 support for producers starting their own agencies. “We work directly with independent agents for eight weeks helping the agent understand new technology, navigate carrier appetites, and remove trial and error,” said Jeff Holmes, Vice President of Operations and Services for SIAA. “We help agents with internal processes and procedures, infrastructure and technology, human resources, identifying and overcoming pitfalls so they can succeed from the start.”

Providing intense foundational support for first-time business owners is something SIAA is uniquely positioned to do, utilizing the resources of the national organization in conjunction with the local support of the master agency. SIAA maintains its role as an integrator – generating profitable premium and facilitating quality relationships between master agencies, members, and strategic partner companies. SIAA currently has 49 master agencies supporting members in every state within the continental US, with \$6.8 Billion of in-force premium.

Whether a member agent places business through a Strategic Partner Company or one of our MarketFinder Partner Companies, SIAA and Master Agencies, together offer:


- Top-Tier Commissions
- Enhanced Regional Profit Sharing
- Regional Production Incentives
- National Quarterly Incentives
- National Year-End Profitability Bonuses



As an organization, SIAA embraces quality and efficiencies in its model, and encourages all members to do the same. In addition to access to standard and non-standard markets, SIAA's suite of successful agency-building programs are designed to increase income and value:

- The **Agency Foundation** offers training on how to successfully run a business, not just an agency. SIAA Field Specialists serve as mentors- advising on technology, marketing, accounting, staffing, as well as other small business success processes. This hands-on approach is designed to support the new agency owner through the first 24 months of opening and growing their agency.
- The **Training & Learning Center (TLC)**, is a growing resource open to all member agencies for ongoing professional development. It enables participants to access sales courses, continuing education curriculum, and more.
- The **Business Insurance Advantage** program informs agents how to tap into the lucrative market of small commercial business. The program consists of a proprietary step-by-step approach to increasing an agency's commercial lines book of business. A typical agent participating in Business Insurance Advantage can expect to grow their small commercial premiums by 20-30%, and commissions by 25-35%.

Leaving an exclusive arrangement and starting anew can seem daunting, but it does not have to mean starting over on your own. While becoming an independent agency-owner does involve risk and added challenges, it opens the door to offering more competitive options, increased sales volume, and greater financial and personal success.

SIAA is dedicated to the creation, retention and growth of the independent insurance agency distribution system. To learn more about becoming an SIAA member, visit www.siaa.net 

NOT ANOTHER CORPORATE CULTURE ARTICLE!



***“Your corporate culture is like a petri dish—
Make sure only the good stuff grows.”*** ~Harvey Mackay

This quote by Harvey MacKay, a Minneapolis businessman, is from an article he wrote for the Minneapolis Star Tribune on 3/6/2017 called “Corporate Culture can Make All the Difference.” (<http://www.startribune.com/corporate-culture-can-make-all-the-difference/415366384>) MacKay went on to say, “**Corporate culture extends far beyond employees. Your customers, vendors and competitors are watching, too. Who wants to do business with an organization that can’t be trusted or respected? I’ll tell you who---no one. Your public face reflects your internal face. The mirror doesn’t lie.**”

Much of what he said is pretty right-on! He also noted that “corporate culture is consistently listed as an important factor in retaining employees. “ These thoughts bring to mind what agents tell us is going on at American Family. But why do we keep talking about the ‘corporate culture?’ Well, it’s what makes life at this company comfortable or not comfortable. We all get twinges of guilt when we note the negative things that are occurring within the walls of the company we work for. “Should I report it?” we ask ourselves. Hmm?? Probably not, we decide. After all, we might get fired. No one dares to say anything negative or report the corruption. It’s just too risky! Most often, corruption is allowed to spread because people are afraid to publically expose it. The bottom line is, are we comfortable working for AmFam? Do we see the company consistently upholding ethical values and behaviors? Does it

seem the less-than-ethical people get the promotions? Do “favorites” seem to get the rewards and/or exceptions to the rules? In other words, can you truthfully say you are content at AmFam?

An April 27, 2017 article in the Urban Milwaukee, an online daily publication entitled “**The Greed of American Family,**” (See his article on Page 7 of this issue of The NAAFA Report) attempted to shed a little light on what has actually been happening at AmFam over the past couple of decades. Author Bruce Murphy seemed to throw a lot of the blame on corporate greed and we might just have to agree with him. He points out how CEOs salaries at AmFam back in 1974 were about 35 times more than the average worker. By 1994, he says, CEOs had climbed to 150 times more. What’s worse, he points out, was that by the early 1990s, AmFam’s agents were being forced to take 10% cuts in commissions and all the while the company was piling more paperwork on them. BTW, in 2014, CEOs earnings were 331 times more than the average worker at AmFam.

Logic would tell you that it was the agents who brought the revenue in, allowing the company to grow. But in our opinion, agents certainly have not been rewarded for all their risk and hard work. In fact, agents by and large have been kicked in the b___ and told to leave. Is loyalty important? Is good customer service important? Are characteristics such as hardworking, honest, goal oriented, optimistic, likeable, self-confident, and resilient important? We believe you’d all have to agree these are important characteristics, but why then does AmFam seem determined to kick these good salespeople out the door? Why have they been harassed, overlooked, and forced to leave?

Today we are seeing another big body of agents prepare to leave AmFam. Not because they want to, but because they have been forced to. They’ve been told to “either resign or be fired.” Yes, they’ve tried to remain loyal. They’ve tried to remain optimistic. This ‘greedy’ company has given the ones they want to get rid of a couple of choices. The agent can either turn in a resignation with a retirement date any time between now and the next 2 years, or the company will put them on a 6-month notice with a high sales quota to meet. Obviously, many agents choose to stay as long as they can to help pay off bills and allow them to attempt to save more for their retirement. We have been seeing these agents leave now for a couple of years. And more must leave soon. They’re sad, frustrated, and hurt. After all, they have been encouraged to dump thousands of dollars into *their* agencies only to have the agency jerked away from them in exchange for a termination package that has been watered down because of lowered commissions, lack of an ability to invest the monies within the Termination Benefit package, and then hit with a non-compete that forces them to become nearly inactive for a whole year.

Yes, we did sign the contract. But little did we realize how one-sided and ambiguous the contract was. And even worse is the fact that it appears AmFam has violated the contract for years and years, according to the advisory jury in the Jammal v American Family class action lawsuit. Yes, we have worked in a very controlled environment for years. Being told what hours to keep, what days to be open, when to take a vacation or not to take one, who to hire, how to sell, how much to sell, attend mandatory meetings, the list goes on and on. We wanted to be independent contractors when we signed that contract; and we still want to be independent contractors, but we want to be treated as independent contractors. That’s not the contract’s fault....it’s AmFam’s fault.

It has been said that a person grows stronger and matures when going through great trials. Working for AmFam has been a tough way to mature, but it seems the independent brokers realize that the AmFam agents are great to hire because none of our agents has a hard time finding a broker to sign them on. Brokers *want* to hire the AmFam agents. Our agents know how to work, they know how to gain the confidence of their customers (which the company seems to hate!), and they’re truthful and ethical.

Let’s see....what words should we use to describe the culture at American Family? Unsettled, impossible, greedy, unethical, one-sided, corrupt, disloyal, stingy, intimidating. The list could go on and on. We’ve heard of newly hired AmFam employees who got just a day or two to look at what was going on and they quit before their first week was over. What does that tell you?



Will the “culture” at AmFam ever improve? Will it ever be what it was 20 years ago?

Probably not. Many employees and others seem blindly working for this company, not caring to be truly informed but falsely appearing to be on board with company goals that are actually inconsistent with their own ethical and moral values. How can they continue, one wonders? Harvey Mackay says, “*Your corporate culture is like a petri dish---make sure only the good stuff grows.*” Well, sometimes it seems our petri dish is pretty putrid. That’s too bad because we all realize how hard it is to get rid of the odor of decay.

Submitted by NAAFA member



UPDATE ON THE CLASS ACTION

[April 18, 2017]

JAMMAL ET AL. V. AMERICAN FAMILY INSURANCE TRIAL



As you know, the plaintiffs in the case of *Jammal, et al. v. American Family Insurance, et. al.*, Case No.: 13-cv-00437, claim that American Family improperly classifies its agents as independent contractors when they are actually employees for ERISA purposes. On April 18, 2017, after a two week trial an

advisory jury returned a unanimous decision in the plaintiffs' favor, finding that the agents were employees under ERISA. The class of current and former agents were represented by trial counsel consisting of Erin K. Dickinson and Charles J. Crueger of Crueger Dickinson LLC., and Edward A. Wallace of Wexler Wallace LLP.

While this is an important milestone, the jury's decision is an advisory one only, which means that the Court must still formally confirm or reject the jury verdict. If the judge confirms the jury's advisory verdict, then the case will proceed to the next phase to determine the scope of relief that may be available to agents under ERISA, including the

protection and award of retirement benefits. Like the first phase of the case, American Family denies liability, but plaintiffs are just as prepared to go the distance on these issues like they did before the advisory jury.

So the case is far from over. And it is important to understand that the advisory verdict from the jury does not end the case or automatically result in payments of any kind for any agent. There is still much more work to do, and American Family could still prevail. The Court has not awarded any money to any agent. With respect to settlement, plaintiffs and lead counsel have always been willing to discuss a reasonable resolution of the lawsuit, but American Family chose to try the case instead.

You can rest assured that the plaintiffs and the lawyers representing the class will continue to work hard the rest of the way. You will also receive regular status reports as they become available. We have heard from a great many of you and appreciate your efforts and kind words.

Thank you.



Erin Dickinson Crueger Dickinson LLC	Charles Crueger Crueger Dickinson LLC	Edward Wallace Wexler Wallace LLP
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To see if you are included in the class, Email: info@AmericanFamilyClassAction.com or call (855) 830-2666

NAAFA, INC. MEMBERSHIP APPLICATION

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

NAME _____ ADDRESS _____
CITY _____ STATE _____ ZIP CODE _____
CELL _____ OFFICE PHONE _____ FAX _____
PERSONAL EMAIL _____
SIGNATURE _____ DATE _____
(Signature of Applicant)

MEMBERSHIPS*: (Circle one)	Annual Active AmFam Agent	\$264	ACP Agent Annual	\$ 132
	Semi-Annual Active Agent	142	ACP Semi-annual	70
	EFT (Monthly) Active Agent	22	ACP (EFT monthly)	11
	Non-AmFam Agent Annual	120		

DONATIONS:
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, 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 800-567-9668.



FREEDOM OF ASSOCIATION

Often NAAFA hears from agents who say they are being told to stay away from NAAFA, or told not to join NAAFA. Apparently, AmFam agents aren't the only ones being told this. Below you will find an article from the UFAA Eblast of 3/14/2017. UFAA is the United Farmers Agents' Association....NAAFA's sister organization. You will find that their article describes your right to "Freedom of Association. But also, you will see a copy of a letter UFAA had their attorney write to legal at Farmers Insurance suggesting they re-train and inform their management about this important American freedom. Of course, this applies to us here at NAAFA, too.

UFAA Eblast 3/14/2017

Freedom of association is the right to join or leave groups of a person's own choosing, and for the group to take collective action to pursue the interests of members. We have heard from Agents that District Managers are advising agents that they need to "stay away" from UFAA. These District Managers are acting contrary to the direction and policy of FGI. UFAA recently sent a letter reminding FGI that an individual's right to join with other individuals and collectively express, promote, pursue, and defend common interests, is the right to freedom of association. This right is incorporated in the US constitution. Everyone has the right to freedom of association with others. This includes the right to form and to join trade unions and to join with others to pursue or advance common causes and interests. It also includes the right to formally join or create associations.



February 21, 2017

Via Electronic Transmission and First Class Mail

Christopher S. Maile, Esq.
Tharpe & Howell, LLP
15250 Ventura Boulevard, 9th Floor
Sherman Oaks, CA 91403

RE: Freedom of Association

Dear Mr. Maile:

As you know, I represent the United Farmers Agents Association (UFAA). Per your prior request, I am directing my client's concerns to your attention with the expectation that you will share the same with Farmers Group, Inc. (FGI).

Recently, my client received complaints from multiple Farmers agents in the state of Oklahoma that District Managers were advising agents – newer agents in particular – that they needed to “stay away” from UFAA. As reported by these agents, the District Managers were making clear that agents who chose to associate with UFAA could expect adverse consequences from Farmers.

My client was surprised to learn this information and can only assume that these District Managers were operating contrary to the direction and policy of FGI. Given the National Labor Relations Board's heightened interest in employee misclassification matters and its similarly heightened interest in protecting the freedom of association, we trust FGI would never discourage its agents from freely exercising their right to associate with a professional trade association of similarly situated agents.

I would ask that FGI educate Farmers management on this important topic and discourage management's interference with the collective activities of Farmers agents.

Very truly yours,

Dirk A. Beamer dbeamer@wrightbeamer.com
Direct Dial: (248) 893-1401

1500 Northwestern Highway
Suite 140
Farmington Hills, MI 48334 (248) 477-6300 Office (248) 477-7749 Fax



THE BENEFITS OF NAAFA MEMBERSHIP

NAAFA is always amused when an agent calls in with a serious problem and admits to the fact that (s)he should have joined NAAFA a long time ago, but wasn't motivated to do so till something bad happened. Sometimes agents claim they were "afraid" to join. Once the agent learns about the preparations he should have made, about his real rights as an independent contractor agent, or about how to document things.....he soon realizes he should have joined NAAFA a long time ago.

Membership has grown by over 200% in the past few years. We're not bragging, but we're thankful and proud that agents have rallied to the cause. Actually, many of our members believe no one should ever become an AmFam agent without also joining NAAFA.

"Is it worth it to become a member of NAAFA? Let us remind you about what some of the benefits of NAAFA membership are:

- Access to a network of business professionals, ie board members, agents who've *'been through it before,'* agents from other agent associations, accountants, etc.
- Access to industry information via our website (www.NAAFA.com)
- Opinions on agents' contracts
- Safety tips for agency transition (when and if it becomes necessary)
- Attorney and accountant referrals
- Access to updates on important legal cases
- SECA Kit tax guide and access to accountants with experience. Assistance when there's an inquiry.
- Assistance at termination and the guidance in getting started in the independent world, should you desire to do so.
- Information regarding "do I need legal assistance?"
- Access to NAAFA's document library
- Access to member-side of www.NAAFA.com , especially the column "Directly to Members...Directly from NAAFA"
- Access to NAAFA's "shock and separation" counselors

**Help us keep these valuable benefits going by
JOINING or RENEWING your membership today.**

**PLEASE SHARE THE FACT THAT YOU ARE A MEMBER OF NAAFA
WITH OTHERS AND ENCOURAGE THEM TO JOIN.**

The rumor that you might get fired if you join is absurd. More non-members get fired than members. If you don't encourage others to join, we can't grow. Besides, letting others know about our services is a kindness you need to share.

BOLDLY STAND FOR TRUTH WITH NAAFA, INC. JOIN TODAY!!



Wake Up Call....by Bill Gough

BGI Systems

There's an old story about a lion and gazelle. *And...* It applies perfectly to all of us, especially for all of you that are in the business of selling and servicing insurance.

Every morning in Africa, a gazelle wakes up. She says I must run faster than the fastest lion, or I will be eaten. Also, every morning, a lion wakes up thinking a similar thought. I must run faster than the slowest gazelle, or I will starve to death. *What is the moral for us?* It doesn't matter whether you are a lion or gazelle - when the sun comes up, you better be up and running.

The world you live in today is moving faster than ever ... and ... will continue to speed up. If you are not proactive in establishing goals, plan to reach them, and actively taking action on these goals, like the slower lion or gazelle, your business may die.

Take some time to consider the following 5 questions:

1. What are you doing when you first wake up?
2. **Are you controlling your day or are you allowing forces to control you and your team?**
3. How can you improve your plans and actions to achieve your definition of success?
4. **Are you doing everything possible to achieve that success?**
5. What can you improve or change to get your agency on the right track?

I want to share with you an example of how the world and outside forces are controlling the majority of people not only in the USA, but also in every civilized nation on the planet:



Most people sleep with their so-called smart phone next to the bed or worse in the bed. Now, if this was solely for the purpose of an alarm clock that may be okay. You know this is not the case, and the first thing it's not very smart (Trump would call them stupid). The majority of people are checking email and/or getting sucked into social media when they first wake up. When this happens, you become a prisoner to outside forces and lose all control.

People ask me a lot, how do I get so much done? Believe me, for years I was as trapped by technology and got caught up in allowing outside forces to control me. That changed for me in 2004 when I had a major breakthrough and learned the value of my time when I was working **PRODUCTIVELY**.

Never confuse being busy at work with productive work!!

For about seven years now, I have practiced a ritual of beginning and ending my day on a positive note by spending several minutes in:

- Prayer
- Meditation &
- Concentrated breathing

Since I've been practicing these tools for years, I have gotten pretty good at it ... but ... I have to be careful not to just read or say the words without meaning. The beginning time each morning gets me thinking about the 24 hours ahead and to make sure to ask God for help in my thinking and actions. At night just before going to sleep my thoughts are of gratitude, and I do a nightly inventory review to see if I've been wrong, resentful, where I could have done better, and more.

At the end of each **WORK DAY**, I record 3 or more wins for the day plus what I will be working on tomorrow. At the end of each week, I review my wins and list a few **MAJOR ITEMS** that I need to implement in the following week. These major implementing items should align with my strategic goals.

Recently, I added a live 45-60 minute Weekly Accountability Call (WAC) for our TPC Mastermind members - **their results have been amazing, and will continue by practicing these principles in their agencies and personal lives.**

Years ago in my insurance agency we began using *daily task lists*. We built systems and processes that allowed us to build a team of winning employees. We strive to be a proactive sales and marketing business that we can control, plus deliver extra ordinary customer service by being unique, and delivering on the promises that we make to our customers. You can also make this switch from being controlled by outside forces (employees, clients, email, social media, family, etc.) by deciding how you are going to do your work.

If you are overwhelmed, nothing will ever change until you make some changes.

If you're guilty of sleeping with your phone and having the world dictate to you, **MOVE IT** tonight and wake up in peace asking your higher power to guide you in your thoughts and actions today. *It takes 60 seconds or less.*

If you'd like some of the material that I meditate on starting and ending each day, please email: support@bgisystems.com with "Meditate" in the subject line. 🙏

WHAT IS THE REAL COST OF WORKING FOR AMERICAN FAMILY?

Submitted anonymously

What does an **agent cost the company** each year?

- 1) Training, workshops,
- 2) Company HR costs to service and manage agents
- 3) In return for services rendered, commissions must be paid.
- 4) Company employee costs to hire managers to direct activities of agents.
- 5) Contest costs, rewards, trips, bonuses, etc.
- 6) Costs of computers, techs to service them.
- 7) Termination Benefits



What does the **company cost the agent** each year?

- 1) Agent must pay rent, utilities, furniture, for an office.
- 2) Agent must provide signage
- 3) Agent must pay for advertising for the company.
- 4) Agent must hire and train staff to do paperwork assigned by the company. (Then often company steals them.)
- 5) Agent must pay staff while attending company required training.
- 6) Agent must cover transportation costs to inspect buildings, take pictures, etc.
- 7) Agent loses his bonus to the company if he's unable to meet company life quotas.
- 8) Agent loses to the company because bonuses don't go toward an agent's Termination Benefits package.
- 9) Agent must spend time and money attending mandatory meetings.

An interesting observation by Peter Cappelli, Professor of Management at Wharton University of Pennsylvania, goes something like this:

"Firms that are laying off are almost by definition in trouble."

In fact, Mr. Cappelli says that layoffs do *not* generally result in improved profits. He cited one study that found that a consequence of understaffing was lowered morale. (<http://executiveeducation.wharton.upenn.edu/faculty/2A38057A9173486FB9F683BCB623C6D2/peter-cappelli>) I don't know whether you can consider forced retirements (like we have been seeing here at American Family) the same as layoffs or not, but my suspicion is that profits have increased at least temporarily because the company keeps so much of the renewal commissions when they shove an agent out the door. But I do agree that these "layoffs" have certainly caused a lowering of the morale. Mr. Cappelli is right on that one.

Another professor by the name of John Kimberly (Wharton Management Team) says that *"if a company can manage through a rough patch with creative strategies without laying off, employees will emerge with a greater sense of loyalty, and that loyalty will pay off for the company. I think the data are clear that outstanding performance comes when people are motivated to do their best, and that they are motivated to do their best when there is some reciprocity between senior management and employees and what they do on a daily basis."* <http://knowledge.wharton.upenn.edu/article/how-layoffs-cost-companies/>

Wow, he said a mouthful there. Agents have long felt totally isolated from management at AmFam, especially upper management. If the powers-that-be could sit in the NAAFA business office for a few hours and listen to the agents as they call telling such heartbreaking stories about their experiences with this company, they would either change their minds about how right it is to terminate these agents or they're some kind of wicked person numbed by their own callousness. Some agents can't bear to talk about it so they write about it by sending us an email.

When NAAFA receives emails written at 2 or 3 AM, it doesn't take long to know this person is really under stress and very depressed. It's the job situation. When you take a person's business away from him (as you do when you fire or force an agent to quit), you're sucking the life blood right out of him. Just experience these things once, Mr. CEO, and perhaps you would take a step back and say, "Are we doing the right thing here in getting rid of the agency force?"

Oh sure, there are a few happy agents. They're the ones who are getting all the policies. With what appears to be a company goal to see a few agencies grow to 15,000 to 20,000 policies, it at first seems easy to understand why such an agent might be happy. But don't kid yourself, Mr. Red-White-and-Blue Boy, this company could turn on you just as fast as it has turned on the other 1500 to 2000 agents they have managed to 'get rid of!' And are you going to be able to afford staff to service all those policies?

A more common practice at AmFam these days seems to be for management to encourage agents to take out loans at Bank of America to finance their office equipment and hire more staff. Can you just imagine the risk they're taking? Here you are working for a company as a captive agent where you must be willing to risk the possibility of AmFam being your only source for products to

sell. What is going to happen when they raise their rates? You won't have any other company to switch those customers to who won't tolerate the prices. Or can you just imagine what you are going to do when AmFam (as they so often do) decides to jerk a certain line, one that you've written a ton of, and now your income drops, but the BoA loan still needs to be paid? Think about it!

One other interesting observation by University of Michigan Professor Gerald F. Davis is that he feels "the shareholder value model has been the undoing of corporations." He goes on to say there has been a stark decline in the number of publicly traded companies in the US over the past few decades. They don't need to IPO in order to raise lots of capital anymore. In fact, he says, some firms like Dell have gone private which allows them to make longer-term decisions without fearing they'll miss their quarterly earnings targets. Wonder where this leaves American Family? They seem to be going in the opposite direction from private. We'll see how this works out!!

So where does all this leave us? **Do agents cost the company more? Or does the company cost the agents more?** Yes, you could undoubtedly add many more costs to each list, but the bottom line is, "Are you happy here?" "Are you making as much money as you used to or you'd like to?" "Do you enjoy what you are doing?" "Is management here treating you fairly?" "Are you respected for what you do?" "Do you feel a lot of stress working for American Family?" "Is this job worth it?"

These are all questions you need to be asking yourselves. Many agents bemoan the fact that they have stuck around as long as they have. With the culture the way it is at AmFam, it is too bad. NAAFA has tried to encourage agents who really don't want to retire to their rocking chairs to consider doing something else. And from our perspective, it's never too late to start a new venture. Remove the stress, get rid of managers you don't like, find something you enjoy doing and something you can do as long as you want to. Hopefully, you will never be limited again by some company/manager who controls your whole being like you've had here for most of your career.

"The secret to happiness is freedom....

And the secret to freedom is courage." ~Thucydides

NOW GO FOR IT! 🕊



SECA KIT GUIDELINES AND AVAILABILITY

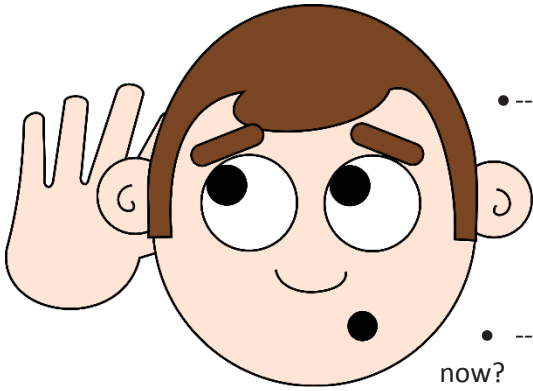
The SECA Kit is just one of the benefits of being a NAAFA member. Any member who leaves American Family and qualifies for Termination Benefits should have the Kit before filing taxes the first time. Understanding how and why you file as you do could save you thousands of dollars in IRS penalties and fines. NAAFA prays you join NAAFA for all the membership benefits, not just for the kit. But because so many agents are waiting till they are no longer with AmFam before joining NAAFA, we find that our time involved in working with these agents and their accountants is taking nearly 60% of our office time. It is for this reason that we felt we must increase our suggested donation for the kit.

Effective January 1, 2017, NAAFA began asking for a donation of \$500 for a SECA Kit unless a person has just completed a full 3 years of continuous (no lapse) membership. After the three full years of membership, the Kit is free. A new member (whether active or retired) must pay one year active agent membership dues of \$264 before the kit would become available. Or the new member who pays either *monthly* or *semi-annually* would have to wait until the beginning of the second year to become eligible for the Kit. You must have a personal Email to receive the Kit. NAAFA asks that you honor confidentiality regarding the Kit by not sharing it with non-members. Your accountant must be informed of this confidentiality requirement. Remember, the SECA Kit is a benefit of NAAFA membership!

NAAFA, Inc.

"Because we Care!!

DID YOU HEAR



- ---that the company thinks it's ok to invite agents' employees to their "Producer Boot Camp" without asking the agent first?
- ---that the company will 1099 the agents for the Boot Camp expenses, and any cash incentives they give the agents' employees?
- ---that the company may be firing agents for profitability rather than production now?
- ---about the ASM who says he believes it's ok to "bend" the rules to achieve a higher result?
(Editorial comment...if you bend for one, shouldn't you bend for all?)
- ---about the upper management person who says he felt accepting a customer's post-dated check was ok?
- ---it's being said that for every \$1000 of premium written in the captive world, you only need to write about \$600 in the independent world to make the same about of commission?
- ---how agents must get their business cards printed by AmFam, but getting your own e-mail address printed on it is nearly impossible? The cards seem to come back with the company's web address or the company puts their own 800-MyAmFam number on thus using up the limited lines you are allowed. When your customer calls, the call goes to the company....not to you!!
- ---"favorite" agents seem able to get their business cards printed independently where they can put what they want on their business cards. How fair is that??
- ---what's more, other "favorite" agents are advertising independently and are getting by with it. Does it depend on who you are??
- ---that Ken Muth thinks the AmFam agent contract is "unambiguous" while many have determined it so "ambiguous" that AmFam can define it any way they choose.
- ---the people that are saying the agent contract would be fine... if AmFam would just follow it!
- ---that the company is still calling agents 'independent contractors'.....and some agents are buying it?

If you don't have a sense of humor, you probably don't have any sense at all. ~from Humor Etc.com

Most people walk in and out of your life, but FRIENDS LEAVE FOOTPRINTS IN YOUR HEART! ~Eleanor Roosevelt

Character consists of what you do on the third and fourth tries. ~James Mechener



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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.



SUPPORT NAAFA PAINLESSLY

The most painless way you can pay NAAFA membership dues is by the monthly EFT method. Most people do not miss the \$22.00 a month that NAAFA deducts from the account of your choice around the 20th of the month. Some agents add an extra \$5 or \$10 a month to be donated to the NAAFA Member Enhancement Fund. (NMEF) It's all so easy. Open your account now by sending your check for \$22.00kj to: NAAFA, PO Box 578, Circle Pines, MN 55014.

IF YOU HAVE MOVED, please inform

Contact us at: (800)567-9668.

Or mail us at: NAAFA, Inc.



us of your *CHANGE OF ADDRESS!!*

Email us at: NAAFAwest@comcast.net.

PO Box 578, Circle Pines, MN 55014



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

The NAAFA Mail Box in the NAAFA Report lets you **sound off**. NAAFA never identifies you unless you ask to be identified, but we must know your identity or we will not post your message. If you want your message read or heard, send it to naafawest@comcast.net. This is your VOICE!

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 WIN Top-Level Insurance Achievement Awards...
 SELL Effortlessly Despite Rising Rates...



Over 100 Insurance Agents Traveled from Across the Country to Come Together for 3 Agency-Transforming Days At the BGI "Magic" Boot Camp

Many of the BEST AGENTS in the Country...
 All Together in the Same Seminar Room Sharing
 Ideas and Strategies that WORK in the REAL-WORLD

By: Bill Gough - Hall of Fame Agent

Even though you weren't at our "Magic" Boot Camp, I don't want you to be SHUT-OUT permanently from the valuable business strategies we revealed in Dallas like...

- * Sharpening Sales Skills...
- * Proven Marketing Campaigns...
- * Boosting Referrals from Realtors...
- * WOW Customer Service...
- * Agency Succession Planning

For a very limited time... You can "attend" this business transforming event from the comfort of your home or office, for a FRACTION of what it would have cost for you to be there live!

The NEWEST Treasure Chest of Marketing, Sales, and Profit Increasing Secrets for Insurance Agency Owners is NOW Available on Audio AND Video Recordings!

Meet Some of the Speakers:

We had over 20 agents and speakers on stage through the Boot Camp. Some speaking to the whole group, some on panel discussions, and some leading breakout sessions. Here are some of the highlights of the who's - who of speakers...

WOW Customer Service Expert:



Thomas Walters

Thomas Walters is a 23-year agency owner that owns a \$13 Million agency with three locations... recognized by Allstate as the TOP AGENCY IN NORTH CAROLINA! At the event, he revealed his secrets for exceptional customer service and most importantly, how to translate that into more sales, more referrals, and higher survey and ACES results.

BGI Systems Founder:

Bill Gough

Of course, you get ME! I gave 3 brand-new presentations including the 7-Step Marketing and Sales Secret That You Need In Your Insurance Business Today!



Asset Protection Guru: **Lee Phillips**



Lee Phillips is a nationally recognized attorney who has helped thousands of audiences understand the latest asset protection, business structuring and tax techniques. With his time on stage, Lee taught us how to reposition ourselves in the law and shield our assets.



The Commercial Conjurer: **Jeff Jones**

If you're an insurance agent, you have probably heard of Jeff Jones. A 29 year agent from Miami, FL and a consistent top performer. Jeff shared with us how he built his agency and how he dominates in commercial insurance year after year!

Process and Systems Queen: **Wendy Murphy**



Wendy WOW's us year after year! She revealed some of the top processes and marketing plans she's been using in her agency to put sales on the books. She talked about how the systems work start-to-finish with examples of the documents and marketing tools. AND she even shared the documents to take back and use in your agency for easy implementation.

OK, Bill! How Do I Attend From Home?

Folks that attended the event paid \$500-\$1,497 tuition, plus \$300-\$600 for airfare, plus \$600-\$700 for hotel and food... and that's if they came alone. Many agents brought 2 team-members to gain hands-on training.

Attending from the comfort of your car, office, and home will save you money and you can listen over and over again with the added benefit of the pause button. Plus, many smart agents also use the recordings to train their staff!

Even though you would have spent \$1,400-\$2,500 to attend live, you can invest in the **full RECORDINGS via INSTANT DOWNLOAD** for just \$597 or 2 payments of \$327! You will have immediate digital access to all the recordings from the event! You can listen from your smartphone, tablet, iPod, or other techie-device.

PLUS, be one of the first 11 agents to invest in the AUDIO AND VIDEO Recordings of the event and I'll give you 3 Fast Action Bonuses! What could be fairer?

BONUS #1: 1 agent and 2 staff tickets to the 2018 Super Conference! (Value \$1,800) Even though you missed this year's event, you SHOULD NOT miss next year's Super Conference, April 5-7 in beautiful downtown Chattanooga, TN.

BONUS #2: 30-Minute One-on-One Coaching Call with ME! During our half hour, we can discuss any area of your business that you need help with. My current consulting rate is \$1,500 per hour, so this coaching call has a REAL value of \$750.

BONUS #3: The BRAND-NEW updated for 2017 BGI Systems Toolkit!

How would you like to have a 412 page manual on how to run a successful Agency? The BGI Systems Toolkit is it!

There's 17+ Email Templates, 30+ Free Reports, 20+ Key Forms, the Process Manual, the Sales Manual, the Systems Manual, 25+ Marketing Campaigns, 35+ Processes, 20+ Quote Sheets, 25+ Phone Scripts, Sample Spreadsheets, and MUCH, MUCH MORE!

Also included in the toolkit is the 12-Month Marketing and Sales Plan! We've built your entire marketing calendar, designed all the ads, letters, emails, web videos, scripts, everything! (Value: \$1,997)

Value Breakdown	
Recordings	\$997.00
3 Tickets to 2018 Event	\$1,800.00
30-Minute Call w/Me	\$750.00
BGI Systems Toolkit	\$1,997.00
Total Value:	\$5,544.00

Go to www.BGIEvents.com/NAAFA or call Lantz at 256-246-2612 today to invest in the BGI Systems Boot Camp Recordings for only \$597!

Remember, the Fast Action Bonuses are only available for the first 11 agents... Go online or call today!



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