



ISN'T IT TIME TO GET YOUR HEAD OUT OF THE SAND?

Article #3

by Bob Korvas

So what now?

I've written articles twice so far covering the subjects of "Life after American Family," "Controlling Your Destiny" and the fact that "you" are a commodity in your position.

This article will make sense and be a benefit to the professional career agent who can see beyond American Family, if need be. The other types of individuals will undoubtedly call for help when they get threatened by termination.

Ok, I'm getting a few calls from American Family agents. Some are in need of help or advice. They aren't members of NAAFA when they call. **But** now they want free advice. Cynically, I think to myself, how typical? Nothing has changed. That's human nature. Throughout history (and it does repeat itself) people haven't cared about the "guy next door" until they actually *become* that "guy next door." Then they complain, "No one will help. What can I do? REALLY...?"

Admittedly, the most glaring, extremely overstated example I can think of in human history that will dramatically get your attention **to** illustrate my point is the treatment of the Jews going into WWII in Germany. If you've ever studied the history, you'll know that many people stood by and did nothing unless it was they themselves who were affected. It did not matter if it was in Germany by German citizens opposed to Hitler, or if it is at American Family with American Family agents not unifying in support as members of NAAFA to oppose the management. The apathy is the same. As it was in the days of Hitler as he was coming to his ultimate power, the people stood by idly. They denied what they saw before their own eyes. They buried their heads to the fact that it could or would happen. Is that what's happening today?

If you're feeling discouraged with what you see and hear these days, you should be. I'm not going to 'sugar coat' this. It's your own fault. Undoubtedly, you're hoping that "hiding in the sand" so to speak, will keep you safe. The Walls of Change are

closing in on Captive Direct Agents (Independent in name only) like American Family, State Farm, Farmers, and Allstate agents.

You have two doors from which to choose for your escape.

Door #1: Join and grow your agent association so you can become a powerful unified voice against the bloated upper management's market direction.

Door #2: You can leave American Family for the truly independent agency side as a broker for dozens of companies that want you.

What if I just stick my head in the sand and choose neither?

Staying between these *walls of change* without exiting out one of these two 'exit doors' will surely cause you to be smashed by the convergence of *the walls of change*.

It's time that you share copies of my articles with your fellow agents, friends and even your manager. If you believe in NAAFA as a member, be proud. I was a proud member during my career. I stood toe to toe against management. When they pushed me, I stood my ground firmly. Understand what the problem and culture is. Pass it on. Debate it. Do something those insecure, cowardly, self serving non-member agents are afraid to do. Overcome the discouragement and myth that American Family has you believing... that "THEY" are the reason for your success. It couldn't be further from the truth.

As I was writing this, I decided to look at names in the American Family Annual Report. Between '80 to '98 I knew Meyer (pretty boy, fast tracker, went out of favor, AFLIC VP), Thedinga (distinguishing accomplishment: a loyal follower, good with an 'ax' as DSM), Rekowski (butt of jokes, ineffective HO job, title holder) Salzwedel (indistinguishable, inside HO career). All ascended to the Good Old Boys' Club as members of a top heavy management system which evolved starting about 1986-87. They're decent enough (personally). All of them were mediocre at best in their positions. Good followers, very good at form and appearances rather than function. As customary for American Family's culture, it's the closest thing to an ineffective government bureaucracy that you can get.

AFMIC culture is the reason American Family lost the A+ rating a decade or so ago. This is purely a direct reflection on performance of the officers and directors. **Too many, doing too little, for too long and making too much.** Certainly, it can't be the agents' fault. It's sad when you consider that AmFam captives get paid an average of 9% commission for personal line P/C. My independent A+ rated carriers' lowest commission is 15%, the highest is 30%, and my average is 22% for personal lines. (Plus we get Bonuses and NO life commitment is needed!)

Agents aren't completely off the hook for where they are today. Reminds me of the 80'-90's era. Think of the Michael Jackson lyrics from, *Man in the Mirror*. **Ask yourself "What makes you worth keeping?"**. This question could be asked by AmFam *and* your clients. Are you really valuable to either? Are you selling price, your service, contract, benefits? What are you doing? **Honest self-reflection is key to deciding your future personally and professionally.**

If you sell price, don't know your competition, and don't educate yourself, you're exactly where you belong. Perhaps AmFam management is right in thinking about getting rid of agents as they see fit. Probably using 'employees' instead of independent contractors makes sense. Right about now you're thinking I'm not helping you. And you would be correct. I'm not helping you, IF you're not joining NAAFA **now**. If your book of clients is insured with you because of American Family's mass marketing niche, you don't deserve any help.

After all, State Farm, Farmers, American Family, and Allstate are pretty much one in the same. Don't believe me? Read and compare sample home insurance policy contracts and definitions for all four companies. If it weren't for the logo and company name on the front page, you couldn't tell them apart.

So why join NAAFA? Because **you need power in numbers to change the culture in favor of you and your fellow agents**. I had an idea in the 90's. It almost succeeded. I recommended we place people on the AmFam Board of directors. How? By following the legally binding bylaws at AmFam (After this unsuccessful attempt, the AmFam Board of Directors made changes). I had my clients, and other agents had their clients, sign the Proxy vote letters which we could use to appoint an agent to the board. Policyholders would rarely sign and return them unless urged to do so. But our group knew we had grass roots relationship with our clients. All we needed to do was ask. We only needed 25-30,000 signatures. I personally had 1500 from my clients alone. We had about 40,000 signatures near the deadline. Unfortunately, shortly before the dead line and the Board of Directors' meeting, certain agents couldn't keep their mouths shut until after we delivered them. They were 'bragging' and when management found out, they began terminating agents. I was told by one of our NAAFA members that I should not send mine in. Too many other agents (mostly non-members) had backed down. They no longer would be bringing their proxies in. I took this advice. For almost a decade with NAAFA's board, I tried to help. But with that chapter now closed, I planned my exit which was to take place year end 1997.

What does it take? **Commitment to a goal**. At age 24, a month after joining AFMIC fulltime the rates went up dramatically. We were about 6th in price compared to the name brand companies, plus people still thought American Family was a soap company. It was sold in red and black boxes. How was I able to succeed and achieve Agent of the Year in Illinois my first year under these circumstances? Commitment! Back then (and now) the top four companies' policies were pretty much the same generic product. AFMIC was always a 'follower,' usually the last to adopt what State Farm and Allstate were already doing. I sold higher priced AFMIC policies by using and improving my presentation skills, my service and giving people knowledge about how they would benefit by letting me take care of their needs.

Later I earned designations of CLU, CFP, ChFC, real estate master. Truthfully, my story is really not completely unique. I'm probably more atypical of the successful independent agency side of the professional insurance brokers. Like my mentor Lou DeLegge, I'm the *sum* of others like him.

If you're not a member of NAAFA and you don't join, or you are a member and the membership doesn't grow, prepare to leave AmFam. When that time is right, you can if you want to. Just be sure to help your clients. Make yourself more than an order clerk. If they are 'your clients' and not believers in American Family's marketing presence, they'll follow you. 80% of mine did in only 6 months. You ask: "Bob, how did you do that?" Me??? I believed in myself and had a clear vision of my future. I educated, prepared and became a valuable resource to my clients and community. **The biggest part of your education: read your AF contract and know your legal rights to be in business. If you have endeared yourself to your clients, they will follow you after your period of non-compete.**

Work your way out of the doldrums and you will be more successful if you stay. Not to mention you'll be ready to go on to a successful career as an independent if you decide to leave. You're welcome to call or email me as others already have. Do it through NAAFA or direct.

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