

**[The following letter was received by NAAFA recently. It was sent anonymously.  
NAAFA cannot vouch for its accuracy or authentic information.]**

The National Association of Professional Allstate Agents (NAPAA) has voted to affiliate themselves with the Office and Professional Employees International Union (OPEIU). OPEIU is a member of the AFL-CIO.

Jim Fish, president of NAPAA, does not want Allstate agents to be categorized as employees. Fish wants Allstate to treat their agents as true independent agents. Similar to American Family agents, Allstate agents are expected to meet unachievable sales quotas and are constantly under the threat of having their contracts terminated. There is speculation Allstate will be reducing compensation paid to their agents. Allstate agents are treated like employees by Allstate, but to circumvent IRS employee taxation and being forced to provide employee benefits most captive insurance companies contract their agents as independent contractors. Michael Goodwin, OPEIU international president states "this is a matter of defending the interests of ill-treated small-business owners" and "NAPAA will soon be able to offer legislative access and legal support to questionable compliance issues, faced by both agents and customers alike." The decision to become part of OPEIU still has to be approved by the NAPAA board.

Earlier this year Allstate said they would be reducing agent commissions while increasing "their variable, performance-based commissions." This announcement along with the other questionable company infringements of the independent contract status prompted NAPAA to look into the possibility of unionizing. Allstate does not consider the vote to unionize significant because NAPAA represents less than 10% of the overall Allstate agency force of 13,000 agencies. Allstate is looking into developing larger agencies while lowering the number of smaller agencies. Allstate CEO, Thomas Wilson says "agents are supportive of its strategy."

In summary, Allstate infringes on the independent agent contractor status of their agents. Allstate is contemplating reducing agent commissions. Allstate is looking into increasing the number of larger agencies while reducing the number of smaller agencies. Allstate feels everything they do and contemplate doing has the support of their agents. Allstate openly states NAPAA does not represent the overall feelings of their agents due to the low percentage of Allstate agents who actually belong to NAPAA. Does ANY of this sound familiar?

It will be interesting following NAPAA's decision to unionize. It will be interesting to see if NAPAA's membership increases due to Allstate's upcoming "strategies". (NAAFA membership soured when American Family announced it would be lowering agent compensation 15 years ago.) It will be interesting to see if NAPAA's decision to unionize will encourage other captive agent associations to look into the possibilities of unionizing.

American Family agents already know American Family has the same ideas/plans as Allstate in regards to agents and their agencies. Allstate is aware of the number of agents who belong to NAPAA and if the numbers are correct, less than 10% of Allstate agents belong to NAPAA. With such a low number of agents belonging to "their" association perhaps Allstate is correct in assuming the majority of Allstate agents support Allstate's strategies and should proceed forward implementing them.

I do not know the implications possible unionization will have for Allstate agents/ but all captive independent agents or our industry. What I do know is the captive companies, will continue to do and think whatever they want to until agents stand up and say, enough is enough and stop treating us like employees. NAAFA has encouraged and at times has begged agents and anyone else who may be interested in joining NAAFA to join. If you do not think American Family is watching the issue of possible unionization by Allstate agents closely, you are gravely mistaken! You are also gravely mistaken if you do not think American Family is watching how their decision(s) contribute to NAAFA's membership. When agent membership increases companies are more reluctant to implement strategies that will be detrimental to agents. With the added threat of possible agent unionization companies will take notice when agent association membership increases. An increase in agent association membership directly corresponds to how the agent feels the company is treating them. If you like being told how to run your agency, submitting report after report, being told how much you have to sell, wondering when the next commission cut is coming or when your agent contract will be terminated so someone can have a larger agency continue to remain complacent and your wishes will most certainly be granted. If you are tired of being treated like an employee and want to have more control in how you run your agency, now is the time to join NAAFA! Numbers do count!!!!