

July 28, 2011

Upon hearing that the Allstate Agents' Association (NAPAA) is voting on whether to form a guild (union) or not, we posed the following question to some of our members.

**What's your opinion about agents forming a guild?**

Here's one of the answers we received. We believe it shows a lot of thought and insight.

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Dear NAAFA,

In the current relationship most agents for American family cannot afford to put their career @ risk. Most do not have the money saved to consider an alternative to being captive. Most agents will continue to be employees with an independent contractor status unless an outside influence forces AFMIC to take a different stance on that relationship. The relationship is not one that has two sides to it. The relationship has gravitated to a one way relationship & that is what is. It is what it is!

The corporate culture @ AFMIC has changed & it is all about the good old boys. They follow & protect. There have been lawsuits that are settled just before they go to the court. AFMIC pays & pays to keep the status quo & cover up mangement's decisions.

In looking back the company has gravitated to what it is now & there is no going back. The agent used to be the backbone of the company. Input was valued, but is no longer important.

As to becoming a union? Those that can afford to put their careers at risk are better off leaving the company and making a change in their own careers rather than devoting the time & effort to something they cannot control or change. AFMIC will find a way to make the ones that try to unionize toxic to Afmic & find a way to get rid of them in an adverse relationship.

As to asking around? Most of my peer group that were in Afmic are gone or don't want to get involved with trying to change something they cannot change. There is a comfort level in going on a few trips, being recognized etc. etc. It is easier to keep quiet and keep your head down. Those that are new don't know what a different company AFMIC used to be. They are working on 6% transfer business & most cannot afford to market or hire staff. I noticed the latest advertising does not even have an agent spotlighted. It is all about AFMIC & "see your local agent." AFMIC doesn't care who the local agent is because they think a client can get acceptable service by bypassing the agent or just by plugging anyone in to the agent's chair. They want to control hours, phone numbers, yellow pages, production requirements, hours of operation, who the agent hires. Etc. etc.

It is easy to figure it out if one just steps back and observes what is going on.

So if the agent wants to be an employee (nothing wrong with that) they could have a pretty good gig as a captive. If an agent wants to be an independent contractor? There are better options available in growing the agent's career. As to corporate change? I would not hold my breath or spend time or money on it.

The Allstate article <sup>\*</sup> just shows very similar problems that captive agents have in working with the big Captive employers. It is the nature of that employment status arrangement that creates the misuse of the Independent contractor status. It seems to work for the corporation and that is why many companies have adopted a similar way to use that arrangement, to use that agent that everyone loves to hate! Allstate, AFMIC, State Farm, Farmers, & others really love this situation!

So there you have it! My Humble Opinion.

\* <http://www.insurancejournal.com/news/national/2011/07/26/208006.htm#.TjBLV7WiGA4.email>