

Dear NAAFA,

Guess I need to let off some steam. I just finished taking the survey on *AmFam's conversion to a Mutual Holding Company*, but before I did that I started Googling "Mutual Holding Companies" and what an eye opener. One thing I learned is that "a mutual holding company retains at least 51% ownership of any subsidiaries that issue stock so that the proceeds do not have to be passed to policyholders of the mutual company—a clear disadvantage for the policyholders. Furthermore, the policyholders have no voting rights in the holding company, leaving the management of the company unaccountable to the policyholders."

(<http://thismatter.com/money/insurance/insurance-companies.htm>)

I wonder how much more our customers who buy the new Advance products (through AmFam's newly organized stock company) are going to be hurt by this change. It sounds like the company can just charge anything they want, especially since they apparently are using "price optimization" (that is, charging more to those they think are apt to pay more.) So here is what I think about the survey's 8 questions:

1. **I understand too well** how a mutual insurance company (MHC) is different from the current mutual insurance company structure. (And it ain't good!)
2. I understand that the business reason for converting AmFam Mutual ins. Co to a MHC is **so upper management will have more control, so that proceeds don't have to be passed to policyholders, so policyholders have no voting rights and so management will never be accountable to the policyholders. It sucks!**
3. I do **NOT** see how MHC will benefit our customers. Sorry.
4. I **DO** have a good understanding of how a MHC will impact my agency....I **will be making less money**, probably will NOT ever be able to hold this company accountable for any of the bad that happens to my agency.
5. I **am NOT comfortable** responding to customers' questions about the proposed MHC structure.....**you think I wanna get fired for "disloyalty?"**
6. OF course I'm **NOT comfortable explaining** my (lack of) support for the MHC structure to customers because I **don't think it is a good thing** either for my customer or myself.

7. If I'm unable to respond to a customer's questions, I know where I can direct the customer for answers.....**Yah, right? I want to direct them to the independent down the street, but I know I'll be fired for that!**
8. What other information would you like to increase understanding and promote movement to a MHC? **Oh pollllease....I know too much already.**

As usual, your surveys will never reflect how agents really feel because we're afraid to tell you. Home Office top officers are working diligently to change the agent brand. You want to by-pass the agents in any and every way possible in an effort to educate the customers to understand that field agents really aren't necessary. Well, that's exactly why the independent agents are thriving and the captives are struggling. It's like we're swimming against the tide. Our best bet is to jump on the independent agency boat before it is too late and we miss the opportunity to sail.....whoops, sell.