

Hollander responds to Williams 2-2-2015

Dear NAAFA,

I have been following the back and forth conversations, or should I say dart throwing, on both sides of the fence concerning the pros and cons of being an "independent" insurance agent vs. being a "captive" insurance agent. Like any worthwhile debate, both sides are accentuating the good points and minimizing, or ignoring altogether, the bad points of their chosen path.

Myself personally, I have spent 26 years as a "captive" agent and most recently 6 ½ years as an "independent" agent. I used quotation marks to besiege these words *captive* and *independent* because a captive agent probably isn't totally captive and an independent agent probably isn't totally independent. But for the sake of discussion let's assume that a captive agent sells only for one company, and an independent agent sells for more than one company.

Let's also assume that opinions without facts are just opinions. When I read Travis William's letter, in some ways he reminds me of myself when I was a new agent with American Family. Some of his beliefs are factual, some are opinions or assumptions. It seems apparent to me that he is ecstatic to be an American Family Agent. Well, guess what, some of us are just as ecstatic not to be. Is there anything wrong with that? Let's face it; the independent agency system is not for everyone. We don't have a district sales manager, a state sales director and all the rest of the hierarchy that a captive company employs to lead you down the path to greatness. No more district meetings to teach us, no life sales quotas to motivate us, no threats of termination to scare us, and yet somehow most of us still manage to survive. And strive. How is that possible?

Since I have been on both sides of the fence, here are some facts, not opinions or assumptions, I can say and document about MY experience:

- It cost a little more to own and run an independent agency than it does to manage a captive agency.
- It takes more time to quote new business in an independent agency because you have a multitude of companies to choose from to offer the best fit for your client.
- It is harder to keep up with policy changes, rate changes, underwriting changes and other changes when you are dealing with several companies.
- You are dealing with ten or more times the number of underwriters in an independent agency. Enough said!
- The commissions are much higher as an independent. I mean MUCH higher.
- The bonuses are much higher as an independent. I mean MUCH higher.
- The trips are more awesome as an independent. I mean MORE awesome (and I might add MORE attainable).

So, my friends, there are pros and cons to both sides. It was a very hard decision for me to leave American Family, but it was a great decision. For Travis Williams, staying at American Family is a great decision. Many people, like Travis said, maybe could have worked a little harder to make their supervisors happy while they were a captive agent. Many of those same people are now keeping happy the people that count the most, themselves and their clients.

Keep the discussions going, hopefully with facts and opinions instead of untruths and assumptions. But most of all keep helping your clients make good sound decisions about their insurance needs, that's what it's all about. God Bless!

Sincerely,

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