

*Received October 23, 2009*

Dear NAAFA,

I am writing to you to pose a question and to also express an opinion.

Is there such a thing as a captive independent Agent? I have been an Agent with American Family for over 10 years and have experienced some discouraging changes. I am losing confidence in the leadership of this company and their R & D department. Don't they give more forethought or have the fore site to see and understand the introduction of products, or the reaction to an action?

Take a look at the life products; for years competing companies offered a simplified application, new born (Gerber) to elderly (AARP). Why is it the competitors understand profit in volume? A decade later we have a simplified application.

Health care products; how many company dollars were wasted on developing long term care products. Funny thing, companies are still offering it; not American Family. Oh you say, just take it to brokerage. Commission you ask? Sure, 60 / 40, oh yea, Brokerage takes 60%. Renewal (service) commission, don't ask. Medicare supplements or major medical coverage, take it to American Republic. How about group health coverage? Doesn't an Independent Agent write for various companies? Funny thing, I'm starting to feel like a captive Independent Agent.

Hey Financial Services, how's it going down there next to your securities neighbor? Where's the fore site with those products? How many millions of dollars wasted? Oh you say, we had to charge 9% interest when the main street banks were at 5%. By the way does anyone know if State Farm is still offering financial products?

Farm lines have been a joke for the last eight years or so. The only way the VP could make it profitable is to raise premium, excessively year after year, back to back. So now comes the reaction; not competitive = no new business. Funny thing, other companies are still in business. Watch the reaction from American Family. Don't hold your breath for a barn burning result.

When will the company management understand that insurance products are just a commodity? Policies can be purchased from hundreds of different top rated providers. It's the American Family Agent and claims service that will set us apart from the competition. Joe premium payer doesn't give a r. a. about the management. Pay attention to the town hall sessions and give the Agency force the tools and pricing they need. If we're writing for other companies amend the Agent agreement to allow Agents to "write insurance for other companies" like we do now. Pie in the sky I know, the leadership will take the best of both worlds.

Geico and Progressive are eating our lunch in the casualty line. So here comes AmFam reaction; Internet or 1-800 sales. Just give the Agents the same pricing of these competitors and there'll be profit in volume! I think it still works that way at McDonalds.