

WHERE WE ARE TODAY...10/1/2008

I must respond to the last report. It was filled with disturbing news! Hopefully I can break it down into reality. As a veteran agent I know that American family recruits young mostly inexperienced person into DM positions. Those new DMs most of the time will give older agents fits, but don't forget they are young, and everyone one of them wants to climb the ladder. Only a very few will succeed! Meanwhile, if we can get them to mature quickly and understand that we are there to continue building the company with quality business we will all be better off.

Next this OSAT thing. It is what it is. I became obsessed with it because I am very competitive. I went to great expense and effort to improve, and I did. I just did not improve to Company's standards. There is no doubt in my mind that we needed to improve our operations and become more customer service minded, never knew the Company would take it to the level they did. It only takes a couple of 4's or 5's to kill the real feeling from your customers. Bottom line is I believe this will make us better for the customers. With the combination of CRP shops and adjusters showing up at the house with drafts, where else would an insurance customer want to be? That is what we have to drive, not just price. The ones that just want price will also want service on their claim later too. Guess what? They aren't going to get both!

Let's talk about price. Before today we were not competitive anywhere. Now with the credit scoring, I find new opportunities. The challenge for us all is to find people that are willing to listen to us and give us a chance to save them money on auto. I find that we are now saving tons of money for certain people...good credit scores, and that is the market American Family wants. I am willing to be optimistic enough to think that perhaps I will have a better more profitable book of business in the coming years.

New contract? Perhaps, but I addressed this major issue earlier this year. I was assured by Rich Steffens that a new contract "would not affect the current agents and that Dave Anderson had no appetite for cutting commissions" I will continue to believe him until I am proven otherwise.

Yes we have things to be concerned about. The extended earnings are not guaranteed once they begin. If some insurance giant decides to buy us, then our retirement income would cease, even if it had already started. This is a direct quote from an agency services employee. *We should be able to get that protected somehow.* Another fact is now that 409A has come up, we are realizing some new facts about those extended earnings if we do get them. If you have 30 years in, don't think you are getting 200% if you are not 65. I spoke with an agent yesterday and he wanted to be able to leave and play golf at 58. He would have over 30 years in. Well, he is not going to get 200% of AFMIC renewals at that age, he has to stay until he is 65. At that age he'll have about 40 years in. Then of course mortality kicks into the equation, so how many reduced payments will he receive? You know the stress of this business does lend to shortened lifetimes. I think that has been figured out already by those that compose agent contracts.

*So what am I saying here? We have to be positive and attempt to rebuild what was lost from RPM in property. We have property policies left that don't have auto. I am finding out that we can make some income there. Yes, American Family is tapping the internet and other sources to capture business. They still cannot and will not continue without a sales force. I can't imagine life insurance premiums, the life blood of the Company, coming from another source other than a living, breathing, educated, enthusiastic, quality individual such as an American Family agent. So, let's find that pot of gold at the end of the rainbow.....the key is to **find it**, because my experience tells me that no one is going to bring it to us.*

Good Health and good selling to all!

.....An American Family Agent.....