

NAAFA sometimes gets criticized for trying to be *fair and balanced*. But sometimes the balance produces responses like this one from a former AmFam agent gone independent. We like to publish responses because it indicates we're connecting with our readers. Glean from it what you can!

Sent: Tuesday, November 13, 2012 9:01 PM

Subject: RE: fall 2012 edition - comment

Dear NAAFA,

After reading this last edition and some of the previous articles, I have a few general comments.

One particular item really prompted me to make these comments.

On page 7 why on earth would you publish an anonymous article that is pro-captive? **Only cowards and liars are 'anonymous'** in my book. If you tell me it's for 'fairness' or to provide both sides of the issues, that is at best ridiculous and at worst failure of NAAFA leadership. Is it time for NAAFA to close the doors? There's probably nothing NAAFA can do to help your fellow agents take control. Those agents don't want to take charge of their lives. They like being 'allowed to be clerks' for American Family (any captive for that matter). You are condoning being controlled and unable to run a business. In fact if that list of items is true and 'all' of that is provided free by AmFam, then agents are already employees. You have proof in the case of FICA relief.

Alas it's not 'FREE'. Agents are paying for it. Agents are only too blind and ignorant that they are giving up full control and ownership of their business. They're also giving away substantial amounts of earnings / commissions. They're giving up dollars for pennies. Renewals at the highest in the captive market? Come on...***It's the equivalent of saying: "Captive agents earn the highest minimum wage among fast food franchise type employees."***

A real entrepreneur (self employed person) knows math. My 'average' renewals on auto are over 15% (up to 20%) and new business is over 20% (up to 30%) my average commission is 17%. The same for package policies (home/auto). Then you add bonuses of 1 to 5% with no life component. When I left AmFam, my average earnings were 9.9% for my P&C book of premiums, according to my agent statement. Ask yourself if you 'owned' your agency and you had \$2,000,000 in premiums, how much would you earn at AMFAM? *I'll do the math for those of you that have never done this yourself on your statement.* Using this example about \$199,000. That same premium volume in my independent agency operation is \$340,000.

So is \$141,000 more of income/commission enough to buy one-time expenses like \$2,000 worth of computers, phones, printers to cover 4 people (that's my cost)? Do you pay more than \$480 month for your 'single' medical premiums? I have BCBS, a \$400 deductible which is good at all 50 states including VI and Puerto Rico. Disability? And what about 'peace of mind'? I don't have to give up my agency or be forced out by management any time they feel like it. Access to all lines from a brokerage? Are you kidding? That's a plus for the captive. I'm a broker, I can sell anything!!! From almost any company and for the FULL commission. I get it placed faster. Why do you need a guaranteed buy out anyway? I have two great people that run the show when I'm away. 24/7 service is available if you want that. And it's not expensive. Anything else I missed...Good grief Mr. Anonymous, and anyone else that thinks being a captive is a fair trade off, go back to school, get an education and look in the mirror.

Believe me, you don't need American Family IF (BIG IF), you're really an insurance professional and entrepreneur. Every person I've agreed to help go independent was successful. This will sound arrogant but that's the way the truth is some times. Unfortunately, that means most captives couldn't get my help or recommendation. You just don't have what it takes and you're probably where you belong. You should be part of the herd.

Bob