

The

NAAFA Report

Fall 2007

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The NAAFA Report.....

Who We Are

The National Association of American Family Agents (NAAFA) is a professional organization established to promote education and communication between American Family Agents and American Family Insurance Company, for whom the Agents supply the lifeline that enables American Family Insurance to exist. Our desire is to be a vital, active group who is interested in sharing our experiences and knowledge with other agents, always encouraging, listening, and growing in ways that not only profit the Agents, but the Company and Customer, as well.

Our Mission Statement

The Association shall strive to provide professional fellowship by dedicating its activities to furthering the highest degree of ethical service to the insuring public. The Association will support the strictest adherence to the integrity of its members as professional insurance agents. We will promote professional conduct and protect the legislative interests of our members through awareness and understanding of the issues facing the independent contractor insurance agent in the American society.

www.NAAFA.com

2007 Fall Quarter

What's the Scoop?

(As presented by our NAAFA President)

Rumor has it that the presentation of the new contract has been delayed until early 2009. Perhaps this is more than a rumor as district managers have been announcing this in district meetings. As you can see, NAAFA's "heads up" notice was credible.

NAAFA, we believe, and the influence of the NAAFA Report have probably been the single biggest influence. We have had reports of people from the AmFam Executive Board actually reading excerpts from the NAAFA Report in meetings before other managers. District Managers are also known to have read the newsletter during district meetings. NAAFA's website (www.NAAFA.com) is receiving an ever increasing number of hits each month so we know people are interested in what we have to say.

The news of the new contract being delayed is good for a majority of agents. I say 'majority' because without knowing exactly what is in the new contract, it is impossible to determine how detrimental it will be to agents. Although we're not certain, we suspect the new contract *might* deal with the following issues:

A. The non-compete clause. We know that some captive companies have added a clause whereby any agent whose contract is terminated either by himself or the company and who owes ACP monies to the Company, shall be responsible for paying back these ACP monies if he violates the non-compete.

B. Trade Secrets. This is quite an issue nowadays and we rather expect AF to address this more clearly to their benefit.

C. Extended Earnings. It's been rumored that AF may remove the 150-200% presently given to agents who have been with the company 25+ years.

Scoop, continued from page 1....

D. Commissions. The company seems to be in a quandary about commissions.

First we heard they were going to lower commissions, but the agents made such uproar that we suspect the change may be on a back burner now. We do hear that higher commissions are in store for agents who make JD Powers. Whatever the case may be, we do know that if the company cuts commissions, AF will lose a minimum of 1200-1400 agents, by our nearest estimation. That's a lot of unserved policies, friends.

We don't believe American Family is as concerned about losing a large number of agents as they are about losing the policies those agent would take with them if they left! Yes, it would be a real financial windfall for AmFam if a chunk of agents left because they don't pay renewals on these transferred policies for a year. But is this windfall enough to offset the loss of all the transferred policies?

Client loyalty is strongest between the client and the agent, not the company and the client. Without their own loyal agent, many clients may see no reason to continue insuring with American Family, especially if American Family's rates are so non-competitive. Both ways, American Family would lose policyholders and this is what they are trying to avoid.

Further evidence of this is shown with American Family's emphasis on customer service, company recognition and policyholder retention. Eventually, American Family will put more value on agents who retain clients than on those agents who make All-American and Life Diamond, but who have lower retention rates. The name of the game is to maximize profits by retaining those clients based on client loyalty to their agents. American Family is trying to figure out how they, the company, can have the same relationship with the client as does the agent. You and I know it just won't happen.

This is why coming out with a new contract at this time is probably not going to benefit American Family. Too many agents will leave and the policyholders will leave, too. My guess would be that American Family needs more time to come up with a better plan to solve its many, many problems. From my perspective, American Family is going into a "lock down" phase for a while. They need to re-strategize.

American Family has a real "trust" issue. Customers don't really trust the company. Agents don't trust the DMs. The company doesn't trust their own DMs and State Directors, let alone their own employees.

I believe the trust problem all started with the establishment of the claims call-centers. A J.D. Powers agent must have his phone system or recording set up to transfer call-in claims to the company call-center. Actually, most companies now have their own claims call-centers, but *it was the first step in eliminating the important personal relationship of the agent with his client.* [It should be noted that the claims-call center concept was brought about by companies who did not have agents such as Geico.] I am not saying the claims call-centers are a bad concept, but only that it takes the agent one more step out of the total equation regarding value to the client.

American Family has not mastered technology to the point where they are ready to go on line with all products. They really aren't sure how powerful the agent/client loyalty is. The name recognition means nothing more to the public than simply going to an American Family agent. That could change in time if American Family decided to sell direct.

At the moment, I see that the release of a new contract would hurt American Family as much as it will hurt the agent. Let's pray they soon get some people in upper management who are sensitive to the real problems at American Family. I am encouraged that Al Meyer (The Back Page) is beginning to recognize that "If we're going to lead in customer satisfaction, we need to have high satisfaction among our sales force as well."

Scoop, continued from page 2....

I would like to take issue with Al regarding his comment that the agent survey indicated that "the agent-company relationship at American Family is healthy." Can you prove that to us? What we see from our perspective is a lot of unhappy agents. Agents who are suffering from the effects of non-competitive rates, renewals dropping, fires to be put out because of the poor introduction of credit scoring, overload of the company's data entry work, products that are lacking, and pressure from DMs who seem to have nothing else to do but put undue stress on the agents. Your comment, Al, about "you have the ability to drive your compensation to whatever level you want" is simply NOT true. It was true when rates were competitive and agents had time to sell, but it's really not true anymore.

My advice to all American Family agents is this. Hang in there. Work for what is fair and right. Express your opinions to your district manager. If the message seems to stop there, write to the executive officers. Be polite but show concern. I believe we have one of the best agency forces out there. American Family just hasn't realized it yet. I pray they don't wait too long to recognize what they have.

Your NAAFA President

Experience is the thing you have left when everything else is gone!

FAREWELL MESSAGE

It is with great sadness that we have to hear like this from agents who are leaving American Family. Life should be rewarding here, but we do understand that sometimes one needs to 'reluctantly' make that change. Here is the "Farewell Message" NAAFA received from an agent who felt (s)he could stay no longer. We sense sadness in this somewhat poetical writing, and yet it seems to shed a gleam of happiness across the page. As usual, we will not divulge the agency name but respect the willingness of this agent to share his (her) thoughts with us.

Dear NAAFA and friends....

We sit here in our office one month after our resignation as an AMFAM agent. We really do not have the time to send this message, but feel some inclined responsibility. We have always read your newsletters, just out of curiosity at first, then out of concern. And finally out of necessity. And although we contributed,
we are sorry we never joined your organization.

We are one of several Indiana agencies who jumped ship this summer. Some of us are operating independent agencies; some are now employed by one. There are rumors of at least 9-10 other agents across the state doing the same.

As some of you may already know, the grass *is* much greener on the other side. We are very busy with former clients who wish to continue the long-time relationship. We are able to reward them with significant savings and better coverages.

Our staff, who has not had a raise in three years, have now benefited from expanded hours, production bonuses and **hope of a future.** We no longer have to depend on our good looks to make a sale or keep a client.

For 3 years, we expressed our concerns to AMFAM about what was occurring in our agency. Clients with good credit leaving for better rates, adverse selection by new clients with poor credit, increased expenses and declining revenue. All the while providing AMFAM with years of fat profit!

Farewell, continued from page 3....

From the local DM to the Regional VPs, we were served the same Corporate Kool-Aid. We were told in meetings that agents should now only *concern themselves with annual written premium and ignore policy count...that we should no longer expect to build an agency on homeowners and auto with AMFAM or any other insurance company.*

We really have no sense of what AMFAM is trying to achieve anymore with their tactics... (Who is willing to believe their shared vision of growth??)
Except that it is obvious that everything has been reduced to numbers, and as long as they can rationalize the numbers, in their eyes, everything is okay.

The best NAAFA can now offer agents is advice on planning their future without AMFAM, especially with the new federal law change on selecting your extended benefits plan by Jan 1, 08. THIS IS BIG!! If you have already selected your plan, and change it after January 1st, *you have to wait five years before benefits are paid.*

In the past, AMFAM has always shared with agents any legislation that would affect our wherewithal. It is not a surprise that we were not informed on this one.

Get on the bus, Gus. Make a new plan, Stan.
No need to be coy, Roy. **Just listen to me!**

We did not reinvent the wheel when we planned our escape.
We called agents that had already moved on and were still in the business.

Although we are now on the other side, we are willing to contribute by offering advice on prudent escape techniques. **You are not alone.**

We truly feel badly for our brothers we leave behind, but if we have the opportunity to replace an AMFAM policy, we will not hesitate.

Best Wishes..... An Independent Agency, Inc.

Isn't it time you joined **NAAFA?**

It is illegal for American Family to tell you you're
not to join a professional organization like NAAFA
or threaten you if you do. Should that happen,
WE WANT TO KNOW!

JOIN NOW!

CONTACT: www.NAAFA.com or call **1-800-567-9668**

If NAAFA weren't here, ever wonder where you would get the straight talk?

Did you know that NAAFA Board members volunteer their time?

SPENDING OUR CUSTOMERS' MONEY WISELY??????

Below you will find one agent's thoughts (in highlighted print) as he read the 9/28/07 Compass Today article entitled "Spending our Customers' Money Wisely." Quotes are taken verbatim from the article; however, the article is not presented here in its entirety. To protect the innocent, NAAFA, as usual, will not reveal the writer's name.

"American Family is committed to becoming 'the most trusted and valued service-driven insurance company.' One of the ways we build trust and value is to run our business effectively and efficiently, which benefits our customers by helping to control how much we charge them for our products." **Now how in the world can you, the company, even start to build "trust" with your policyholders when your agents, basically the only people who have contact with these policyholders, can't trust you? Agents have been lied to, had their commissions cut, had tons of extra data entry work dumped on them, and then been told it was their fault the expense ratio for the company went up (again). You just don't get it, do you? You can't keep treating people the way you do and expect them to feel beholden to you. And what is this "service-driven" idea? You have attempted to "drive your service" away from the company and into the hands of the agent in an attempt to cut your own expenses. And agents are supposed to trust you??**

"For many years and for the benefit of our customers, American Family has maintained a lower expense ratio than our peer group. But in recent years, that has changed. Since 2005, our expenses--not including claim payments--have increased from 35 cents to nearly 38 cents for every dollar we collect in premium. Our expense ratio is now higher than our peer group, meaning an important competitive advantage has turned into competitive disadvantage. **Ten years ago agents took a commission cut because "our expense ratio of 33 was too high." Now it is 38. What goes here? You should have saved millions by cutting our commissions and "outsourcing" (at no cost at all to you) all your paperwork to the agents. It looks to me like somebody doesn't know how to efficiently run our company, doesn't it??**

I get really nervous when I read in your article that the "Optimizing Business Support Functions" program might mean discontinuing or "outsourcing some of our current functions." You aren't going to "outsource" even more work on the agents, are you?

You talk about hiring an outside management consultant, McKinsey & Company, to assist in the review and recommendation of evaluations of each department. I have always wondered how a consultant paid by you could ever say anything bad or be real forthright when you're the one paying their fee. (Ever heard the old saying, "Don't slap the hand that feeds you?" Well?)

"There are a couple of reasons for our higher expense ratio—some planned, some unplanned. First, the company decided to invest significant capital in several strategic initiatives (**Could this include the corporate jets?**) we believed, and continue to believe, are critical to the long-term success of the company. **Now just what do you suppose these "strategic initiatives" are? Absolutely no indication given in this article!!** Second, while we've increased our spending to fund these strategic projects and general operations as well, our policy growth (**HERE IT COMES!**) has fallen short of expectations, (**now whose fault do you suppose this will be??**) a challenge many of our competitors are also experiencing. "We knew our expense ratio would tick up, but not to the degree it has," Jack says. "Remembering how the expense ratio influences what we charge for our products, (**But you just said our competitors' expense ratio is much lower than ours and yet they have also had a drop in policy growth. Hmmm! Maybe expense ratios and rates aren't really what affect policy growth. Have you ever considered there might be some other reason like overworked (from too much "outsourced" responsibility from the company) and discouraged agents??**) It makes sense to look at the entire picture—our growth and our operations—to see how we can bring it back to a manageable level." **Bring it back to a manageable level, you say? So things really are out of control at the home office, eh? Just what we've been hearing from NAAFA. Right?**

"Being smart with our expenses goes hand-in-hand with our commitment to build value and gain trust from our customers," says Jack. "It's all about connecting our efforts and our people to deliver great service at a great price." **Great words, Jack, but are you being realistic? Like I said, you'd better work harder at gaining the trust of your agents and I just bet everything will fall into place.**

Now what did I learn from this article? Not much, as usual, but this I do know. They're squirming a bit at the home office and that makes me nervous. Hope they get this company straightened out pretty soon before things really start falling apart.

New articles are being posted regularly on the www.NAAFA.com website. Visit there often to be informed. A new feature column is "The President's Corner" in the "Members Only" portion of the website. www.NAAFA.com

DO YOU OWN THE LIST OF YOUR CLIENTS' NAMES ON YOUR ACCOUNT STATEMENT?

On August 22, 2007, in a Wisconsin Court of Appeals No. 2006AP1653, (American National Property and Casualty Company vs Tom Brass) the Court ruled in favor of Agent Tom Brass.

http://www.wicourts.gov/other/appeals/caopin.jsp?docket_number=2006AP001653

NAAFA finds this decision to be quite an important one as it relates to any American Family agent contemplating leaving the company. Trade secrets are a big issue lately because insurance companies have been trying to say the agent does not own his monthly commission statement and/or the monthly statement he receives after retirement, a complete source of the names and renewal dates of the agent's clients. The courts, in this case, concluded that the agent *does* own his own monthly commission statements. It was concluded that information about the insured's location, coverages, etc. could not be a trade secret because the information can be readily gotten from other sources, namely from the insureds themselves.

Item 13 defines a trade secret as information that "derives independent economic value...from not being generally known to, and not being readily ascertainable by proper means by, other persons who can obtain economic value from its disclosure or use" and "the information is the subject of efforts to maintain its secrecy that are reasonable under the circumstances." Sec. 135.9(1)(c) 1. and 2.

Alas, the above news is good news, except that the decision is "unpublished." This is, in fact, very sad news because at this point in time, the decision cannot be used as precedent. It should be noted, however, that in August, "the Eighth Circuit declared unconstitutional its local rule providing that unpublished opinions do not have precedential effect. Some Section of Litigation leaders believe that this seemingly inconsequential decision relating to an innocuous rule will have important national ramifications if others follow its lead. *Anastasoff v. United States.*" (From Litigation News Associate Editor by Thomas E. Zehnle)

At any rate, NAAFA will be watching the circuit courts very closely on this issue of unpublished opinions as the American National v Tom Brass issue is very important. We will keep you posted via our www.NAAFA.com website.

BURN OUT!! BATTLE FATIGUE!! SELF DOUBT!! THOUGHTS OF SUICIDE!!

In the last few months, NAAFA has received hundreds of calls and emails from agents who are experiencing extreme stress. In our approximately 18 year history, the staff here does not recall hearing from as many agents with problems of burn out, discouragement, depression and even some reporting thoughts of suicide as we are hearing today. NAAFA is deeply troubled by this. Reasons vary from pressure of unrealistic production quotas, broken promises by the district managers, continual hassling by company personnel, agency expenses being beyond realistic, all of which are beginning to affect the agents' physical health and mental attitude. Of course, NAAFA can do nothing but lend a

sympathetic ear, but we do feel that sooner or later something bad is going to happen to one of our agents and it won't be pretty. Trying to understand why a Company would want to treat its agents (and perhaps its employees) like this is beyond our comprehension. The following excerpts from the article "Running out of Steam" (found in its entirety at the following website) might be interesting and helpful to all of you.
<http://www.rd.com/content/how-to-avoid-burn-out/>

Excerpts from RUNNING OUT OF STEAM by Dianne Hales

What's Sparking the Problem?

Too much work? Too little control? No recognition or rewards? Difficult co-workers? Unfair treatment? A clash of values? After decades of research, Christina Maslach, PhD, a psychologist and co-author of *Banishing Burnout*, found that any of these factors can sabotage your job satisfaction. "Maybe you can handle the workload but are constantly battling with your colleagues. Or your boss may be micromanaging you to death. Or perhaps you feel you're not being treated fairly or not getting appropriate compensation." A bad fit between the person and any key aspect of a job increases your risk of burnout.

Often the first sign is exhaustion -- physical, mental and emotional. "It's draining to deal with people and problems under incredible time pressures," says Maslach, who explains that as fatigue builds, passion and commitment dwindle.

"The hallmark of burnout is a shift to the negative. You begin to detach and dislike your job. You become cynical, critical, hostile. You blame other people. Rather than do your very best, you try to get by with the bare minimum," Maslach notes. Ultimately, the one-two punch of exhaustion and cynicism culminates in what she calls inefficacy, a sense of inadequacy that saps a person's strength and spirit.

"If you add a toxic boss on top of job stress, you're creating a perfect storm for burnout because there's no one to go to for emotional support," he notes. "You're like an empty well. You don't have anything left to give. As a protective mechanism, you shut down and end up pushing away the very person you're trying to help."

So how do you move away from burnout and toward a feeling of enthusiasm again? Here are some recommendations:

Make time for yourself. "When you put helping others above everything else, you don't meet your own needs," says Pastor Aaron Varner, 29, of Akron, Ohio. "You're just giving, giving, giving, and you feel guilty if you stop." It took a week at a pastors' retreat for him to remember that even God rested on the seventh day. "I heard the Lord say, 'Aaron, it's okay. The sun will set. The stars will rise. You don't have to do it all.'" Now he reserves Mondays for himself and his family.

Develop a method to calm yourself. Some people, like Pastor Varner, choose prayer. Others meditate or breathe deeply. "Do whatever works for you,"

Burn Out, continued from page 8....

suggests Goleman. "Practice it every day outside the work situation, ideally in the morning, and then draw on it during pauses throughout your workday." Simply taking short breaks to close your eyes and clear your mind can re-energize your brain during a frenetic day.

Analyze what you love and hate about your work. What has changed -- the amount of work, the deadlines, the boss, the pay, the company's mission? Once you've identified problem areas, think of specific strategies to resolve them. For instance, you might build an alliance with colleagues and work together to address shared concerns.

Settle for less than perfect. "Work at 90 percent rather than 110 percent of maximum," advises Larina Kase, PsyD, author of *Anxious 9 to 5*. "Accept that the dishes may pile up in the sink. Delegate what you can." And don't be available 24/7: Rather than check e-mails and voice messages round the clock, respond at preset times, and know when to turn off the devices and focus on other aspects of your life.

Take good care of yourself. Eat healthy foods. Get enough sleep. Exercise every day. "If you think you're too busy, start with two five-minute walks a day," Kase suggests. "Once you see the benefits, you'll want to do more of the things that are really key to keeping you from getting burned out or *more* burned out."

Cultivate a support network. "Find a friend at work you can talk freely with, someone to turn to when things get hard," says Goleman. If you're caring for a family member at home, tap relatives and friends. "Human nature isn't designed for isolation," he notes. "We all need to re-create the support of the extended family through friendships."

Set limits. Take 24 hours before agreeing to a new demand on your time. Talk to your spouse or a friend about whether it's something you really want to do. If it isn't, don't do it.

Plan for the future. If you need to leave a toxic workplace but can't quit yet, spend 15 minutes every day exploring other options. Go online. Network. Get additional training. Buff your résumé. "Most people are within 18 months of being in a better, healthier work situation," says Godwin. The key is to start now. Taking small steps will help you feel more in control and set the stage for a fresh start.

Be sure to read the entire article at the following link:

<http://www.rd.com/content/how-to-avoid-burn-out/>

The only difference between a tax man and a taxidermist is that the taxidermist leaves the skin. --- Mark Twain

If you think health care is expensive now, wait until you see what it costs when it's free! ---P.J. O'Rourke

Join NAAFA today!

What does the Future Hold?

The concern from the beginning was whether someone who had no sales experience could successfully manage a company of sales people. The question has been answered! Personally, I would not want a dentist (even though he is a doctor) to remove my gall bladder anymore than I would want Dr. Kevorkian to help me make out my living will. I have a very good dentist and doctor and I have already made out my living will without the assistance of Dr. Kevorkian, but the fact of the matter is, you really should hire the best individual to help make your planning successful!

When Dave Anderson was appointed Chairman and C.E.O. of American Family, it was also the first time a non-agent held that position. We know that Mr. Anderson's area of expertise is in accounting, but the requirements of managing a sales force are totally different from accounting. We have seen a dramatic change in the way American Family operates under his presidency. There is a continuous flood of data being required and produced by all departments within American Family to supposedly show how each department can improve its performance. We have become a company of "information tracking" experts. We are an example of an accountant's dream company becoming buried in the collection of data.

This is not entirely the fault of Mr. Anderson. What we have here are the results of someone who is performing in the area he is familiar with. Readily, you can see that probably the "wrong type individual" was chosen for the job. While part of me wants to feel sorry for him because he was thrust into a situation he was not trained for, the other part of me wishes he were perceptive enough to realize that pure numbers and data can not solve the most urgent problems facing American Family today. I am angered by the complete absence of management skills needed here to allow a sales-based company to prosper.

Perhaps the American Family Corporate Board of Directors needs to have a good heart to heart talk with each other and begin to recognize the broad spectrum of problems within the company. Recognize that a good strategic plan which has a goal of enabling American Family to become the most client-friendly company in America is absolutely ridiculous when those people who have the most contact with the company's customers are so unhappy. Oh, I know, your surveys supposedly tell you agents are happy, content and ready to go. Bull! Either someone is twisting the data or you have a skewed survey.

What has happened to American Family is similar to what happens to many public school districts which find they are spending more and more of the taxpayer dollars on education while the test scores of the students keep dropping. They are too stupid to realize they are top heavy with administrators who are extremely busy piling required lesson plans and mountains of required reports on the teachers to the point that the teachers don't have the time or the energy to teach. Our government is in a similar situation...too many people in upper management requiring detailed paperwork to the point that no one gets anything done. Both entities become huge bellowing hippopotamuses mired in the mud and unable to move forward. **American Family seems to be mired in the same mud with its approach to spending by upper management, their requirement of detailed reports and paperwork, and all the while we're seeing a drop in app production and overall financial success.**

NAAFA hopes that soon someone in Madison will become *enlightened* and attempt to lift the hippo out of the mud. Mean while, we hope they haven't gone too far astray with their threats to agents who didn't make AFLIC or other quotas. We hope American Family realizes where the funding comes from for all its upper management boo-boos. Remember, the agents are the life blood of this company. We hope you haven't loaded the agents down with too much of your own paperwork and other un-necessary requirements to the point that they realize being a true independent agent in the non-captive world just might free them up to sell, the first love of all sales agents. **You may have done a good job of killing our spirit, American Family, but we will not let you kill our will!**

(Name withheld by request.)

QUESTIONS I'D LIKE ANSWERED

- I get charged for disability coverage every month on my statement, but have you ever heard of anyone ever collecting on it?
- Just how important will the new OSAT score be to agents?
- Why is it that AmFam is showing agents the door while other companies are eager to sign them on?
- Why is customer satisfaction so mysterious? Just pay the claim and they'll be happy. DUH!
- Is it ethical for someone from the Home Office to use my User ID and go in and make changes on my customer's policy without my permission?
- How much does American Family spend on lawsuits involving agents?
- Why do so many people think you can preach ethics? Man, you gotta *live* ethics!!
- Why are state directors telling agents they are no longer going to "threaten" agents with life quotas?
- In America you're innocent till proven guilty, right? Not at AmFam!
- Why are agents afraid to tell the Company when they're really sick?
- Why does the company keep stealing my licensed CSR's?

(If anyone knows the answers to any of these questions, please email us at

NAAFAwest@comcast.net)

NAAFA DISCLAIMER

Articles, opinions, and viewpoints contained in The NAAFA Report are not necessarily the opinions and viewpoints of NAAFA. The opinions expressed herein, are not those of American Family Insurance Company or any of its subsidiaries. The NAAFA Report's express purpose is to provide a medium whereby people can express their opinions in written form for any interested parties to view. Therefore, NAAFA disclaims any liability for any harm that may be done as a result of these opinions being expressed herein. The NAAFA Report does not guarantee accuracy and correctness of such articles. No part of the NAAFA Report can be reproduced or copied **without prior written permission.**

All I ask is for a chance to prove that money can't make me happy!!

SOME AFTER THOUGHTS BY AGENTS WHO HAVE GONE INDEPENDENT

[Although NAAFA hesitates to publish articles like the following because we really believe agents should fight to make things better on the home front, we have decided to print it anyway because maybe someone in the home office will see this and realize what the real problems are at American Family.]

NAAFA has recently received calls from several agents who have gone independent. These agents wanted to let us know some of their feelings regarding their move. One thing we have heard quite often is *how terribly guilty they felt because they had been charging their customers so much with American Family*. Of course, they were happy they could finally save their customers so much money with their new companies. One agent said he just didn't know how to answer his customer who accused him of "raking him over royally" when he was with AmFam. The agent said he simply did not know other companies charged that much less.

Underwriting, according to some, is really different because with so many companies you don't get a chance to build a relationship with the underwriters. However, he felt underwriting over all was not as "picky" as it was with AmFam. Underwriting restrictions did not prohibit their sales in any way because they were more logical.

The real eye-opener was the difference with the claims departments. A claim with the independents, one agent said, is a "dreamland." Most generally claims are reported directly to the adjuster who will be handling the claim so the insured only needs to tell his story once. Claims are often settled in a matter of hours. Customer satisfaction is out of sight.

All agents interviewed said the relief of not having a district manager breathing down your neck was what made the whole move worthwhile. No more threats, no more quotas. We can work at the pace that fits us, they reported, and not feel guilty.

If you think ignorance is bliss, then don't join NAAFA!

www.NAAFA.com

*"The only real blind person at Christmas time is he who has not
Christmas in his heart." By Helen Keller*



Merry Christmas from NAAFA

TODAY'S CLIMATE FOR AGENTS AT AMERICAN FAMILY

Just what is the **climate today** at American Family for the agency field force? From our perspective, it looks like this might be one of the more pleasant periods to work for this company. Why do we say that? Well, this is how we see it.

- Underwriting rules are being relaxed.
- Pressure to sell life has been lifted.
- Threats from DM's seem to be lessening.
- Home Office is very engrossed in their own problems.

However, there's always **"the other side of the story."**

- Because rates are so non-competitive, you aren't able to sell much.
- Renewals have dropped and probably will continue to do so.
- AmFam's reputation is hurting sales. (Realtors and bankers are warning customers not to buy HO's insurance from AmFam because the high cost might disqualify them for a loan!)
- The attitude of claims still seems to be "delay, deny and defend."

So if you have enough in your kitty to weather the storm and don't mind seeing your renewals drop, then you may find life a little easier for a while at American Family. It's all about what your priorities are. **'Peace and poverty' or 'stress and wealth!'** **Your number one priority should be, however, to JOIN NAAFA NOW!**

WHAT'S YOUR REASON FOR NOT JOINING NAAFA NOW?

NAAFA is always amused when an agent calls in with a serious problem and admits to the fact that (s)he should have joined NAAFA a long time ago but wasn't motivated to do so till something bad happened. **It is time agents realize that unless you support this organization and we all stand together for what is fair and right, progress will not be made.** When you continue to be uninformed, you will continue to live at risk. Many an agent has told NAAFA, "I wish I had known!"

Membership has **grown by nearly 25% just this year alone**, but that's not enough. We need all of you. How can you possibly think you are better off NOT being a member of NAAFA? Where else will you find the expertise of people "who have already gone through that?" Many DM's have much less experience than you do. There's no way in the world anyone should become an agent with American Family without contacting NAAFA first.

It is against the law for anyone from American Family to in any way threaten you if you join NAAFA. Should this happen, let us know immediately. Send in your application today. **You can join for as little as \$20 a month or only \$10 a month for ACP agents.** Surely everyone can afford that much. Actually, **you can't afford NOT to join, can you?** An application is attached to this newsletter or you can visit our website to join.

Join Today!

www.NAAFA.com

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