



The NAAFA Report.....

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.

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 of people who are 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.

www.NAAFA.com

2006 Qtr 2

WHAT'S THE SECRET OF AMERICAN FAMILY'S TOP PRODUCERS?

In an effort to figure out why some agents succeed and some agents fail, NAAFA interviewed several of American Family's top producers. We were fortunate that several of these producers were NAAFA members and it makes us proud. We have a profound respect for the manner in which these people have succeeded. Often the odds were significantly against them. We have tried to interview both the young and the more mature agents, agents in cities and agents in rural areas, agents in areas primarily inhabited by financially-jeopardized minorities and agents in areas inhabited by the more affluent and successful of our society. We tried to interview agents who happened to be located in areas where rates were very good and agents in areas where rates were not so good.

We found that despite all the obstacles, agents were still able to sell 100-150 apps per month, year after year. Why? What are they doing that others are not? Is it attitude, is it luck, is it highly trained and paid staff, is it just plain hard work? NAAFA set out to discover a few of their secrets. Here's what we found:

1) Attitude: We found that most successful agents were **optimistic** and have a **positive** attitude. We found that they were happy, personable people who tended to treat others like they wanted to be treated because they genuinely liked, respected and **enjoyed being with people**. They were easy and fun to be with. They did not make people uncomfortable. They truly did *not* think of themselves as "better" than anyone else. One agent said she was particularly sensitive about not portraying herself as wealthy and flashy. She wanted to portray herself as genuinely humble, helpful and sincere, but successful.

In all cases, we noted that these top producers shared an **attitude of confidence in themselves and their staff**. Note: We must mention that in scheduling interviews, there were one or two top producers who said they would not care to be interviewed. One agent said he felt there were no secrets to his success. He simply worked

hard and long. Another top producer was unreachable...his staff totally sheltered him and none too politely, we must say. But over all, we found most top-producers possessed great attitudes and were reachable.

2) Traits: Some agents felt that being **consistent** was important. That could mean being consistent in production and/or being consistent in character traits that make you likeable. People like someone who is dependable, who will be **friendly every time you meet or call** them...not just when they want to sell you something. Another top producer said that his ability to **tackle a job and stay with it** was his best trait. Some authorities have stated that "good looks" and a "flashy vehicle" convince people to buy because these two "traits" are an indication of success. Agents that we talked to did not agree with this opinion.

3) Motivation: When we asked top producers about what *motivated* them to sell, the word "**competitive**" jumped to the forefront most often. When asked who they were competitive with, often the answer was "with

other agents, I want to be number one.” When asked whether they were ever competitive with themselves (always trying to beat last year’s record, for instance) one agent said “never with myself because that sets me up for failure!”

Another agent said she was always motivated to *do the best job* she could possibly do at this particular time. Another agent brought up *products* as being a motivation. He said he was always excited over products he sells. He said if he didn’t believe in them and wasn’t excited over them, he felt he would have to “move on.” Most rewarding and the thing that motivated another agent the most, was the thrill of being able to provide adequate life insurance coverage to young families who don’t have an abundance of income. Having delivered a death benefit check a time or two was also mentioned as a motivating factor to see that your customers are adequately covered. Although only a few mentioned income as being a motivational factor, it was readily recognized that a good income allowed them freedom from a demanding business.

4) Order of Importance: We found it very interesting that about 80% of the agents placed the “**order of importance**” exactly the same for the following list. They unanimously chose as **#1: Belief in your heart that you can help others.**

#2: Belief in yourself.

#3: Belief in your product.

#4: Belief in your company.

Perhaps the most important factor here is a “**belief**” in something. A belief in something shows you have a passion and this passion is obvious to the customer. In other words, be **passionate** about what you are selling. It’s contagious.

5) Biggest Obstacle: We asked the agents what their biggest obstacle today is in selling insurance for American Family and how they were overcoming it. Invariably, their answer was “**rates!**” One agent said he “cultivates” all the time. He is never trying to sell just one line of insurance. If a customer asks about auto insurance, he never lets the client get away without asking about all other lines of insurance. The agents all require their staff to do the same. One agent warned, however, to be prepared for the client who, when asked about his life insurance, says he just bought life insurance two months ago from someone else. A discouraging moment, yes, but not discouraging enough to keep the agent from asking again.

Agents stressed the importance of **keeping in contact with your clients**, as a solution to overcoming the price obstacle. Many felt doing reviews on a regular basis was a must and actually set aside time on a

regular basis for them. *Loyalty develops through contact.*

Several agents did mention the CIM program as being a big obstacle because in order to give a quote you have to ask too many personal questions before a relationship is established. People resent this and often back off, he said.

6) Selling when rates are high: Invariably, all agents must go through times when rates are high. It’s a fact of life. Get used to it. But to survive takes some skill. One top producer recommended finding the product where we *are* competitive. If our auto rates are high, push homeowners. If both are high, try life or health.

Most importantly, all agents felt **selling your service** was of major importance. If a prospective client says that the only time he can meet you is at 5 AM, don’t bat an eye...be there.

One agent said that you must show the customers how what you are selling brings *value to their lives*. Recognize that some people only buy the cheapest. Some only buy the most expensive (ego thing), but most buy “middle of the road.” Can high rates cause new agents to fail? Most certainly, because they don’t usually have a large agency to fall back on for renewals. One top producer said his rates have been non-competitive for 5 years, so finding a “nitch” is difficult.

Providing service becomes really important. You may want to hire a staff member who speaks the language of a certain market. You may have to move your marketing field to an area where AF’s rates are better. Check your rates using various zip codes. If your agency borders another state, consider getting licensed in that state if rates are better there.

One interesting suggestion we heard was to tell the customer “when you come in to write the life policy on that precious baby, I have an important piece of baby equipment you left here.” Have the gift ready!

7) Dumbest things insurance salespeople do: We got a variety of answers to this question. Some felt that agents overcomplicate the sales process. They ask way too many questions that aren’t pertinent to the sales process. Another agent said that often agents seem afraid to ask for referrals or the agent doesn’t do anything with them after he gets them. Dumb!

One agent said that “*no longer continuing to do something that works*” is stupid. He said that when he first started out as an agent, he mailed out literature and followed up with a call on a regular basis. It worked, he stopped it. Dumb!!

Not hiring adequate staff is another “dumb thing insurance salespeople do.” But *not* giving them proper training can be just as stupid. Not returning phone calls is “dumb” because you have lost your chance for a review.

Extremely dumb is **not setting goals**. One agent said that he always sets a monthly goal. Perhaps it is to sell 5 or 6 life apps in June. He posts signs with his goal on his shaving mirror, on his steering wheel, on his desk, places where others around him can see his goal. He tells himself he can only take the signs down when he has reached his goal. When his goal is reached (and he doesn't give up till he reaches it) he and his wife make a ceremony out of taking the signs down and then go out to dinner to celebrate. It was interesting that he said early in his career dinner used to be at Ponderosa or McDonalds, but as his agency grew, they went to linen-tablecloth eating establishments. FUN!

Another dumb thing is *not talking at the customer's level*. Try to make things simple. Don't try to impress with your knowledge. Never be condescending. Respect everyone, regardless of race, color or spiritual bent.

8) Enthusiasm: All agents interviewed felt they were enthusiastic. **Enthusiasm is contagious** and one agent says he trains his staff to be enthusiastic. Each morning this agent comes in an hour before the office officially opens to give a special greeting to each staff member. He feels this is very important. Another agent says that he wakes up every morning thinking “man, who is going to call me for something today?” **Anticipation of sales** is important. If you don't think it is going to happen, it probably won't. But *how you handle it when the sales don't happen is critical*.

9) Why some agents fail: One agent felt the biggest reason for failure is “**not listening**.” Listen to other agents who tell you what works. Often a struggling agent will ask you how you do it, but then they don't really listen.

Some agents feel failure is purely a result of a **bad attitude**. A bad attitude goes hand in hand with a **lack of hard work**. Many new agents don't have a clue how hard it is to establish a successful agency.

Some agents fail because they can't psychologically handle the ups and down of selling. **Never “share” your lows with your staff** because it will discourage them. You don't want to be around discouraged people. If you are really suffering from a “low,” it might be best to go home early as you will be unproductive anyway. Often mentioned as a reason why agents fail is “**dwelling on or agonizing over**

things that cannot be changed.” You must learn to *work around what is*. Several agents felt the ability to accept “what is” is one great secret to success.

Not hiring good staff is a certain road to failure.

One agent said that if you have a policy count of about 1500 and you have no staff, you absolutely will never sell much because you won't have time. Some felt you need at least 1 to 1 ½ staff people for each 1000 policies. Service work must be done by staff, not you, the agent!

It was recognized by some agents interviewed that *because 25 to 40% of new business written each month comes from present insureds*, it could be possible that agents might fail because they have had few or no policies transferred to them. *Agents with no transfers, it seems, would find themselves automatically writing less because of lower policy counts*. Interesting?

10) Being organized: How interesting it was to ask this question! Evidently, success is not based on one's being organized. But one interesting bit of information did come out very clearly. **Recognize what you are**. If you are not organized, you'd better have a staff member who organizes you!! Some agents even trained their staff to cross-check his schedule. Staff member #1 is to always remind him of appointments and staff member #2 is always supposed to remind staff member #1 to remind the agent!

If *you* are a super organized person, this frees up your staff to do other things. One agent says he thinks in terms of “everything has a place.” He doesn't want to leave room for error and he has a “standard operating procedure” that is always used in his office. He says that it takes him 1 ½ to 2 years to train his employees. He tells them that when they work for him, they'll be a better person and will accomplish things they never thought they could if they practice his approach. He teases that they will be going to his “College of Insurance.”

11) Customer loyalty: Retention is very important in today's insurance world. Why do some agents have more customer loyalty than others? From our interviews, we learned that successful agents feel **loyalty must be a two-way street**. Don't expect your customers to be loyal if you aren't. One agent feels that **being visible in the community enhances his customer loyalty**. If you are volunteering for organizations, giving back to the community, on community boards, etc. your customers will most likely see you as an unselfish person who cares about others. You can be trusted. **Trust came across as critical to customer loyalty**. Another agent reminded that although most of his customers are extremely loyal to him, they will only tolerate high rates to a certain point. Many times customers have come in to apologize for

having to leave his agency. The fact that *costs* finally break the bond is sad and something the captive agent can do nothing about.

12) Reaching the "Key Person:" Evidently, from our interviews, it is still more difficult for women to reach key persons in businesses than it is for men. Asking "who handles the insurance for your company" sometimes works. If you have to leave a voice mail message, always tell *when* you will be calling back and *why*. If you can give a reason why they might want to talk to you, this is good. For instance, so-and-so recommended I give you a call, or I'm pretty good at saving you money or, John, I need your attention on a certain matter.

One agent said "it's not who you know, but who knows you!" Another agent said she often tries to discover ahead of time what some of the prospect's interests are (picture of a sports team, box of chocolate, antique cars) and then sends a gift ahead of time. This invariably opens the door. Always follow up calls with a letter of "thanks for the opportunity to talk to you."

One agent said, in selling P & C insurance, *she treats everyone as the decision maker because you can never tell who actually calls the shots.*

13) Work Week Schedule: Some agents work 5 days a week, and on Saturday's by appointment. Other more established agents work only four days a week, usually taking Friday off. But all agents interviewed were very specific in requiring that their office was always open and staffed with licensed personnel. Nine hours a day seemed to be the norm. One agent said he was very faithful in prospecting 1 1/2 hours a day. Some agents felt that calling back leads was best done either early in the morning or late in the afternoon. But the single most time-consuming issue with all agents interviewed was *the amount of time it takes to complete the work the company now asks the agent to do* and which was formerly done by the company. One agent asked why the company couldn't reward high sales with the rescinding of some of this CIM work, for instance. Nice idea?

14) Typical Day: A few agents interviewed arrive at the office before their staff. More often we found that agents arrived about 10 AM but they also worked late. A typical day for most agents included returning messages and emails, reviewing claims, answering questions about CIM requests, prospecting, following up on American Family leads, submitting his paper apps to an assistant for entering, meeting with clients, dealing with underwriter questions if staff is unable to do so, accepting calls from clients (a huge responsibility in a large agency

as most insist on talking to the agent), and dealing with staff questions. It appears the typical day in the life of a high producer is crammed with responsibility. Not everyone is willing to work this hard to take home only 20% of what their agency makes. Yes, numbers reported for expenses sometimes ran that high (80%) and the lowest expenses being reported was approximately 40%.

15) Final Question: If you could change one thing about your career at American Family, what would it be? Again, we got a variety of answers. Here are a few of the responses:

- a) Would have gotten his CLU earlier.
- b) Would have listened to his first DM who told him an outstanding goal to achieve early in his career would be to achieve the Hall of Fame designation his first ten years.
- c) Would have passed back a lot of the service work to the company such as entering applications, processing payments, and CIM data entry.
- d) Would have mentored more of the newer agents because I learn when I teach. I analyze what I'm doing.
- e) Would have changed my office from a "service" agency to a "selling" agency.
- f) Would have decreased my expenses and increased my take home pay.
- g) Would have learned earlier that transfer business is not always good.
- h) Would have started in agency 5 years earlier.

In conclusion NAAFA would like to say that we felt many of the things we learned from these interviews are not new to veteran agents, but perhaps a lot of this information will be useful to newer agents. NAAFA feels there is a great need for good mentors. Newer agents are simply not prepared for how difficult it is to succeed in the insurance selling field. One statistic says that 77% who attempt selling insurance fail within the first 6 months. There are secrets to success. NAAFA is working to help expose some of the failure-producing pitfalls. We will soon be providing various aids for your agency which will help you keep in better touch with your customers. Be sure to visit the "members only" portion of our website (www.NAAFA.com) for more information.

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Group Health Insurance for Agents.....
NAAFA needs to know from agents if you feel there is a need for a group health insurance plan for NAAFA members. Many of the agents get their coverage through their spouses' work plans. Others simply pay phenomenally high premiums for individual plans. NAAFA is in the process of researching various plans to see whether it would be feasible to provide our members with group coverage.
Are you interested?

*Send in your thoughts and opinions on the need for a group health plan to www.NAAFAwest.com

THE GREAT FRANCHISE DEBATE.....

NAAFA has learned from other captive agent associations that captive agents have successfully sued for *termination without cause* under franchise law. Just what the implications of this might be for American Family agents might prove very interesting. It appears that most captive agents have contracts which state that the contract may be terminated by either party with or without cause. If, in fact, the captive agent's contract falls under the guidelines of a franchise, the "without cause termination" would evidently be illegal.

The Insurance Journal (www.insurancejournal.com) published an article on January 10, 2005) entitled "Impact of Connecticut Franchise Ruling May Not Be as Big on Insurance Agents as Claimed." This article tells about Alex Chart, a Nationwide agent (captive), who sued Nationwide for wrongful termination under Franchise law. He won a \$2.3 million jury verdict. (Actual article: <http://www.insurancejournal.com/news/national/2005/01/10/49285.htm?print=1>)

Although the article quotes officials from the *Independent Insurance Agents & Brokers of America* saying they felt the verdict was "not a big deal," to them, Ray Garcia, the lawyer for the winning agent, said he thinks this decision could have **a broad impact on companies like Nationwide, Allstate, and Prudential that use contract agents like Charts.**

Most captive agent associations such as State Farm, Farmers, American Family and Allstate, agree that their contracts are probably similar to the Nationwide contract and, therefore, may come under the same Franchise rules. Fifteen states have franchise investment laws which give

franchise purchasers important legal rights. These states are: California, Hawaii, Illinois, Indiana, Maryland, Michigan, Minnesota, New York, North Dakota, Oregon, Rhode Island, South Dakota, Virginia, Washington, and Wisconsin. You may want to visit the Federal Trade Commission website and learn more about this.

<http://www.ftc.gov/bcp/franchise/netdiscl.htm>

At the present time, a State Farm agent, Roger Vice, has filed a complaint with the United States District Court Eastern District of California to determine whether the independent contractor agencies owned by State Farm agents should be subject to California franchise laws. You may go to the State Farm Agent Association website (www.NASFA.com) and click on "franchise lawsuits" to read the actual complaint.

NAAFA believes the implications of these lawsuits are quite obvious. Perhaps it is time American Family agents pooled their funds and hired a franchise attorney to evaluate this situation as it pertains to them. Unjust terminations are heartbreaking and cruel. There are so many inconsistencies throughout American Family regarding "requirements" for agents. Perhaps franchise laws would force the company to treat agents equally. What do you think? Email us at:

www.NAAFAwest@comcast.net.

You may also visit the "members only" section on www.NAAFA.com to find other interesting links to help you understand franchise law.

www.naafa.com

AGENTS BEING BOMBARDED WITH HOME INSPECTION LETTERS

The following article was submitted by a long-time agent who explained to NAAFA that he felt totally frustrated by how the company has been treating his clients. He says he felt that after the work he had put in writing the business in the first place, he was disappointed that the company took his efforts so lightly and alienated his customers. Although he has asked to remain anonymous, here's the story he wishes to share with you.

American Family agents in certain states are being bombarded with home inspection letters. Although American Family Insurance Company asserts that it is a client-friendly company, it starts out its "repair-or-else" letter to policyholders with this statement in bold print:

"Failure to respond can result in termination."

Many policyholders who receive these letters are long-time, claims-free clients. The first reaction from many clients as they read these letters is to call their agent and express how upset they are, not necessarily by the request to make the repairs, but by the **general tone of the letter and the threat of being cancelled.** Some agents have even reported that the policyholders have made the requested repairs, but have cancelled their policies because they feel American Family

does not want or value their business any longer. Some take it as a personal affront.

As a background into the repair letter program, this writer found that originally, American family had hired an independent company, Marshall and Swift, to do homeowners' inspections. After several years, the repair letters sent out regarding needed home repairs was less than 10%. Marshall and Swift reported back to American Family that **the agents were doing a good job of underwriting homeowner risks and following up with clients with their P.I.R. programs.**

American Family then cancelled/non-renewed their contract with Marshall and Swift, and they sent their own company inspectors out to inspect homes. The in-house inspectors knew American Family wanted a higher than 10% repair letter rate. The scenario

involved a company employee being paid to drive around looking at policyholder homes, knowing most certainly that *the company's expectations were to have more than 10% of the customers receiving repair letters*. What do you think happened? Over a 10% repair letter rate for homes needing to be inspected emerged from the "in-house" company inspectors. If I knew I was being paid to drive around looking at homes with an *expectation* or *obligation* of finding more than 10% of them with problems, in order to keep my job, I would most certainly fulfill my expectation!

Three of the most common repair letters are in reference to **peeling paint, deteriorating shingles, and lack of handrails on steps and decks**. Let's look at each of these issues:

- **PEELING PAINT:** Peeling paint certainly has a cosmetic effect on how a home looks, but in most cases, the small amount of paint that may be peeling does not constitute a claims issue. The underwriting department asserts that peeling paint will result in water damage to a home, most particularly to the interior of the home! One inspector felt the peeling paint on a cement block garage needed to be repainted. Come on, this is a cement building! What is paint, other than a coating to make the cosmetic appearance more acceptable? Does paint protect the building or contents from water damage? In fact, when was the last time you had a claim because of peeling paint on the outside or the inside of a home?
- **DETERIORATING SHINGLES:** Deteriorating shingles can be a claims issue in preventing water damage to the home. Rolled up, ripped, torn, or missing shingles do need to be replaced. However, just because a shingle is old does not mean it is not protecting the home. In a strong wind, newly installed shingles are often far more susceptible to being torn from the roof because they have not yet adequately adhered. There seems to be a contradiction of fact when we have numerous calls to agents reporting hail damage to customers' shingles, only to have their claims denied by an American Family adjuster because "there is NO damage to the shingles" and "there is plenty of life remaining in them." Later, however, the American Family inspector shows up and tells the client the shingles are deteriorated and need to be replaced. **Who is correct, the adjuster or the inspector?** In the meantime, the client is getting mixed messages from the company which indeed, puts the agent in the middle. TROUBLE!
- **HANDRAILS:** Handrails are certainly a safety issue if installed improperly, but I question whether the frequency and pay-out amount of claims which result from having *no* hand railings is greater or less than the number and pay-out amounts of claims reported from not having properly installed handrailings.

When handrails are present, people assume they are installed properly, but notice what happens when people rely on a handrail that has been improperly installed or has become loose over the years. I have personally had a claim where too many people sat on a deck railing and it broke from the weight. Probably, if the railing had not been there at all, the accident would not have happened.

There are no claim statistics, to my knowledge, supporting the theory that the number of claims caused by inadequate railings is higher than the number of claims due to *no* railings, yet American Family insists there be handrails. Is the lack of

a step or deck railing enough to cancel a client with a 5, 10, or 15 year or more claims-free record history?

Another interesting repair letter deals with **egress windows** and the need for them to be covered. One letter goes out telling the client that a "**lack of a window cover is a liability-claims issue,**" while another letter goes out to a second client (with a different underwriter) telling the client that "**lack of a window covering is a water-claims issue.**" After the agent checked with the local building inspector, neither the water issue nor the liability issue was the real reason for requiring covers on the egress windows. The reason, according to the building inspector, is that *in the northern climates, freezing and thawing of snow in the window wells can prevent the windows from being opened in case an emergency exit needs to be made.*

Neither of the underwriters knew the real reason for requesting window covers, and thus, they were unable to relay this **important information to the customer**. Window wells are built with drainage below them to prevent water from filling up in them. A well designed egress window also includes a window well which is NOT covered, but has some type of a railing which allows occupants of the home to quickly escape but not allow people to fall into it.

Overhanging tree limbs are an interesting situation, especially when the neighbor's tree limb may be hanging over an insured's home. Our insured can ask the neighbor to trim the branches, but what if the neighbor refuses to trim them? In many cases where agents have inspected such situations, the overhanging branches do not constitute a threat to our insured's property. In cases such as these, are the American Family inspectors *trying to find something to justify their jobs when they are unable to find a legitimate reason for a repair letter they think needs to be sent?*

Out-buildings being insured to value have never been a problem. Agents have a responsibility to inform an insured if they think the extension of coverage from the home is inadequate to cover the out-building or unattached garage. But *is it the company's home inspector's responsibility to determine the value of such out-buildings and require that coverage be increased on them?*

The list of problems with company home inspectors goes on and on. One agent reported that his client received notice of termination of their "three-family dwelling" because it was ineligible for coverage under American Family's personal lines contracts. The agent immediately reported to the underwriter that this building was a two-family structure as was stated on the application. But American Family's home inspector had reported to the underwriter that it was, in fact, a three-family structure. Finally, the agent had to go to the county tax records to prove that the building was a two-family structure. More waste of agent's time!

Issues such as these are taking large chunks of time out of the agent's schedule. What about the fact that once an insured has made the required repairs, the agent is asked to again go out and take pictures to confirm that the repairs have been made? It appears an agent's word is NOT good enough. With the price of gas and the time involved in going back and looking at these properties, the agent's cost of running an agency is rising rapidly. If agents are going to be required to prove and then prove again, inspect and then re-inspect these homes, then American Family should compensate agents for

this added expense. Agents are not company employees, yet they are told they must do these additional inspections for the company without being reimbursed for their additional expenses. The company could alleviate much of the agent frustration by sending out their *own* employee-inspectors at

their *own* expense to satisfy their *own* questionable requirements. **Does anyone remember when the company believed that happy agents could sell more policies?**

www.NAAFA.com

What I wish the Company Knew.....

- How dissatisfied the agency force is and how many veteran agents are looking for a change in careers.
- That a certain district manager is sending out emails to district agents announcing the name of an agent just fired for unacceptable production!
- That credit-scoring was going to increase the agents' service work load.
- That outrageously high rates are causing the company's greatest asset (agents) to lose tons of money.

*Send in your wish-the-company-knew ideas to www.NAAFAwest.com



NAAFA.COM is nearing the end of its construction phase, but the website is constantly changing so visit it often. We are in the process of getting passwords out to all members. Members will then be asked to update their personal information for our records. Please be patient with us as we learn to use our new database. NAAFA has its members' best interests at heart and will respond to your needs as quickly as possible. Thanks for your patience!!

www.NAAFA.com

“NO GOLD WATCH”

More and more American Family agents are deciding to “hang it up” with American Family. The issues vary as to why this is happening, but the fact remains: Agents are leaving the company in higher numbers than at any other point in time in the history of the company. The company's success ratio for new agents is at an all time low. Reports show only about one out of every three new agents make it beyond the first year.

Older agents are reaching the age where they are retiring. Other veteran agents are leaving to find “greener pastures.” Not all of the agents leaving are going back into the insurance business, but a majority of them are. One of the hardest hit states is Arizona where the number of recent “retirees” has been listed at approximately 100 agents. These Arizona agents have left within the past year.

Again, most of these are veteran agents who have built larger, profitable agencies. One agent, who just retired after 24 years with the company, had a profit in excess of \$500,000 per year for 15 of those 24 years! In his termination package was *no golden watch*. Instead, the package included a threatening letter reminding the agent of his contract's non-compete clause. The letter further stated that the company would be carefully monitoring him in this area. There was no thank-you for 24 years of service, no thank-you for being profitable, for being AFLIC, for being Life Diamond, for being All-American, nor for qualifying for every other award and honor American Family offers.

So remember, when you decide to “retire,” from American Family (and someday, we will all retire!) do NOT expect to find a “golden watch” in your termination package. Instead, expect a final threatening letter reminding you of your contractual obligation not to solicit your current customers. (Submitted by a former American Family agent now in “greener pastures!”)

* If you are planning to “retire” from American Family for any reason, please let NAAFA know as we most certainly would like to congratulate you for a job well done and also update our records. www.NAAFAwest@comcast.net or call 1-800-567-9668

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NAAFA DONATION/MEMBERSHIP APPLICATION*

Name _____

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MEMBERSHIPS: **Annual** **\$240**
 EFT (Monthly) **\$20**
 Retired **\$60**
 Retired EFT **\$10**

***DONATIONS:** **Silver** _____ (under \$99)
 Gold _____ (\$100-\$199)
 Platinum _____ (\$200-up)

PAYMENT OPTIONS:

CHECK:

Please send the above applications along with your check (made payable to NAAFA) to:

NAAFA
PO Box 578
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EFT:

Please attach a voided check and another check for two months (\$40) to the application. Mail to above address.

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