



The

NAAFATM Report

Fall/Winter 2016



FEATURING:

- Our Band of Rednecks
- Sell Outside the Box
- What is Really Lurking in the Shadows
- What is a Holding Company
- Reflections from our President
- Corporate Culture
- The NAAFA Mail Box
- Class Action Update

NAAFA, Inc.

NAAFA, Inc. is a professional organization established over 25 years ago to promote education and communication for and between both active and non-active American Family Insurance agents. NAAFA is the vehicle whereby agents can express their opinions openly and without judgment. Our desire is to be a vital active group who is interested in sharing experiences, knowledge, and recommendations with other agents, always encouraging, listening, and growing in ways that not only profit the agents, but their businesses and customers as well. The acronym 'NAAFA' stands for National Association of America's Finest Agents. PROUDLY WE STAND!

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THE NAAFA EAGLE



The NAAFA Eagle...yes, we sort of claim him because he is such an influential bird. One writer described the eagles as living symbols of power, freedom, and transcendence. Transcendent means *going beyond ordinary limits*. Eagles have unusual eyes with pupils so powerful they can spot a rabbit from 2 miles away. Eagles fight to the death, defending themselves against other eagles by locking talons and free-falling in a spiral from hundreds of feet in the air. The Bald Eagle has been making a dramatic comeback in the US and it isn't at all unusual to see one swoop down and grab a tiny mouse seen running across your back yard. We see similarities and parallels between the eagle and NAAFA. We believe we have been *influential in assisting* many agents in many ways. We like to believe we *represent freedom* for agents who often feel controlled by the company they work for. We have certainly seen our board and members go *way beyond ordinary limits* to further our cause....that of fighting for the rights of captive agents who are labeled as independent contractors. We also believe we can *see* what is going on because we have had to train ourselves to be observant in order to prove and defend ourselves. We hope we don't have to fight to the death in this battle of David against Goliath in order to protect our interests, but we have seen several very fine agents who have left this world without seeing us accomplish all our goals. For that we are sorry, but we will keep fighting. We will stand proud. And we will soar like an eagle.

NAAFA, Inc. "BECAUSE WE CARE!"

MAY YOU ALL HAVE A VERY BLESSED CHRISTMAS
AND A PROSPEROUS NEW YEAR.

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NAAFA wishes to express our sincere thanks to our advertisers. They are such an integral part of our association because of how they have helped so many of our members become successful in the independent world. NAAFA is a beautiful blend of captive and independent, both successful in their own right.

The NAAFA Board

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REFLECTIONS FROM OUR PRESIDENT



Dear NAAFA Report Readers:

These are interesting times we live in, aren't they? Nothing ever seems to stay the same and I must say, the world is full of a lot of surprises. Regardless of your political leaning, the election was a surprise. And what is going on these days at American Family is a surprise, too, isn't it?

Many of us who have been with the Company for 20+ years or so just sit back and wonder at the changes. Are they good changes? Yes, some of the changes are good. But we are seeing some things that aren't so good, too.

I recognize that it is not always possible for the CEO of a corporation this large to always have tabs on what is going on in each department. But my feeling is that perhaps he doesn't define exactly what he means by good ethics. Does he live it and does he speak it at every turn? His attitude toward what is right, fair, and ethical, his own morals and standards will filter down till soon those under him will reject what isn't measuring up to his standards.

NAAFA has much the same attitude. I begin each board meeting with an invocation and we also say the Pledge of Allegiance to the American flag. I want our board to recognize what we stand for. I know our board members portray outstanding morals and ethics. We stand for TRUTH. We urge our members and readers of both our magazine (The NAAFA Report) and our website to weigh

each move they make. We ask them to consider whether anyone will be hurt by the action they are about to take. We ask them to consider whether the action they are about to take would embarrass them if it were announced on Facebook or in the news. Perhaps saying "no" will temporarily hurt you, but standing for what is right is the right thing to do.

We are emphasizing TRUTH in this issue of our magazine. Some have written about the improper behavior they have witnessed. We have purposely not mentioned names. We are trying to protect those who have reported this illicit behavior...all in an effort to get our AmFam leaders to open their eyes and start to "drain the swamp" as our President Elect has declared.

NAAFA wishes to thank our faithful members. We also wish to encourage people to join NAAFA. Often younger agents are a bit intimidated when it comes to joining NAAFA. But as many an agent has learned, by the time the Company is trying to get rid of you, it's probably a bit late to get prepared. That's where NAAFA has been such a big help. Join today. Give us a call anytime.

And may you and your family have a very

BLESSED AND MERRY CHRISTMAS!!

Your NAAFA President



THE BENEFITS OF NAAFA MEMBERSHIP

It's so interesting that many "timid" agents only plan to join NAAFA after they have retired. Most know they will need our SECA Kit, especially if they want to avoid being unfairly taxed on their Termination Benefits. We at NAAFA feel these people probably don't deserve access to the kit if they haven't been members for at least a couple of years before they quit. In fact, the board came very close to making that ruling at the last meeting, but to your advantage, they did not. We are trusting you to be ethical and not take advantage of NAAFA by waiting to join till after you retire. Join now and here's why:

- Access to the SECA Kit
- Access to the member-side of www.NAAFA.com
- Access to member only "Directly to Members, Directly from NAAFA" our up-to-the-minute on-line column
- Updates on legal cases
- Access to a network of business professionals, i.e. board members, agents who've 'been through it before,' agents from other agent associations, accountants, etc.
- Opinions on the agent contract(s)
- Attorney referrals
- Safety tips for agency transition (when & if it becomes needed)
- Assistance at termination & the guidance in getting started in the independent world, should you desire to do so.
- Information regarding, "Do I need legal assistance."
- Access to industry information via our website

STAND FOR NAAFA

NAAFA STANDS FOR YOU

The NAAFA Report.....



WHO WE ARE

NAAFA, Inc. is a professional organization established to promote education and communication for and between both active and non-active American Family agents. NAAFA is the vehicle whereby agents can express their opinions openly and without judgment. Our desire is to be a vital active group who is interested in sharing experiences, knowledge, and recommendations with other agents; always encouraging, listening, and growing in ways that not only profit the agents, but their businesses and customers as well.

OUR MISSION STATEMENT

NAAFA, Inc. shall strive to provide professional fellowship by dedicating its activities to encouraging the highest degree of ethical service both to our members and to the insuring public. NAAFA, Inc. will support the strictest adherence to the integrity of its members as professional insurance agents. We will promote professional conduct, protect confidentiality, 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.



SUPPORT NAAFA PAINLESSLY

The most painless way you can pay NAAFA membership dues is by the monthly EFT method. Most people do not miss the \$22.92 a month that NAAFA deducts from the account of your choice around the 20th of the month. Some agents add an extra \$5 or \$10 a month to be donated to the NAAFA Member Enhancement Fund. (NMEF) It's all so easy. Open your account now by sending your check for \$22.92 to: NAAFA, PO Box 578, Circle Pines, MN 55014.

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Directly to Members...Directly from NAAFA is NAAFA's direct and fastest informational pipeline to our members. Check www.NAAFA.com often for members-only updates. (Password needed.)

The NAAFA Mail Box in the NAAFA Report lets you **sound off**. NAAFA never identifies you unless you ask to be identified, but we must know your identity or we will not post your message. If you want your message read or heard, send it to NAAFAwest@comcast.net. This is your VOICE!

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www.NAAFA.com

You know you're a Redneck if:

- You grow flowers in an old commode in your front yard.
- You come home from the garbage dump with more than you went with.
- Your kitchen doubles as a bait store.
- You bring your dog to work with you.
- You saved lots of money on your honeymoon by going deer hunting.

<http://www.countryhumor.com/redneck/mightbe.htm>



OUR BAND OF REDNECKS



Since the inception of Duck Dynasty and their infamous Redneck ways, society has, in this writer's humble opinion, begun to adjust to the ways of Rednecks with just a little more respect and intrigue than ever before. We here at the NAAFA office are beginning to believe we just might have a few Redneck people among our readers. And we're darned happy about it!!

Agents can get pretty darned creative when it comes to havin' fun. In fact, Rednecks always seem to be havin' fun. It would be my guess that we have quite a few Redneck agents around here who are havin' fun, even though things are pretty gloomy at times in AmFam Land. These folks seem to be able to put the gloom and doom behind them and just let loose even though the swamp hasn't been drained...yet. They may not hide in duck blinds nor tackle people in super mud holes, but they have their own fun catchin' certain perpetrators breakin' the company's own rules or even breakin' state insurance laws. Most of us know which states have "only one needs to know" laws regarding recordings. It's sort of like waitin' in the duck blind for just the right moment to catch the duck comin' in for a landing.....perhaps its final landin'. Yep, the Rednecks just keep the cameras rollin' cause ya never know when ya might need some proof.

Most Rednecks drive pickups, I'm told. Hmmm! I drive a pickup. And most Rednecks own a gun. I'll let you guess on that one for a minute. Some folks describe Rednecks as *being patriotic, having a belief in God, are truthful, are very independent and want to protect their independence, are daring, like loud noises and dirty, muddy adventures, are not afraid of hard work, would never accept charity, and prefer small towns to big city living any day*. Some Rednecks never trust educated folks, but these descriptions might not fit everyone's description of the *real* Redneck. Lordy sakes, the Duck Dynasty senior patron Phil has a master's degree for gosh sakes. And most of the hairy bearded Duck Dynasty stars are quite educated. For the most part, they fit the descriptions above. They have a high set of morals camouflaged by unexpected Redneck behavior. They all live in huge, beautiful houses (except for old Phil who still lives down by the river) but no matter how hard their

[You got it—submitted anonymously!]

sophisticated wives try, they can't take the Redneck out of their bushy-haired husbands.

Well, now looking at what I just wrote, I guess you'd have to say I probably am a Redneck, too. I'm a full-fledged patriotic American who proudly displays a flag day and night for all the anti-patriots to sizzle over. I want a 4-wheeler so I can go splashin' through the mud in my back forty, but my family thinks I'm too old for one. All my life I have been goin' a bit in the opposite direction of the establishment. I've been called eccentric from time to time and outspoken the rest of the time. I've never fit into a nine-to-five job like some folks seem to. I tried it once and thought I'd been locked in jail. I own quite a few weapons and I practice my skill on a regular basis. Yep, I carry mine in my pick-up like any good Redneck would. And there's nothin' I like better than diggin' in the dirt and workin' up a good sweat. I love the north woods and have had more than one bear try to visit my camp. And I do believe the word Redneck should be capitalized because of its importance!

Why do I tell you this? Cause I, too, was an American Family agent. I 'spect if they had really known me, they would have fired me immediately 'cause I wasn't exactly the image for an insurance agent they were lookin' for. But one thing I know....agents just like me (and there were lots of 'em at one time, believe me) are being dumped in the bayou by AmFam. We're the ones with no more than 2500 policies or so 'cause we tended to live in the small towns....not far from the river and good huntin' grounds. The almighty dollar was not our goal. Redneckin' was our goal. If we could 'of joined Robin Hood's band of merry men and stolen from the rich to give to the poor, we probably would have. Instead, we were forced to stand by and watch another form of the Robin Hood adventure....the *upper* management stealin' from the *lower* folks. (That's us Redneck agents.) When I say, "Forced to stand by" I really mean it as we most certainly would have been terminated much earlier had we blown the duck whistle.

I guess what I've learned is that we Rednecks need *not* be ashamed of our behavior. And being dumped in the bayou has turned out to be a heck of a lot better than living under

the shadow of the company's rule. I'd rather have stood firm for my faith, my family, my ethics, my guns, my flag, my country and my liberty than to have sacrificed it all by takin' part in all the corruption most of us are seein' going on around here today. AmFam is losing the solid, moral, and ethical agents they once had and they're replacin' 'em with pliable wimps they can bend in any direction they want 'cause these people are "yes" folks. They'll do whatever this company wants, not payin' any attention to whether it's right or not. The almighty dollar, no matter how it is gotten, is more important than their conscience and their own moral worth. They sacrifice their souls for a few thousand policies.

Well, we won't let 'em in to our Redneck band of heroes. Word's around about what NAAFA stands for. Ever notice how these Kool-Aid drinkin' folks tend to stay away from us? They know we've pledged to stand proud for what's right and it's just not in their guts to make that sacrifice to join us. Well, we won't do your dirty work, ya hear? It takes guts to stand for TRUTH and we're this company's bravest people!

WE'RE REDNECKS.....with a capital R.



*Following is a great lesson in time management from the Redneck establishment we figured you might enjoy.
<http://mistupid.com/jokes/page075.htm>*

THE SPOON

[A lesson on how consultants can make a difference in an organization]



Last week, we took some friends to a new restaurant, 'Steve's Place,' and noticed that the waiter who took our order carried a spoon in his shirt pocket. It seemed a little strange.

When the busboy brought our water and utensils, I observed that he also had a spoon in his shirt pocket. Then I looked around and saw that all the staff had spoons in their pockets.

When the waiter came back to serve our soup I inquired, "Why the spoon?" "Well," he explained, "the restaurant's owner hired Andersen Consulting to revamp all of our processes."

After several months of analysis, they concluded that the spoon was the most frequently dropped utensil. It represents a drop frequency of approximately 3 spoons per table per hour. If our personnel are better prepared, we can reduce the number of trips back to the kitchen and save 15 man-hours per shift.'

As luck would have it, I dropped my spoon and he replaced it with his spare. 'I'll get another spoon next time I go to the kitchen instead of making an extra trip to get it right now.' I was impressed.

I also noticed that there was a string hanging out of the waiter's fly. Looking around, I saw that all of the waiters had the same string hanging from their flies. So, before he walked off, I asked the waiter, 'Excuse me, but can you tell me why you have that string right there?'

"Oh, certainly!" Then he lowered his voice. "Not everyone is so observant. That consulting firm I mentioned also learned that we can save time in the restroom. By tying this string to the tip of our you-know-what, we can pull it out without touching it and eliminate the need to wash our hands, shortening the time spent in the restroom by 76.39%."

I asked quietly, "After you get it out, how do you put it back?" "Well," he whispered, "I don't know about the others, but I use the spoon."

[In the opinion of this Redneck, that's about how sensible the consultants are that this company hires! And in case you're interested, here's a link to a Redneck online bank "where bankin's funner!" in Mustang, Oklahoma. Can ya just believe that? <https://redneck.bank/>. If our company's going direct on stuff, you might as well, too.]



I'm Almost out of Paper:



Several years ago, we had an underwriting trainee who was none too swift. One day, he was doing a certificate of insurance and turned to a co-worker and said,

"I'm almost out of paper. What do I do?" "Just use copier machine paper," she told him.

With that, the trainee took his last remaining blank piece of paper, put it on the photocopier, and proceeded to make five blank copies.



CORPORATE CULTURE:



What's happened to ours?

I just finished doing a little research on the Markel Corporation's culture. I first became interested in the Markel Company after reading an article written by Susanne Sclafane that appeared on September 19, 2016, in the Carrier Management.com magazine called "Wells Fargo Lesson: Culture Work is Hard for Growing Co's., says Markel CEO." <http://www.carriermanagement.com/news/2016/09/19/158932.htm>

In Ms Sclafane's interview with Markel CEO Richie Whitt, I learned a bit about their company that really reminded me of American Family in its early days. CEO Whitt said that it is "not uncommon for one of the leaders of Markel Corp to be greeted by an employee intent on giving him 'what for' about something going on at the company as he exits his car in the morning." Do you want to know something? That's how it used to be at AmFam back in the 70's and 80's. I remember visiting the Madison home office back in the very early 80's and I saw that the CEO's office door was wide open. He stepped out and proudly commented to us that any of us agents (and I imagine that went for employees, too) were welcome to enter his open door at any time and he would listen. That no longer happens at AmFam, I'm told, but evidently, it is still happening at Markel.

For those of you who aren't familiar with Markel, they are a holding company for insurance, reinsurance, and investment operations around the world. They have a subsidiary called *Markel Ventures*. Does that sound familiar? It should if you are at all familiar with the proposed reorganization going on at AmFam these days. But listen closely. There are some big differences between the two companies. Let me tell you about a few.

Markel has a written "style" document. You may read it in its entirety here: <https://www.markelcorp.com/about-markel/markel-style>. It's a short 6 paragraph document that tells in just a few words what they stand for and what they believe. Some of their key words that struck me were "sense of humor," "honesty and fairness," "challenge management," "people can reach their personal potential," and most importantly, "excitement that comes from innovating, creating, striving for a better way, sharing success with others..winning." I have read quite a few "style" documents and mission statements and I have to tell you. Not a one is worth its salt unless the company lives it. Many companies write up the most flowery paragraphs all meant to make you believe they're just about the most ethical, customer loving, employee sensitive organization around. Anybody'd want to work for or do business with a company with a pretty mission statement....if their words were just true!

Getting back to what Markel CEO Whitt says about their "style" document: He says that *every strategic decision is weighed against this Markel Style document to see if it fits their culture or not*. If it doesn't, it's dumped. This is a wise, wise move on Markel's part.

When I read American Family's Mission, Vision and Values statement found at their www.AmFam.com website, I find just words that sound pretty but really mean nothing to the employees and agents. The company has a commitment to dreamers...What!!?? And AmFam's values are to be employee-focused, customer-driven and then it goes on to describe themselves with a few beautiful but not meaningful adjectives. Their mission, vision and values seem to perhaps make the CEO and his circle feel better, but the words mean absolutely nothing to the people who actually make up the company. These words do not provide any measure of preferred character or performance. Oh yes, there are a few red, white, and blue employees and agents who pretend to swallow AmFam's mission as gospel, but very few try to uphold it. Instead these words just never come up in their thoughts. .

The Markel Style, however, speaks directly to their workers more so than to their customers. They wisely recognize that their company consists of their workers and if they aren't inspired, their company is nothing. Their mission (the Markel Style paragraph) speaks to them by helping them formulate in their minds who they are if they work for Markel. They're committed to SUCCESS, hard work, honesty, fairness in ALL DEALINGS, and all with a sense of humor. That's right....a sense of humor. The workers are encouraged to challenge management and they are to believe they have the ability to make decisions or alter a course.

It is my belief that AmFam employees dare NOT challenge their managers nor do the agents, if they want to keep their jobs very long. Markel's approach is spontaneous and flexible and requires a **respect for authority but a disdain of bureaucracy**. I love that. Respect for authority but hate for bureaucracy. I took a moment to look up *bureaucracy*. It means "excessive multiplication of, and concentration of power in administrative bureaus or administrators." I hate most bureaucracy. No doubt about it.

Whitt says, "Our people thoroughly believe they have the right---and they do---to stand up when they think that something is not happening the way it should in [line with] "The Markel Style." It sounds to me as if Markel has developed a culture that fits them and they are working hard

to protect that culture. Does a company's culture have to change as the company grows? Evidently, Whitt doesn't think so. He recognizes that when certain employees are found to be making bad decisions, this has to be stopped immediately or the culture does suffer. Whitt said he feels that the fast growth at Wells Fargo caused them to lose their original great culture. He said they need now, to "go back and do some work to make sure all of their employees understand what they mean by Wells culture and what it doesn't mean."

Where companies run into trouble is when they strip the employees of the ability to challenge management. When restraints or unrealistic goals are imposed upon employees/agents, creativity and spontaneity begin to wane. It's not fun to come to work anymore. And of course, employees become afraid to speak up for fear their jobs will be in jeopardy.

Why hasn't all the media type communication helped keep workers informed, one has to wonder. I often hear the complaint, "If they would just tell us what is going on!" Well, the only reason I can think of for not fully informing employees and agents in a timely manner about what the company's plans are is that their plans will be hurtful and they don't want us to know about it till it's too late for us to have any input. The other attitude I sense is that the company actually thinks top management people are the only ones with a brain. Why should they share their plans with the peasants because, after all, peasants must be controlled and managed because (as Wikipedia points out) the "peasant is uneducated, ignorant, and unfamiliar with the more sophisticated mannerisms of the urban population."

Now really, we employees and agents shouldn't feel this way, should we, because after all, the company has our best interests in mind, right? Yeah, right! We have been given only two or three reasons why the company's reorganizing into a holding company is a good thing, and we've been given no negatives. Certainly there must be some drawbacks.

In actuality, we've already seen some severe negatives as the company has prepared for this reorganization. Why do you think so many agents have been terminated and others forced to retire? We didn't fit into "their" plans. All in all, it would take a lot of repair work to bring this company back to the culture it was 25 or 30 years ago. Days when we were encouraged to contribute our ideas and present our concerns; days when the CEOs door was open, days when American Family was a family and we were proud to be a part of it; days when we believed we were contributing to a company that was, indeed, making a difference in the insurance world; days when our long hours of work were rewarded with competitive commissions and our customers were assured that American Family would truly be there if tragedy struck. Gone, it's all gone. Our great culture of the early days is gone. Sad!

NAAFA Board Member Submission 

"Corrupt politicians make the other 10% look bad."

~Henry Kissinger

YEARLY PHYSICAL

During my yearly physical, the doctor asked me about my daily activity level. I described one of my typical days this way:

Yesterday afternoon I....

- waded along the edge of a lake.
- drank 8 beers.
- escaped from wild dogs in the heavy brush.
- marched up and down several rocky hills.
- stood in a patch of poison ivy.
- crawled out of quicksand.
- jumped away from a aggressive copperhead.
- And I took four "leaks" behind big trees.



Inspired by the story, the doctor said, "You must be one heck of an outdoorsman!" "No," I replied, "I'm just a crappy golfer."

(Shh.....IT'S ALL ABOUT THE KIT!)



(Dated May 27, 2016)

Dear NAAFA,

I am delighted to report that my reply to the IRS concerning its claim on my 2014 income tax return that I owed nearly \$5,000 due to the self-employment tax issue has now been resolved in my favor, per a letter just received informing me that I owe \$0 and that its "inquiry" is now closed. Of course, my reply included all the information provided by the new SECA KIT.

Based on this resolution, I am supremely confident that should the IRS file similar "inquiries" concerning any of my other year tax returns, the SECA KIT will again provide the appropriate response for a favorable resolution.

Sincerely,

(Dated August 17, 2016)

NAAFA...just wanted to drop you a note that the IRS has responded back concerning my 2014 inquiry asking me to pay SECA tax on my extended earnings. As you will recall, the IRS has done an inquiry on me three times and once again, the SECA kit did the job for us. We owe them nothing. Hoping all is going well for you

(Dated May 11, 2016)

Dear NAAFA,

I wanted to let you know that I heard back from the IRS on my inquiry of my Termination Benefits. They said I owed "0." That SECA Kit really works. The NAAFA business manager worked with my tax man, going above and beyond. I just wanted to let you know, also, that I will pay my dues to NAAFA till I'm gone from this world. If the other AmFam agents had any brains, they would, too. Thanks again for all your help.

(Received 7/26/2016)

(This is a word-for-word voice mail message NAAFA received from a retired agent regarding an IRS audit he went through. He had used NAAFA's SECA Kit, of course).

"Good Afternoon, NAAFA,

This is _____. No need to call me back. But do you remember back in February or March I had contacted you regarding a problem I had with the IRS? They were auditing me saying I owed some more tax money on my 2014 Termination Benefits. Anyway, I wanted to let you know it all came out well. It was resolved and I did not owe any more money. So, you wanted me to let you know how I came out so that's what I'm doing."

Dated September 13, 2016

NAAFA,

This is _____ and _____.

The SECA Kit we received from you in early June has successfully helped us resolve our SE tax inquiry from the IRS.

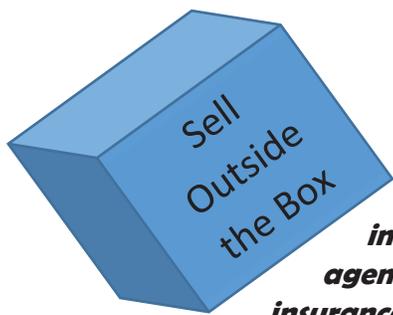
We initially received a letter from the IRS indicating it had received the items we mailed (as per the recommendation in the SECA Kit), and we just received a follow-up indicating \$0.00 is owed and:

"That the information you provided resolved the tax issue in question and that our inquiry is now closed."

If you would like to see scanned images of the IRS response letters we received, let me know and I will send them to you.

Thank you SO MUCH for your help and guidance in resolving this issue with IRS.





“Cutting Edge Sales Techniques”

By Mitchell Pomper, JD, CLU, ChFC

All of us want more good clients, and we all want to build our insurance business as quickly as possible. Let's face it, being an insurance agent wasn't the first career choice for most of us—we stumbled upon the insurance business ultimately because we felt it could provide a higher income in the long run, to give us flexibility so we could work as hard and smart when we wanted, and to build something for our families that we could own for the future.

Most of us ‘cut our teeth’ at a big captive insurer. They told us they would give us training, a little seed money to start (very little, which we would have to pay back ultimately!) the branding, and the products. Our job was to get the customers. This was their suggestion of a success path. Did they tell you that the majority of insurance agents fail, or that the majority who ‘make it’ in our industry make less than \$50,000 a year? You may have known that, but you figured you would be one of the outliers.

So, with a lot of enthusiasm, you opened your own office, or started in a cubicle in someone else’s office. You got your telephone number, you ordered some snazzy business cards, you designed your own website, and you waited for the phone to ring, the prospects to just walk in to your office looking for you, and the emails to pour in from new customers who were so happy that they had found you. Is that really what happened? Don’t think so.

What about all that great training you received? They educated you *ad nauseum* about their products, and compliance, but did they really train you in *how to sell and market*? What they probably told you was to make a list of all your friends and relatives, and start there. Then told you that you should probably take out a nice, big expensive ad in the local paper, and send all types of super expensive mailers to your zip codes. Then they told you that you should buy lots of internet leads and sell-sell-sell. You did all that and guess what? **It still didn't work.**

You found out quickly that most of your family and friends weren’t willing to switch to you immediately. They either wanted to see if you’d be successful and would remain in business before they switched, or they just were happy with their present insurance situation, or the timing just wasn’t right.

If you continue to do the same things to build your business, you will get the same mediocre results.

People who do well in our industry think creatively, and find ways to do well despite the typically horrible training from their carrier. To do well, you must go outside your comfort zone, and do things differently.

Most other insurance agents are doing the same things you’re doing, so to break through that clutter, you need to *do something different*. There are dozens of ways now to buy insurance, why should they buy from you?

That’s what happened to me when I started at *American Family* as an ACP agent in 1995, and I figured out pretty quickly that if I wanted to make it in this business, I better do just about the exact opposite of what they told me. I saved all those advertising dollars that I was throwing out the window, and I hired a guy for \$10 an hour to make cold calls for me. That’s one of the *most distasteful jobs that’s possible*, but guess what, it works. And the reason it works is *exactly* because it’s so hard and distasteful. You are now getting out of your comfort zone. If it was that easy, all insurance agents would be doing it, but they aren’t.

I figured it was better to call *business* people in the day, then to call people at night to ‘ex-date.’ Business people you know at least have a job, and you can target your market to the demographics that you wanted—and I targeted my market to attorneys, since I figured they made more \$\$ than most, and they spent more \$\$ for insurance than most.

Did you know there is no such thing as a national “*Do Not Call List*” for businesses, or individuals you call at work on a business number? The *Do Not Call List* typically only protects ‘consumers.’ So, you can call

away, and when someone says they're on the "Do Not Call List," you can politely tell them that you're calling them at work, there is no such thing as a national *Business Do Not Call* registry, and if they've registered on a cell phone or home telephone *Do Not Call List* it's not applicable, and if they're not interested, you won't call them back again.

I concentrated on finding people I didn't know, and who weren't actively looking for insurance. The sales process was a bit longer, but I got much better customers. I wasn't competing with multiple internet leads, direct writers, etc., I was only competing with their present carrier. As I became more successful, my 'friends and family' eventually found me, and wanted me as their insurance agent.

The captives would never tell a new agent to cold call. That's because they don't know how to do it. Otherwise, you would have been trained correctly. Whether you're a new agent, or even an experienced and successful agent, if you don't cold call because "you're just too busy," or

you say, "I work on referrals only!" then you're missing the boat, or lying, or both. Even the best insurance agents lose 6-10% of their business annually due to normal attrition. If you have over 1,000 policies, it's almost impossible to grow your business without leaving your comfort zone.

Once you figure out how to do it, cold calling is actually fun. I'm not scared about picking up the phone. I love it, since I'm good at it, and it makes me \$\$\$. After leaving *American Family* in 2009 and becoming an independent agent, I've built up a huge business with the techniques I'll be sharing with you in future columns. I don't have a monopoly on cold calling. Anybody can do it. It just takes a little bit of aggressive elbow grease. Hint--don't be afraid to get your feathers ruffled a little. If you're willing to try, we can review together my strategy on how to build a huge business with these techniques.

Good selling!

The Oyster

The story of an annoyance... - powerful poem!



There once was an oyster whose story I'll tell --
Who found that some sand had slipped under his shell.
Just one little grain --but it gave him much pain --
For oysters have feelings --although they're quite plain.

Now did he berate the working of fate --
Which had led him to such a deplorable state?
No! He said to himself, as he lay on the shelf,
"If I can't remove it --I'll try to improve it."

So, the years rolled by as years always do,
And he came to ultimate destiny --stew!
But the small grain of sand which had bothered him so --
Was a beautiful pearl all richly aglow.

Now this tale has a moral for isn't it grand --
What an oyster can do with a morsel of sand?
What couldn't we do -- if we'd only begin
To enrich all those things that get under our skin.

~ Anonymous.

A LITTLE BIT ABOUT HOLDING COMPANIES

We came across quite an informative article recently put out by **Investopedia**. The article is simply "Holding Company." First of all, it describes what a holding company is and then it briefly explains how a holding company works. We think you might be very interested in what the article has to say since soon a holding company will control all of us. We have given you the link here so you can read it in its entirety, but for our purposes here, we will just quote some of the highlights. Here's the link: <http://www.joshuakennon.com/how-a-holding-company-works/>
WHAT IS A 'Holding Company?'

A holding company is a parent corporation, limited liability company or limited partnership that owns enough voting stock in another company to control its policies and management. A holding company exists for the sole purpose of controlling another company, which might also be a corporation, limited partnership or limited liability company, rather than for the purpose of producing its own goods or services. Holding companies also exist for the purpose of owning property such as real estate, patents, trademarks, stocks and other assets. If a business is 100% owned by a holding company, it is called a wholly owned subsidiary.

BREAKING DOWN 'Holding Company'

One benefit of forming a holding company is that the holding company itself is protected from the losses. If one of their companies goes bankrupt, the holding company experiences a capital loss and a decline in net worth, but the bankrupt company's debtors and creditors can't pursue the holding company for remuneration. Thus, a major corporation might structure itself as a holding company with one subsidiary to own its brand name and trademarks, another to own its real estate, another to own its equipment and others to operate each franchise. This way, each subsidiary as well as the holding company itself has limited financial and legal liability. Structuring a company this way can also limit tax liability by strategically basing certain parts of the business in jurisdictions with lower tax rates.

Holding companies also allow individuals to protect their personal assets. Rather than owning assets personally and therefore being liable for their debts, potential lawsuits and other risks, holding companies can own the assets so that only the holding company's assets and not the individual's assets are at risk.

A holding company's operations consist of overseeing the companies it owns. It can hire and fire managers if necessary, but those companies' managers are responsible for their own operations; the holding company is not. Although the holding company does not manage the day-to-day operations of the companies it controls, the owners should still understand how these their subsidiaries operate to evaluate the businesses' performance and prospects on an ongoing basis.

In yet another on line publication (<http://www.joshuakennon.com/how-a-holding-company-works/>) we found yet more information on how a holding company works. What sort of alarmed us in the information here is that the holding company appears to be able to be structured so as to nearly eliminate exposure to law suits. Each underlying entity (company) is controlled by the holding company, but is individually run meaning it is responsible for its own profits and losses. It can easily be eliminated if it is not profitable. Here are quotes from the Joshua Kennon article, *How a Holding Company Works*.

How a Holding Company Works

A holding company is a special type of business that doesn't do anything itself. Instead, it owns investments, such as stocks, bonds, mutual funds, gold, silver, real estate, art, patents, copyrights, licenses, private businesses, or virtually anything of value. The term holding company comes from the fact that the business has one job: to "hold" their investments.

History is filled with examples of amazing holding companies, such as Allegheny, Loews, Berkshire Hathaway, The Marcus Corporation, Cascade Investment, and Walton Enterprises. Many modern day corporations such as General Electric or Bank of America are really holding companies because they own a bevy of smaller businesses; e.g., Bank of America is actually a bank holding company, owning control of the stock of other private companies including the eponymous bank, insurance businesses, asset management companies, securities underwriters, and more. That is, when you buy shares of Bank of America on the New York Stock Exchange, the company you are buying doesn't do anything itself. It is merely a conduit through which it controls and owns the stock of underlying businesses. Personally, I like to think of holding companies as coming in two forms: 1) Holding companies that serve as investment vehicles for investors. (2) Holding companies that serve as risk management tools for large corporations. Although they have some similarities, they are different. It is important you understand which you are thinking about and why both types are used.

For the sake of space, the article goes on to say that hypothetically, a holding company could invest \$10million of its own money to form a new company, write up an operating agreement so other investors buy \$2million, a bank provides \$3million in debt financing through a secured non-recourse mortgage, and through a few real smart techniques, the holding company finds itself controlling more than a billion in assets but with very little risk on the \$10million investment. This is all possible if they're smart!

Another way a holding company can protect itself is by putting all its assets in "Silos." It appears the silo approach is probably what AmFam is doing because they will have many underlying separate companies under their holding umbrella. Author Joshua Kennon says that if one of the underlying companies (silos) fails or goes bankrupt, the parent holding company could put the failing company into receivership, create a new property management group the next day, and the only loss might be their original small investment. The failure of one company has basically no effect whatsoever on either the other underlying companies or the holding company itself. Kennon also points out that "if someone walks in (to one of the silos), falls, sues the company and bankrupts it, only that location that operated is going down." Almost immediately, a new business of the same nature could open at the same location. "The person who sued may walk away with little or nothing," he says. Although all the subsidiaries are owned by the holding company, each underlying company would be in business in the traditional sense. Kennon points out that the subsidiary companies could even lease their employees from the human resource company (which, too, could have been established as an underlying 'silo') If an employee sued the company, only the human services business would be at risk.

It has been suggested to us that after the formal approval and establishment of the AmFam holding company, it will be very difficult for the company to be sued by anyone. But time will tell. When people are mistreated (as they certainly are at this company), savvy attorneys will figure out how to seek justice. And who knows but what holding companies might be deemed illegal for after all, they're not allowed in Canada, nor are they allowed in the State of New York.

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Finding Strength in Numbers: Getting to Know the Partnership Model Championed by SIAA

Making your way as an independent agent can be very rewarding. Building your own book of business, managing your own staff, and watching the fruits of your labor translate into profits can provide a tremendous feeling of self-satisfaction and pride. Unfortunately, growing an independent insurance agency doesn't always come easy. Establishing yourself in the community, building your brand, training staff, and managing workflows and accounting can be daunting to say the least.

This is where SIAA (the Strategic Insurance Agency Alliance) comes in. SIAA fosters the growth and success of independent agents through a partnership model – proven over 21 years – that provides them with the tools, expertise, and access they need to thrive.

SIAA first brought its partnership model to market in 1983 with the Satellite Agency Network Group (SAN Group), which was designed to be a master agency that could provide small agencies with access to new carriers so they could grow. Through partnerships like these, independent agents would not be forced to meet carrier minimum volume requirements. Since then, SIAA has grown to 49 master agencies, and signed more than 6,000 member agencies with in-force premium of \$6.3 billion.

So what's the secret sauce? Good partners – in the true sense of the word. Motivated, hard-working agents and quality carriers are key to the model's success.

Before welcoming a new master agency into the fold, SIAA researches the prospective partner from top to bottom, confirming its profitability and long-term prospects. Once selected, these master agencies undergo extensive training and are provided a specific territory in which to operate, as well as reporting and accounting software.

In selecting independent agent partners, these master agencies focus on the quality of the agency's business, not just its numbers. Many of



SIAA's independent agent members are former exclusive agents, now on their own, looking to have an ownership stake and build their own books of business. By going independent and joining SIAA, these agents can enjoy expanded access to carriers and write business they couldn't have taken on otherwise.

After the partnership is established, SIAA provides valuable marketing tools, expertise and resources to help agencies in their growth efforts. For example, SIAA helps independent agents tap into the lucrative market of small commercial business with a program called *Business Insurance Advantage*, which provides mentoring and training in small commercial lines. Additionally, SIAA offers training to new SIAA agencies on the basics of running a business, not just an agency, including accounting and personnel management with a consultation program called *Agency Foundation*.

SIAA also serves as a valuable partner to start-up agents through its Training and Learning Center. In fact, SIAA has created over 3,650 new start-up agencies since its inception.

Besides the business tools and leads, SIAA also provides marketing assistance directly to the consumer. InsuranceDeals4U connects SIAA agencies with consumers shopping for insurance online. The tool generates roughly 6,000 leads a year.

Building a business as an independent agent can be very fulfilling, but the path to success will not always be clear. Working with an integrator like SIAA can help independent agents work their way to success through customer and carrier reach that can ensure steady business well into the future.

By Matt Masiello, Executive Vice President and
Chief Operating Officer, SIAA

www.siaa.net

info@siaa.net



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So What Good are Boards of Directors, Anyway?

Board Member Contribution

We at NAAFA have often asked ourselves that same question. Most organizations have Boards of Directors, but we have known a few organizations who found people to serve on their boards, but never seemed to use or consult their boards. They were figureheads....status symbols, if you please. We have seen what seemed like successful companies get into trouble regardless of how their boards operated and/or were respected.

A study was co-authored by a Texas A & M professor named Steven Boivie where he says Boards of Directors are highly ineffective at overseeing company executives. Boivie says this is because of certain barriers that reduce their ability to process information.

<http://www.carriermanagement.com/news/2016/06/22/155574.htm>

He says he believes the real purpose of boards is to protect shareholder interests from managers who may not always have the same interests as shareholders. For public companies, the board of directors is the highest legal authority of the firm and has a legal responsibility to protect shareholder interests. And even need to hire and/or fire CEOs, approve or disapprove of major strategic decisions, etc. in these public companies.

One has to ask about a holding company situation, however, when the holding company is not public. Yet the underlying companies are. It would seem to us that the portion of the company that really needs to be controlled has free reign. Hmmm!

NAAFA has a Board of Directors (We actually call them a Board of Counselors) and there is no doubt that NAAFA would fold without them. The members of this board are excellent consultants. They are wise not only because of their years of experience, but because they never stop learning. But even more important than that, they have a genuine desire to see that NAAFA is run ethically, always protecting the interests of all insurance agents whether they are members or not, and they always stand for TRUTH. The NAAFA Board believes there is safety in counsel so discussing matters of concern is critical to them. They also honor confidentiality to the utmost. Putting all these attributes together, we feel the NAAFA board is the most integral part of our organization.

Just as Author Boivie stated in the referenced article above, we should not expect boards to monitor the CEOs choices because boards simply don't have access to the information needed to monitor management. But boards should be expected to offer good strategic advice. Bovie says he thinks it is the "role of legislation and government to protect consumers and employees more so than the board."

We recognize that many times consumers' rights are not protected and neither are independent contractors. That is why NAAFA keeps working so hard to protect these forgotten people's interests and rights. If we can't do it with the help of American Family, we simply must seek other ways. Yes, we definitely believe Boards are important but for the right reasons. ✂

What bothers us may not bother you, but.....

- Seeing my policies being given to an employee-agent after I retired just didn't feel right.
- Hearing that if we have only 2 or 3 thousand policies in our agencies that the company's target is on our backs, we're concerned..
- When we heard that a seasoned AmFam agent quit and went back to work for AmFam as an employee agent.....we wondered 'what's up?'
- When one agent gets certain preferential treatment by the company but another can't...I wonder why.
- We wonder why AmFam is rushing to establish their holding company by December 31st.



WHAT IS 'REALLY' LURKING IN THE SHADOWS?

[The following article is the compilation of the thoughts and opinions of several people who have come forward with their concerns about what they are experiencing and have seen occurring in their workplace. These writers declare they are not out for revenge, but sincerely desire that somehow this corruption they are experiencing will be stopped. "We are all losers," they declare, "when corruption is allowed to continue." NAAFA agrees with this premise and we, too, pray that the company, (because we know they have been informed,) will do something about it besides get rid of the fine agents who built the company in the first place.]

Here's a short list of just 'some' of the inequities we see occurring within the company today

- Veteran agents are seeing what we consider 'corrupt' agents (or agents willing to compete and jeopardize the business of long-time agents who located there years earlier) being placed in already saturated areas in an effort to make it harder for veteran agents to survive. Those (favored) agents are allowed to use unapproved mailers, sales concepts (like conversion blitzes and mortgage letters that are not approved by compliance) as well as internet leads that are not approved by compliance and other such tricks, all in an effort to drive out existing agents and taking their files.
- We feel that the company uses their "best practices rules" to force compliant agents into allowing the company to steal their prospects and give them to other "preferred" agents.
- We also feel that the company has intentionally established "Best Practices" that favor only the company. For example: In our opinion, we've seen the company screw up on claims, raise someone's premium unjustly, and sometimes use price manipulation/utilization tactics; some have reported that the company raised the rate *before* the insured has actually turned a year older; others have reported that the company delayed the discount for entering the next age bracket; it has also been reported that the company allows a PS&S person to give wrong advice and our client gets upset in which case both we and our clients are screwed. If the client gets a survey and gives an anonymous score of 'one,' or some other low score, and the client takes it out on the agent (and not the company where the damage actually occurred) it's the agents once again who are screwed. Furthermore, even though the agent had nothing to do with it, the agent's OSAT score gets dinged to the point that the agent may not qualify for bonus money or even the All American. Who profits? The Company. Who loses? The agents and the insureds.
- Whenever the company gives transfer policies to " *favored agents (who will do illegal acts and overlook approved sales practices)*" rather than giving them to the honest and otherwise successful existing agents, the company creates an incentive to manipulate growth trends which is, in turn, used to raise the district averages so they can appear to justify terminating otherwise great agents. And once again, this gives policies at 50% commission to the corrupt agent.

• The real story of the transfer rule: 50% on transfers for life. If a 20 year agent (who is honest and less likely to follow the bait-and-switch tactics the company wants) has 2000 customers with about \$2,000,000 in premium (at an assumed average "gross" commission of 10% or \$200,000 / year,) and were to be forced out, here's the numbers. Those policies would now only pay 50% commissions for life, so the company just saved \$100,000/year for as long as those clients stay with the company. In 10 years, that's a million dollar company profit when just one small agent leaves! According to our records, the company had about 4,200 agents 5 to 10 years ago, but this number is now down by at least 1000 agents. With all those files receiving 50% less commission, the company gets out of paying their agents \$100,000,000 per year. (1,000 agents X \$100,000 = \$100,000,000) By cutting those veteran agents off 10 years before they would have retired, the company gains a windfall of \$1,000,000,000.

- There have been shark tank cases where certain pre-chosen (favorite-son) agents were the benefactors, where all other agents competing in shark tanks for the available transfer files were told they could not even ask for anything except 50% commissions because "that is the new rule;" yet Mr. Favorite-agent was given 2 agencies with 100% renewal commissions. His agency, through bulk transfers, gets bigger in 2 years than 95% of the other agents in the area that have been around for decades. Yet Mr. Favorite-agent's agency growth is being touted as the success that could be had if others just "duplicated his methodology." In reality, Mr. Favorite-agents are just propped up to make it look like the company's *great experiment* worked. Several State

Directors and/or ASMs who promoted such illicit action, but somehow got found out, were often mysteriously 'relocated' into an agency with a large policy count of their own and away from the scene presumably to keep them quiet about company secrets that really are not so secret. Sometimes even Regional VPs have all been *relocated with promotions*. In other words, it appears to us that the company is rewarding such illicit behavior, plans that were probably underhandedly created by them in the first place. We believe this has been going on for years. We not so dumb that we can't see this!

- Some 'preferred' agencies have been allowed to **place their own unrestricted yellow page ads**, while other agents within their peer group are prohibited from doing so; and yet the agents not "favored" by the company are being given 6-month notices or termination letters because their growth isn't within acceptable ranges as compared to the rest of the district. We can see that it is the "preferred agencies" false production that pushes the average production up in each district. We harassed agents can see that we will soon get forced out (if tradition holds) and once again our files will go to the corrupt Mr. Favorite-agents or worse yet, employee-agents. Of course, the company saves millions.

There are dozens of other inequities that could be exposed which the company uses to force the agents out. For example, the company forces the agent out just before the agent becomes eligible for Termination Benefits, or just before the agent would have received the next level of extended earnings, or before the agent qualifies for social security, all in an effort to allow the company to make more money.

It is our opinion that it would be philanthropic if a group of people, considering these comments, might want to do a brain-storming session where they attempted to expand upon and confirm that the aforementioned situations actually exist and are in fact, a serious problem. Perhaps, then, they, too, would come to the pressing conclusion that this *exploitation of agents* is serious, harmful, and extremely corrupt. In fact, serious enough that these same people should consider options for solving this pressing unfairness. It's time that a true effort is made to protect these very vulnerable people from what is *lurking in the shadows*. In the words of A. K. Antony,

"There is no compromise when it comes to corruption. You have to fight it."



CLASS ACTION UPDATE

The ***Jammal v. American Family*** case is moving towards trial. Trial begins in federal court in Cleveland Ohio on January 23, 2017 and is expected to last 3 to 4 weeks. By now, most of you should have



received a notice notifying you that you are in the class of agents affected by this case.

That notice contains contact information of the law firms representing the class if you should have any questions regarding the case or your membership in the class. Please

note that attorneys Erin Dickinson and Charles Crueger have formed a new law firm and have new contact information. Ms. Dickinson and Mr. Crueger and their new law firm

will continue as co-lead counsel for the class along with Wexler Wallace LLP and Greg Coleman Law. Crueger Dickinson's contact information is listed on your class notice.

Following is the web address of the Class Administrator where you can get more information about the class action. <http://americanfamilyclassaction.com/>

Listed are the four law firms representing the class of agents:

Crueger Dickinson, LLC
4532 N. Oakland
Whitefish Bay, WI 53211
414-861-0438
ekd@cruegerdickinson.com

Wexler Wallace LLP
312-346-2222
eaw@wexlerwallace.com
55 West Monroe St., Ste 3300
Chicago, IL. 60603

Greg Coleman Law
800 S. Gay Street, Ste 1100
Knoxville, TN 37929
865-247-0080

Landskroner Grieco Merriman, LLC
1360 W. 9th St. #200
Cleveland, OH 4413
866-823-3332



YES, THERE ARE SOME WHO OUGHT TO “OPT OUT” OF THE CLASS ACTION

NAAFA Member Contribution

Occasionally, NAAFA gets an email from what I call a “red-white-and-blue” AmFam agent who asks to be taken off the NAAFA Report mailing list. These “loyal” red-white-and-blue people claim that agents who get fired, do so because they don’t work hard enough. Another red-white-and-blue agent said we who couldn’t meet the company quotas should shut up and quit whining. In other words, you who have never joined NAAFA....you who have drunk the Kool-ade---you who credit AmFam for whom you are—you who think you couldn’t have done it without AmFam, well, I have news for you. If tradition holds, your time may be coming.

We who have worked as agents for AmFam for 20, 25, 30, or 40+ years simply cannot agree with your opinion of American Family. I had 33+ years with AmFam as an agent. Some of those years were good years.....some were really bad. I worked hard....very hard. I have several AFLICs, ALL-AMERICANS, LEADERSHIP CONFERENCE QUALIFIERS, LIFE DIAMONDS and many other awards.....so I am not lazy.

Yes, I was fired for production, along with scores of other AmFam agents. Of course I hurt when that happened. I saw all my plans for a smooth transition into retirement fly out the window that day because I had been terminated only months before my 60th birthday. Lifetime benefits were no longer available to me, a company scheme that I feel was craftily exercised in my situation. I knew the good times were gone because rates were purposely set high. I believe the company did this in order to legally allow terminations under the contract for not meeting production quotas. But I was counselled by NAAFA to believe that I should not be ashamed to have been fired by AmFam because they were acting according to a wicked goal they had to get rid of as many agents as possible. They were meeting a financial savings plan, a plan to cut their expenses at my expense. And believe me, I have watched them do just that to many,

many agents. It is not right to say that if an agent was terminated, he deserved it. I have begun to realize that times have changed with this company. They are no longer grateful to those of us who “put American Family on the map,” so to speak.

No, I do not feel you are any better than I am. Neither am I any worse than anyone else. But I will have to confess that I am certainly *not* a red, white and blue agent...one who proclaims loyalty to this company no matter how cruel they are. I stand proud because I have stood for ethics, truth, honor, and good will toward my NAAFA friends and members. I urge you to remember: Just because it hasn’t hit you yet, don’t feel it never will. You could be next.

I have a suggestion for those of you who have refused to join and support NAAFA. Just this week agents have begun receiving notices from the Class Action Administrator explaining that a lawsuit is currently pending. If you received the postal card, you are a part of the class. You are given the opportunity to exclude yourself from any damage awards, should there be any. I challenge you agents who have remained so red, white, and blue to show your real passion for American Family by not taking a nickel of the potential Class Action damage award, should there be one. I would suggest that you opt out by following the directions on the card you received. This way you will not be the hypocrite that I suspect you really are. Opting out will truly show your real colors.

There, I sure feel better!



We hold these truths to be self-evident: that all men are created equal;
that they are endowed by their Creator with certain unalienable rights;
that among these are life, liberty, and the pursuit of happiness. ~Thomas Jefferson

PRICE OPTIMIZATION CONTINUES TO BE AN ISSUE

We are all suffering the effects of insurance premiums we feel are too high and really, unfair. Evidently, some of the organizations like CFA (Consumer Federation of America) and Consumer Digest to name a few, are taking a stand against it claiming it is an unfair practice. And it seems the NAIC (National Association of Insurance Commissioners) is trying to keep us informed about which state insurance departments have issued bans on using *price optimization*. That list includes over 20 states now. What is price optimization?

*Price optimization works like this, according to Robert Hunter, who is the director of insurance for Consumer Federation of America: Instead of basing your premium solely on your risk potential, insurers further adjust rates based on the likelihood that you'll switch insurers if your rates increase. How can insurers predict whether you're the type of customer who won't flinch if you experience a rate increase? Insurers look at market analysis and put consumers in different segments based on data, such as where each consumer resides or his/her income level, Hunter says. **

In a nut shell, price optimization (PO) occurs when the insurance company charges you what the company thinks you will pay based on some market analysis they've made on you and NOT on actual documented risks. How do they come up with these market analysis statistics? We're not really sure, but did you know that many *online* sellers charge different people different prices for the same product? It's perfectly legal (but we feel not very ethical!) and it's called "dynamic pricing." Amazon is being sued for just such practices. Consumers claim they've put something in their shopping cart only to find the priced jumped up from what it was before being put in the cart. Evidently, certain computers trigger higher prices such as Mac users. The theory is that a Mac is more expensive and so a consumer using one would most likely be willing to pay more. Orbitz has been known to charge different rates to different people, too. <https://www.consumeraffairs.com/news/lawsuit-alleges-amazon-charges-prime-members-for-free-shipping-031414.html>

So one has to ask why insurance companies can't "dynamic price," too. Well, it looks like they do and they seem to be getting by with it. What is one to do about it? Well, for one thing, *shop around often*. If a consumer stays with the same company for many years without questioning the rates, you're just showing the company you'll stick with them no matter what....so up goes your rates.

You might also be interested that studies show insurance companies gouge lower-income consumers. The auto premiums for this group were often found to be sometimes 100% higher than for other groups. <https://www.consumeraffairs.com/car-insurance-rates>

What about those little vehicle-monitoring gadgets that most companies are offering along with a 5% discount if you let them put one in your car? You'd better ask yourself whether that 5% is worth it or not because the info those gadgets compile could (and most likely would) come back to haunt you. Do you realize that future mobile applications will tell insurance companies where you're driving, how fast you're braking, how far you're driving to work...all of which could affect your rates? So far, to our knowledge, just a few insurance companies are giving discounts to people who have these extra safety features on their new cars such as emergency braking or adaptive cruise control.

Some people think that because they are getting a 'safe-driver-discount' that they are getting the best premium rate their company can give. WRONG! Shopping around might reveal to you that your own company (to whom you have been faithful for many years) has simply jacked your price way, way up before adding the little discount.

So there you have it. You may be getting PO'd (price opt'd) and don't even know it if you don't shop around. Your safe driver discount may be an indication you've actually been placed in a much higher-priced bracket. And all those safety gadgets you've paid so much for when you bought your new car probably don't enable you to get a discount on your car insurance. Shop carefully and often.

[BTW--Evidently, AmFam uses price optimization, according to the Consumer Digest interview with Chad Covelli.* Whoops, we've also heard he's no longer with the company.]

* <http://www.consumersdigest.com/automotive/article/auto-insurance-rates-how-to-avoid-being-taken-for-a-ride/shop-smart>

WE LIVE IN A VIOLENT WORLD



WHAT CAN WE DO ABOUT IT?

By Board Member

If you currently work in a pleasant environment, you're fortunate. Not everyone is so lucky. But violence occurs in other places, too. It can occur in the home, in the shopping mall, at church, in the school, the airport....absolutely anyplace. That's why we feel it's time we talked about it.

You are vulnerable no matter where you are. Twenty or twenty-five years ago, we wouldn't have been uttering warnings like this, but times have changed. Agents who work late into the night in their offices are at risk. Agents who make house calls are particularly vulnerable. Even traveling by car at night can be risky, especially when stopping at intersections. Years ago we could safely give hitch-hikers a lift....not any more. Even walking from your car into the office or from your car into your house or apartment can be dangerous, especially at night. And yes, perhaps women are more vulnerable than men, but we're not sure about that based on the statistics of who are killed these days.

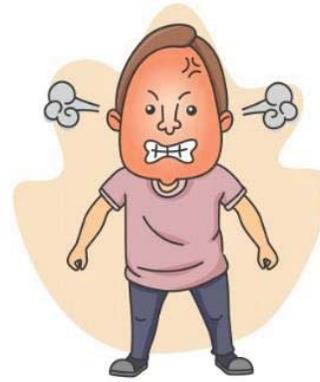
Our goal here is to give you some pointers that just might be useful to you. Please take time to think about these pointers and then, be prepared and aware: (<http://shankman.com/how-to-avoid-being-a-victim-anywhere-any-time/>)

- 1) Be aware of your surroundings. Notice whether there's a strange car parked on your street. Or perhaps you feel there is something not-quite-right about the entry to your home? Listen to your gut! Look around as you walk or drive. A lot of people say they have a 'gut' feeling when things aren't right. Again, listen to your gut!
- 2) By all means, carry a cell phone, but never use it while you're walking, jogging, or driving. When you are focused on a conversation or texting, you cannot possibly be very alert to your surroundings. Your phone should only be used to call 911 while you're moving.
- 3) You may want to invest in a tac light. A tactical light, for those of you who aren't familiar, is a very powerful flashlight. It can blind an intruder, flash SOS, or strobe flash. But it can also be used as a weapon. It is a very sturdy flashlight, one which vehicles can drive over and not damage. They sell for about \$20. Everyone should have one. Some people carry a loud whistle to be used to attract attention if in trouble.
- 4) Many people feel more secure carrying a concealed weapon. Just be sure that if you go this route that you take classes that prepare you for the emergency when you might have to use it. And then, don't just carry it, but practice, practice, practice. Of course, if you buy one but don't carry it, it won't do you much good when the emergency comes.
- 5) Have your keys in your hands before you leave the building. Having to dig in your pocket or purse for your keys when someone is approaching can mean the difference between being safe and not being safe. Keys can even be used as a weapon. And remember to lock your car doors as soon as you enter it.
- 6) Train your family to call 911 rather than investigate a suspicious noise in the house themselves. Never explore noises in the dark. And remember, instead of yelling "help" when something goes wrong, yell "FIRE." People these days tend to ignore those in trouble. They just don't want to get involved.
- 7) Let your friend or family know where you are, when you will be leaving and when you should arrive. Think of all the reasons you might be delayed: you have been in a car wreck, got stuck in an elevator as you were leaving your office, you were taken captive by a robber or assassin, or you got sick and were rushed to the hospital.
- 8) Get to know the people in your neighborhood. Or join a group such as **Nextdoor.com** which is a website that your neighbors can join and alert you to prowlers or other suspicious characters.
- 9) If you are walking, try not to look like a victim. If you look helpless and weak, you automatically become vulnerable. What predator wants to attack a spunky person who just might get the best of them when they attack? And never stare...some attackers take this as a challenge. If a person looks away when you turn to see who's following you, beware. Head for the nearest store or restaurant.
- 10) IF you can afford it (and if you can't, start saving) have an alarm system installed in your home. It's a good idea to have your garage(s) armed, too. If the alarm goes off while the intruder is still in the garage, it gives you time to collect your senses, look for your weapons, (even a ball bat is better than nothing) and it gives more time for police response..

Workplace violence is another big concern. Recently, two people were killed in the Liberty Mutual office in Portland Oregon. It appears one killed the other and then killed himself. Workplace violence is frightening as is violence in schools. People must be trained to be aware. A *Firestorm* survey tells us that 90% of employees are concerned about workplace violence but only about 50% have had any formal training related to it. Your safety could depend upon the employees reporting to the employer what they see and hear. Most often, the person planning to commit a violent act will tell at least one person, according to Jim Satterfield, a crisis management expert. If the warning is reported to a "central data repository" often such clues can be enough to prevent a violent occurrence.

Behavioral red flags often occur when someone is going through several pressures at once. For instance, a bad job performance, a divorce, or being mocked by co-workers can be triggers for aggressive behavior. Co-workers should always be on alert for employees who are at risk. Here are a few behaviors to watch for:

- Makes intimidating comments about hurting someone else.
- Displays fits of rage.
- Destroys property.
- Blames others for problems.
- Suicidal thoughts.
- Files many grievances/complaints
- Has frequent bouts of depression.
- Has bouts of substance abuse.
- Shows major changes in behavior
- Seems paranoid.
- Has weapons in restricted areas
- Takes criticism poorly.
- Is often alone.
- Sometimes obsesses with the military, police, or criminals.



Most often the tendency is not to report such behavior. Many just want to stay out of any conflict. But you just can't do that. These red flags must be turned in so protective steps can be taken. You must look, listen, and report.

Your employer, or you as the agency owner, can do a lot to create a culture of respect and consideration. Encourage workers to be compassionate to one another, always taking time to help one another and empathize with each other. How the employer treats the workers is critical. When frustration occurs because of unfair business practices, the agitation has already started. Layoffs often trigger threatening behaviors. Sometimes it's good for employers to take cuts in pay themselves if employees have to suffer.

Remember, violence can occur in a 2 or 3 person office as well as in a 1000-person workplace. Have a plan. Know what you should do if an act of violence occurs. Don't take risks and don't let problems simmer. Deal with them immediately. Often the hurting person is crying out for help but no one listens. No one helps. Don't let that happen to your co-workers or those who work for you and you will have a happier, safer place to work.



THREE PATIENTS WITH A BROKEN HIP!!

[This is how it REALLY is!]

Author unknown

Three patients limp into three different doctors with the same complaint....they all have trouble walking and may require hip surgery.

PATIENT 1.

Is examined within the hour, is x-rayed the same day, and has a time booked for surgery the following week. The total cost for the operation is \$2400.00

PATIENT 2.

Goes to the e.r. is examined within the hour, is x-rayed the same day, and has a time booked for surgery the following week. Gets no bill for copay or deductible. In fact gets no bill at all. Cost for this patient \$0.00.

PATIENT 3.

Sees his family doctor after waiting 3 weeks for an appointment. Then waits 8 weeks to see a specialist. Gets an x-ray, which isn't reviewed for another week, and finally has his surgery scheduled for 6 months from then, pending the review board's decision on his age and remaining value to society. Gets bill for deductible which is \$7,500.00 and has a co-pay of 20% which equals \$6,000.00. Total cost for this citizen \$13,500.00.

WHY IS THERE A DIFFERENT TREATMENT PLAN FOR EACH OF THE THREE PATIENTS?

PATIENT 1. Is a golden retriever taken to a vet.

PATIENT 2. Is an illegal alien.

PATIENT 3. Is anyone on Obamacare.

It's sad to think that at one time there was an American Family agent health plan As with so many other things we've had taken away from us, that plan is gone, too. **Maybe it's time for agents without health care to find a good vet!**





TURNING UP THE PRESSURE ON MISCLASSIFICATION OF INDEPENDENT CONTRACTORS

The link at the bottom takes you to an article entitled, "*Trump's Impact on Independent Contractor Misclassification: States will Likely Increase Enforcement after Feds Dial Down Theirs,*" This article just might be of interest to those who are also interested in the class action case.

It is pointed out that in the last 8 years, the Obama Administration has pushed enforcement initiatives on independent contractor misclassification through the US Dept of Labor and the IRS. That department issued a "Misclassification Initiative" document and 35 states signed Memorandum of Understand docs with the Us Dept of Labor. Of the 35 states, 18 have Republican governors. It's interesting to note that Congress has taken no action on IC misclassification at all. This article's author thinks it *might* be likely that the US Dept of Labor *may* dial down on their enforcement efforts under a Republican administration. However, it could also be that certain Democratic run states will ramp up their efforts to crack down on IC misclassification because they seem to feel the issue is bipartisan.

What might be the effect of this possible strategy? Interesting question. As I said, this article points out that because there are quite a few states with Republican governors that perhaps there *will be a let up* on cracking down on misclassification. (You now...Republicans...big business.)I hope not. If Trump is truly going to "drain the swamp" we hope he doesn't stop with the Washington swamp. From my standpoint, I agree with the writer that misclassification is a *nonpartisan* issue and I would hope that turning the regulation over to the states becomes a positive move by the Trump administration and is accompanied with his advice to the governors to drain their swamps, too. Less control in Washington and more control in the states would strengthen our democracy, wouldn't it? But then there is Cuyahoga County in NE Ohio where the class is filed.....highly Democratic. Perhaps there's nothing to worry about after all!!

https://independentcontractorcompliance.com/2016/11/10/trumps-impact-on-independent-contractor-misclassification-states-will-likely-increase-enforcement-after-feds-dial-down-theirs/?utm_source=feedburner&utm_medium=email&utm_campaign=Feed%3A+IndependentContractorCompliance+%28Independent+Contractor+Misclassification+and+Compliance%29 ~Anonymous 

CHANGES REGARDING "SECA KIT GUIDELINES AVAILABILITY"



The authors of the SECA Kit will have a new update ready by the end of the year. Those of you who have received the August 2015 version of the kit can request the new updated kit as long as your membership has been continuous.

The SECA Kit is just one of the benefits of being a NAAFA member. Any member who leaves American Family and qualifies for Termination Benefits should have the Kit before filing taxes the first time. Understanding how and why you file as you do could save you thousands of dollars in IRS penalties and fines. NAAFA prays you join NAAFA for all the membership benefits, not just for the kit. But because so many agents are waiting till they are no longer with AmFam before joining NAAFA, we find that our time involved in working with these agents and their accountants is taking nearly 60% of our office time. It is for this reason that we feel we must increase our suggested donation for the kit.

Effective January 1, 2017, NAAFA will be asking for a donation of \$500 for a SECA Kit unless a person has just completed a full 3 years of continuous (no lapse) membership. After the three full years of membership, the Kit is free. A new member (whether active or retired) must pay one year active agent membership dues of \$264 before the kit would become available. Or the new member who pays either monthly or semi-annually would have to wait until the beginning of the second year to become eligible for the Kit.

You must have a personal Email to receive the Kit. NAAFA asks that you honor confidentiality regarding the Kit by not sharing it with non-members. Your accountant must be informed of this confidentiality requirement. Remember, the SECA Kit is a benefit of NAAFA membership!

NAAFA, Inc.
"Because we Care!!"

IS YOUR ATTITUDE A PLATITUDE?



By a successful business owner and former AmFam agent

All right, all right. I know most of you don't know the meaning of the word "platitude." Actually, I hate to admit it, but it rhymed with attitude and that's why I chose to use it. Now isn't that adventurous? Well, here goes: **Platitude** is a noun meaning the quality or state of being flat, dull, or trite. And guess what? Your bad attitude will put you into a platitude state if you aren't careful. Now let's look at attitudes that can really turn me off....and actually turn most people off.

Attitudes can make or break a job, a family, a marriage, a relationship. No one wants to be around someone with a bad attitude. They just drag you down with them. Some feel bad attitudes are contagious. What's to be accomplished can be accomplished much quicker and with more success if your attitude is acceptable. Practice thinking you have it all and soon you'll be content just thinking it.

*The secret
of having it all
is believing
you already
do...*

I can pinpoint a few attitudes that really turn me off. If I had to work with people like this, I'm afraid I would have to fire them. How do people get like this? It's probably something from their past that causes them to be less than likeable.

- 1) **"This will never work"**. This type of a person is defeated before he ever begins. The glass is always half empty with them. This person probably has no vision and is not creative. Their negativity causes people to withdraw from them. And they discourage others from trying something new, too. I want to surround myself with people who don't give up until the job is accomplished.
- 2) **"I'm just too tired to take on another task"** "This type of a person is nothing but lazy. They won't do anything out of the ordinary. They won't try anything new. They are actually very boring people. Steer clear of them.
- 3) **"This is a snap...I'll whip this out in a minute."** All I want to say to a person like this is, "If you're so smart, why aren't you rich?" Emphasizing how easy a task is can actually discourage others who might be having a hard time doing a job. And then there are people who sort of do a half-job
- 4) **"I can't stand _____ . He's a creep. What do you think?"** My first thought is, I wonder if she says the same thing about me when I'm not around. Gossip should be squashed immediately. It's a time waster and it's definitely harmful to others. Gossip always costs the business owner money. A solution might be to do some brainstorming with the complaining person to come up with a way to help this person she can't stand. Decide what you don't like about her (or him) Can someone tactfully work with the offender?
- 5) **"Too selfish to share."** (could include time, food,) Tightwads are no fun. They're the kind that always "let you pick up the tab." Yet they seem to often have the nicest car, nicest clothes. You might start by announcing a trip to the food shelf with cans of food. Or by taking clothing to the next food/clothing drive. Or you might offer to pay her lunch and then tomorrow suggest she buy lunch. I know it will be painful for her, but help her to grow.
- 6) **"Let's you know they have a secret, but won't share it with you."** "There's nothing so disgraceful as having someone tell you they have a secret but can't tell you about it. Or they say, **"He told me about it but I can't share it with you."** Then why don't you just shut up about it and not mention it in the first place. Reminds me of little kids who whine, **"I've got a secret and I won't tell."** All the time, keeping the secret kills them.
- 7) **"I wouldn't dream of doing that. Let someone else do it"** Often my least favorite people give me the impression they are just too "good" to tackle such a task themselves. They think it's beneath them. This is the kind of a person I just want to toss a cow manure pie in their lap and walk away letting them stink. Let's face it, most of us love the humble person because we can relate to them. They're easy to be around. They don't grind on your nerves. They would stand by your side come hell or high water. They're the kind of person you'd walk a mile for and do it with a smile on your face. They're the kind you can trust with your own feelings. And you know they will keep their mouths shut. The braggart is ugly. Humbleness is beautiful. Remember:

"Success is not a good teacher. It's failure that makes you humble." ~Shah Rukh Khan



GRADUATION EXAM...DUMB, DUMBER, DUMBEST

A student went to University of Alabama on a football scholarship. He was a great running back, but a poor student. At graduation, he didn't have enough credits, but he was a great football star and the students held a rally and demanded the dean give him a diploma anyway. They were so insistent that the dean agreed that if Bubba could answer one question correctly he would give him a diploma. The one question test was held in the auditorium and all the students packed the place. It was standing room only.

The dean was on the stage and asked him to come up. The dean had the diploma in his hand and said, "Sir, if you can answer this question correctly I'll give you your diploma." He said he was ready and the dean asked him the question.

"Sir," he said, "how much is three times seven?" He looked up at the ceiling and then down at his shoes, pondering the question. The Alabama students began chanting, "Graduate him anyway! Graduate him anyway!"

Suddenly, he held up his hand and the auditorium became silent. "I think I know the answer," he said. "Three times seven is twenty-one."

A hush fell over the auditorium and then the Alabama students began another chant, "Give him another chance! Give him another chance!"



STAFF LOYALTY

[Board member contribution]

It seems like I hear often about agents who are having trouble with disloyal staff. And it seems like I'm hearing of it more often these days. Why? I'm not sure, but I'd like to wager a guess. Money speaks. I've always known that. Several times I've heard of agents' staff who have been bribed by the district manager to tattle on the agent in return for something. Sometimes it's a promise of their own agency and usually with a pile of files if they will report the activities of the agent they work for. I have heard of instances where the agent's staff member embezzled money. Disloyalty also includes using the office internet for personal things while on the agent's payroll. Or it can include someone who just never gets his work done. Sometimes I've heard of employees who alienate the agent's customers....for whatever reason. No matter what, staff disloyalty is a big problem,

Often the agent is the last to know. And when they do find out, it's usually too late to do anything about it. What is an agent to do to prevent such behavior in the office? And what is the agent to do if the problem is already present. First of all, as much as we agents hate them, a contract with the employee which includes a non-compete might be wise. Agents have to work hard and/or pay a lot of money to employees who help him (her) build up a book of business. That book needs to be protected in case the employee leaves.

Secondly, I have always felt that it's a good idea to have a chat with the employee when he (she) first starts about what is expected. One of the most important characteristics I require is loyalty. I was in a co-op office my first few years as an agent. One of my assistants became quite friendly with one of the other agents in the co-op office. When I discovered that on days we had "duty" my assistant would often transfer new business calls to her 'favorite' agent instead of giving it to me, obviously, I had to terminate her because disloyalty was not something I would tolerate.

Thirdly, it is important for me, the agent, to keep my ears and eyes open. I try to listen to how my employees answer the phone. Are they polite? Are they helpful? Some agents have required or suggested to their employee that if company personnel call, they are to tell the company person that they are going to "loop in my boss-agent." Sometimes underwriters, ASMs or other company officials try to make deals with our employees. This should not be allowed, obviously. One of the big complaints I have is that the company gives bonuses to our employees for a certain number of policies sold. It is this writer's opinion that the company should not be directly negotiating with our employees. So it is important that my employees are able to observe me being polite, helpful, and friendly with my customers? It's important for employees to see that I practice what you preach. I try to observe how many 'family' calls my employees get. These personal calls should not dominate their time, but an occasional call from family is to be expected.

I never expect my employees to work beyond our agreed upon hours without reimbursing them for their time. I try to be fair. I certainly don't want them to cheat me....neither should I cheat them. The quickest way to cause resentment is not to respect my employees, their time, their attitudes, their concerns. And it's important that I listen to their concerns.

I don't know how often this happens, but sometimes an employee can become such an important 'key-employee' that the employee begins to feel he (she) owns the agency. This can lead to BIG trouble if it isn't nipped in the bud. One of the first signals things might be out of balance is if the employee refuses to follow my advice. Often I have to be out of the office for hours at a time and one can see how easy it would be for them to assume they own the place. Not good!!

It might be interesting to note that New York has what is called a "faithless servant doctrine" law which requires employees to forfeit all compensation received after his first disloyal act. In that state, an employee or a commissioned worker is required to exhibit loyalty and faithfulness at all times or the employer is entitled to a return of salary, compensation or commissions paid. The New York courts have upheld this law time and again. <https://www.kirschenbaumesq.com/article/employment-issue-disloyal-employee>

By the same token, the agent's 1993 contract (Section 6.H.2) with AmFam states that disloyalty is against the contract (along with dishonesty or unlawful conduct) and is grounds for immediate termination. The real problem with the agent contract, however, is that disloyalty is not defined so the agent is at the mercy of whoever accuses him. As you know, agents are usually considered guilty until such time as they are proven innocent in a court of law. That's why we suggest you either spell out what you mean by disloyalty or define it in your employee's contract.



George Washington: "I cannot tell a lie". Richard Nixon: "I cannot tell the truth." Bill Clinton: "I cannot tell the difference."
~Unknown

"Who lies for you will lie against you." ~ Bosnian Proverb



DON'T MISS THE MARK

**By Kathy R. Spray, Attorney
From "Now You Know It"**

One of the most common legal questions I am asked by clients and friends is, "How do I get a trademark?" I'd like to share the abridged answer with you.

Anytime you use a word, phrase, symbol or design that you originated, you have what's called a "common law" mark. It exists by operation of law, as soon as you create it, and you have the right to print the "TM" symbol next to it whenever you use it to let the world know it's your proprietary property. If your word, phrase, symbol or design describes or is related to goods, it's called a "trademark." If it describes or is related to services, it's called a "service mark." The common law mark and use of the TM symbol together give you basic ownership protection over the mark without doing anything further. Think of this like the basic TV package offered by your local cable provider: you get service with just the basic channels.

And just as you can "upgrade" your TV package to include more programming, if you want more protection for your mark, you can apply to register your mark with the United States Patent and Trademark Office (USPTO). If you apply and the USPTO gives your mark their seal of approval, you get a higher level of recognition of and protection for your mark under the law. Individuals and companies that do this get to use the "®" symbol as notice to the world of their extra legal protection.

In order to file an application to have a mark registered, you will need to submit basic contact information regarding the owner of the mark, a sample of the mark showing how it is used in commerce to advertise your goods or services, a good description of the mark and the sample use, the international class(es) of the goods or services, and a filing fee. There are three types of fees involved in the application process: the USPTO fee of \$325 per class of goods or services (note that this fee is going up to \$400 on January 1, 2017), legal fees for preparing the application (it is possible to prepare and submit an application without an attorney's assistance, but having some application writing experience behind you is wise), and legal fees for responding to the examiner's concerns and public objections, if any (again, it's good to have an attorney help you with this if at all possible).

Once the USPTO receives the application, it will assign an "examiner" to review the application and look for any problems or concerns. Though there are a variety of criteria, the examiner may use to scrutinize the mark, the majority of refusals occur because the mark is either (1) likely to be confused with an already registered mark, or (2) merely descriptive of the services/goods/location of the business. On the issue of confusion, the question will be, "how likely is it that the consumer could be confused," regardless of whether actual confusion has occurred. IF the registered mark is similar in "commercial impression, sound, connotation or appearance" to your mark, you may have trouble getting your mark registered. As to descriptiveness, if your mark merely describes the location of your goods or services, or the things you do or make, (for example, "Kathy's Detroit Law Firm") you may also have an uphill battle on your hands. If the examiner raises concerns with the application, you will have an opportunity to present evidence and argument to support your position.

If you are able to resolve the examiner's concerns (or if the examiner does not raise any), the final step is for the USPTO to "publish" the mark. The USPTO will publish notice of your mark in their Official Gazette and then wait for a 30-day period in which the general public can object to registering your mark (objections occur in about 3% of applications). If you get through the publication period without objection, your mark will be registered!

When it comes to basic trademarking, *Now You Know It*. If you have further questions or would like more information regarding registering your mark(s), we can help. Please contact us at (248) 477-6300.

[Note: Many agents have reported to us that after severing their relationship with AmFam, the company continues to use their name in mailings and/or advertising. Obviously this isn't right. Perhaps it is time to establish that your name ie. "The John Smith Insurance Agency" is your "common law" mark. You could go a step further and get your trademark registered. At least using the TM mark after your agency's name might make them stop and think. Do it now!]

FACE YOUR FEARS

Written by Allstate Hall of Fame Member, Bill Gough

Life can be scary at times and there was a lot of discussion in the news about being afraid of what the future holds during the election last fall as well as in the media in general. *But, what about in your business day to day? Are you afraid of what the future holds for you and your agency?*

Let's break this down on how this directly affects your agency. You have **NO CONTROL** over what the insurance company(s) you represent does with their rates, underwriting guidelines, and so much more, including your pay. You must accept this or you will drive yourself and your team nuts.

I am here to tell you that you must face your fears and have courage to get out of your comfort zone to change things to improve your situation.

For example, you need to be more proactive with marketing with your current clients, prospects, and centers of influence. It's too bad most people including smart agents only do a portion of what they are capable of doing. I know ... I've been right where you are.

You know there's an incredible feeling of accomplishment when you do a new marketing/sales campaign that generates great numbers and more importantly teaches your team members "how to" proactively sell something they've never done before. In my 32+ years in this industry, I have **NEVER** seen a time where I could not sell or market more than one of the many products and services we offer in our agencies. With just a little practice and common sense you can easily see when you can control issues in your agency. How you lead your team and how you communicate with your customers are just a couple of examples.

As an agency owner, you are in the relationship business and trust is your foundation of success.

To be successful in building that relationship is with regular communication that is interesting, relevant, and timely – **NOT BORING**. And most of the information that is taught from your parent companies is about products and how to sell them. That's too bad, because that advice comes from people that have done very little of it. Most of the shared info from other agents is about "selling" more products. That's good, BUT if that is all you ever communicate to your clients soon you'll become a sales pest, not an attractive welcome guest.

Wisdom will come the more you take action from your learning and experiences.

When I first began, I'd been fighting alcoholism for more than a decade especially the last three years after the death of our son Bill, III. I would have never believed that almost 10 years ago when he passed away, because I was definitely not the greatest version of myself for several years after that. I dove deeper and deeper into the depths of darkness. Today, I know that the only thing that prevents you from becoming the greatest version of yourself is having the wisdom to see it.

One day, I heard someone tell a story in regards to grieving the loss of her husband. She said "Next week is my belated husband's birthday, and it's not going to be a good day." The person they said this to replied "Wow, it must be really miserable preparing to be miserable a week from now." Something snapped in me when I heard that, and I said to myself; "NO more...NO more feeling sorry for myself...NO more preparing to be miserable." So, now, although I could

never forget my son's passing, I don't prepare to be miserable.

We started BGI Systems shortly after my breakthrough, and it has been awesome to help so many agents around the country to be successful. Even though my son can never be replaced and his loss is still felt, my life is of significance today due to my decision to get sober 6 years ago and open this company helping other agents find their own success stories.

I want to share some reflective statements:

-In times of struggle, every negative experience you have can be viewed as an opportunity for growth and learning.

-In times of healing, some people find it hard to believe that everything happens for a reason. Through our lowest points in life, we gain our wisdom and we allow for a new-found strength to emerge. You have to remember, without loss, we wouldn't appreciate gain.

-In times of chaos, things will appear to be random, but often, appearances lie. True chaos cannot be chaos as long as you have choices. A meaningful coincidence may be viewed as a random event, yet to the eye of the beholder, that event has a real purpose and meaning.

-In times of reflection, the pieces of the puzzle come together again, unfolding an awesome picture. The struggles and victories are the true molding of who you are in the present moment. With reflection, you can see why it had to happen the way it did. Hindsight is always 20/20.

-In times of happiness, it all comes together in one moment... the AHA moment. This is when you finally see the wisdom behind the subconscious choices you've made...the clarity is finally shining through.

When times are tough, you must rise to the occasion to be an even bigger and better leader.



EXCLUSIVE INVITATION FOR NAAFA MEMBERS:

Increase QUALITY Lead Flow... Increase Closing Ratio...

Increase Cross Sales... Write MORE Life Insurance...

Hire the Best Sales Superstars... Create More Freedom & Work Less...

By: **Bill Gough**

The "Wizard of Agency Success"

Does it seem like *magic* when you look around at fellow agents? Are you mystified? Baffled by how they're doing it?

The "Magician's Code" is well known by most... **NEVER** Reveal Your Secrets!

WHY do the most successful agents in this industry follow the Magician's Code?!? Wouldn't you like to go behind closed doors to find out what *they* are doing... that *you're* not. What are *their* secrets?

The bad news... there is no magic wand... no magic pill... no magic words that can transform your business overnight. **But there are shortcuts!** In fact, 2,751 insurance agents from all over the country (and even Canada and overseas) have turned to me and BGI Systems for help discovering those **shortcuts**.

No matter how restrictive underwriting guidelines are or how uncompetitive your rates are... there are always agents that "operate above the fray" of the mundane majority. They out perform by double... triple... quadruple the ordinary agent's results. It's not accidental. And it's certainly not magic. They've figured out the *secrets*...

We just mailed the advance priority invitations for our April 13-15, 2017 BGI Systems "Magic Camp" in Dallas, TX.

*Unless you are on our priority list, you wouldn't have received a priority invitation.

This is NOT an *ordinary* seminar like most of the boring crap put on for insurance agents. Most seminars end with you jazzed up and motivated... but there's no REAL action plan to bridge the cavernous gap from ideas to implementation.

You'll leave this BGI Boot Camp with a clear action plan; AND the knowledge, tools, and resources you need to put that action plan into motion. You'll actually learn HOW to do it... not just WHAT to do.

No *pretend* experts here! You know who I'm talking about... the speakers that have never done what they teach... or in their distant memories that none of their advice has any relevance nowadays. I've worked hard to fill the 2017 BGI Systems "Magic Camp" with ONLY real experts... that practice what they preach in the real world everyday.

In fact, at the conclusion of every BGI event I've ever done: **people actually come up to me to complain that they have too many good ideas to implement.** These are the problems I like to create!

Featured at the Boot Camp:



Thomas Walters: A 23-year agency owner with a \$13 Million agency and three locations... recognized by Allstate as the TOP AGENCY IN NORTH CAROLINA! He'll reveal his secrets for exceptional customer service and most importantly, how to translate that goodwill into deeper household penetration, greater financial production, rivers of referrals from ecstatic clients, and higher survey and ACES results.



Jeff Jones: A 29 year agent from Miami, FL and a consistent rock star performer country wide. With \$16 Million in Allstate and brokered premium, Jeff's single location agency has been #1 in commercial production for Allstate Exclusive Agents for the 4 most recent years in a row...and on pace to make it 5 (*with his nearest competition hundreds of thousands of dollars away in written premium!*) **Jeff's office writes more commercial insurance in 1 business day* than the average agent writes in a FULL YEAR of production.** In 2014 Jeff's office wrote 1,411 commercial items totaling \$1,950,255 in NEW PREMIUM. In 2015, 1,322 items and \$1,998,176 in NEW PREMIUM.



Lee R. Phillips is a nationally recognized attorney who has helped thousands of audiences understand the latest asset protection, business structuring and tax techniques. For 30 years he's specialized in solving asset protection and tax problems for high net worth individuals. The agency you've worked so hard to build could VANISH in an instant without the proper asset protection plan in place. This is a vitally important subject that "we" don't want to talk about. Not necessarily the most fun... but without having these "ducks in a row," it could cripple your agency or worse your personal finances.



Jason Juliano - LIVE Sales Call Demo: We are doing something we've never done before. In fact, I'll bet no one in the insurance industry has ever done what we'll attempt on stage in Dallas... From the front of the room... We'll set up a laptop and a special "red phone." I've asked agency owner Jason Juliano to take the live sales call. You may already know Jason from his previous appearances at BGI events, audio CDs, or perhaps you have invested in one of his resources. Jason is one of the best people I have ever seen at creating and crafting a sales presentation **that makes price a non-buying decision.**



Bill Gough: And of course, you have me, your spellbinding host... I'll be teaching 3 new presentations: 1) **How to Conjure Up Realtor and Mortgage Broker Relationships that ACTUALLY Refer You New Clients!** 2) **SIMPLE Strategies for Multiplying Your Home and Auto Sales** 3) **NINE Things You MUST Do To Grow TODAY**

*** FREE GIFT! ***

FREE! 4-CD "Boot Camp" Audio Set

When you call to request the full Boot Camp invitation, we'll also send you 4 of the best presentations from our 9 previous events! Please **CALL Amanda at (256) 246-2196** or go to **www.BGIEvents.com/NAAFA** to request an invitation online. There are several early-bird discounts for advance registration that expire soon. Please request your invitation NOW so there will still be time to get in before the discounts expire.

PLUS, if you choose to attend the Boot Camp from the invitation, you'll also receive these 3 bonuses...

Bonus #1: 2 FREE Key Staff Member Seats: Bring your spouse, key business partners, key employees, or 1099 associates with you. 3 heads better than 1... There is no better way to reinvigorate staff than to send them to one of our events!

Bonus #2: BGI Systems Data Drive: It's a **GIGANTIC TOOLKIT**... manuals, templates, and marketing materials that are customizable... Every manual and document you'll ever need for running and managing your agency AND marketing, growing, and retaining your book... **It will give you an "unfair" competitive advantage in your market!** You'll get our **Operations Manual, Training Manual, Marketing Manual, Sales Manual, and our Employee Handbook.**

(The manuals alone are 427 pages... plus all sales, marketing, and process tools!)

Bonus #3: 30-Minute Post Boot Camp Action Planning Call with ME: After the 2017 "Magic Camp" has ended, you'll leave with a lot of action plans, tools, strategies, and ideas that you'll want to implement in your agency. Following the event, we'll spend 30-minutes on the phone discussing your goals and action plan. The one-on-one insights I can give you will accelerate your results.

(My 2016 consulting rates are \$1,497 per hour, or \$8,700 per day. So, this 30-minute consultation represents a real \$750.00 value.)

The bigger you grow, the more you'll be shackled to your agency without proven systems. There are many agents that are "retired on the job." Golf every day, come and go from the office as they please, travel when they want... and yet their agency continues to grow and retain without them there. **The secret is their systems.** We'll give you the systems, then show you how to put them in place to free you from the straight jacket.

More and more, we find our top-performing REPEAT attendees are the "slight edge practitioners." Already successful. Already have systems in place. But constantly looking to improve. *School is never out for the real pro. If that's not proof you should be in Dallas - then I don't know what is.*

Let me repeat, because it's that important... The top agents return to our events year after year after year. That's why many members of my private client group, "Top Producers Club" have tenure of 5+ years!

The most successful agents don't come in search of 100 new ideas. They come in search of 2-3 new changes or improvements... Hunting for new contacts... New vendors... For some, it's about getting out of the rat-race to be around like-minded people. It's hard to talk about many of the trials and tribulations with your employees or family or friends. It's nice to talk to people that "get it."

It truly is a "rare breed" of agents that attend our events. These are not the disgruntled agents you find at the regular market meetings. We come together with one focus in mind... growing our profits, sell better, retain more, and thrive in this new economy. Why not join us? Please **CALL Amanda at (256) 246-2196** or go to **www.BGIEvents.com/NAAFA** right now!

“As the second generation of the Stiltner Agency here in Colorado Springs, I had big shoes to fill...

The ASNOA Network has given my agency direct carrier access, for both PL & CL lines, to a wish list of National & Regional Carriers. In addition, we now utilize cutting edge Agency Management Software and multi-carrier real time rating systems with ongoing professional training and support.

Joining **ASNOA**[®] has proven to be one of the best business decisions I have ever made.”

ASNOA[®]
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Mary Beth Stiltner
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- Stay Independent
- Direct Access to Quality Markets
- ASNOA[®] – The Fastest Growing Independent Agent Network
- Perpetuation
- Top Tier Commissions and Profit Sharing

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