



Search

Agency / Sales Resources

[This Site](#)
[ABS](#)

[Frequently Asked Questions](#)

[Home](#)

[Licensing](#)

[Contact Us](#)

[LSA Waiver - CA Agents Only](#)

[Phone Options](#)

LICENSING

Lifecycle for Agent Team Member

- [Hiring New Team Member](#)
- [Initial State Licensing](#)
- [Team Member Training Materials](#)
- [Licensed staff Agreement Processing](#)
- [Terminating Team Member Alias](#)

Q: Why am I receiving this?

A: You are an agent with a form of agent's agreement that pre-dates the AA97. While the Court of Appeals opinion only applied to those agents who were parties to the California lawsuit, State Farm has decided to make available to pre AA97 contract agents the option of maintaining the current LSA agreement or selecting a revised agreement.

[Non-Resident State Sale](#)

Q: What did the Court's opinion say about State Farm's authority to require a Licensed Staff Agreement for those employees who are licensed and conducting insurance transactions?

A: The California Court of Appeals for the Third Appellate District stated:

"We agree that State Farm may exercise appropriate control over the Agents' LSA employees when those employees act on State Farm's behalf to bind it to insurance obligations. If State Farm has to put its money where the LSA employee's mouth is, then State Farm has authority over the LSA employee in this respect."

[Mortgage Broker License](#)

[Renewals / Reimbursements](#)

Q: Option 1 allows me to keep the current Licensed Staff Agreement, and not bring claims against State Farm for breach of the Agent's Agreement as to paragraphs 4 and 5 of the LSA. Wouldn't I give up my right to bring other claims under the contract?

[Securities Registration Information](#)

A: It is not the intent of this document to waive any other claims you might have under your Agent's Agreement. Option 1 allows you to continue to operate under existing Licensed Staff Agreement(s) you may have in the office while providing certainty for both you and State Farm.

[Licensing Form](#)

FAQS

Q: Can I change my mind in the future if I want to switch to a different Licensed Staff Agree

A: We will not be able to make future changes to the form of Licensed Staff Agreement used in your office. That is why we are allowing the agents 30 days to consider the decision.



Q: What about new employees who come on board in the future?

A: Providing different forms in the future could result in some employees in your office having different forms of the agreement. Again, for administrative purposes, it will not be possible to make future changes to the form of Licensed Staff Agreement used in your office.

Q: Does this mean State Farm does not have the right to protect its trade secrets?

A: Absolutely not. Courts have consistently acknowledged and recognized State Farm's trade secret information. One purpose of the Licensed Staff Agreement trade secret/confidentiality and non-solicitation provisions is to assist you in meeting your obligations to fully apprise your staff of the importance of protecting policyholder information, and to protect both you and State Farm from improper use of State Farm policyholder information by a departing staff person. However, even without specific language in the Licensed Staff Agreement, State Farm's legal remedies for any violation still exist.

Q: I have an incorporated form of agent's agreement. Does this impact me?

A: Yes, you must select Option 1 or Option 2 as well. Just as the Court of Appeals opinion recognized, your incorporated agreement provides that you advise the company in advance of appointment of "sales representatives" of your company. This requirement is typically fulfilled by completing the Licensed Staff Agreement procedures.

Q: Can I make modifications to the Licensed Staff Agreement to meet my needs or those of my staff?

A: No. The Licensed Staff Agreement is a standard form of agreement, and consistency across the enterprise is essential. You have options as an independent contractor to institute office policies or employment agreements with your staff.

Q: If I decline the LSA Waiver agreement, when will I receive the new agreements for my team members?

A: The new agreements will be issued within 30 days from the date you declined the LSA Waiver agreement.

Q: What do I need to do?

A: You should consider your options, consult your own legal advisor if you desire, and choose Option 1 to either continue with the current form of the Licensed Staff