

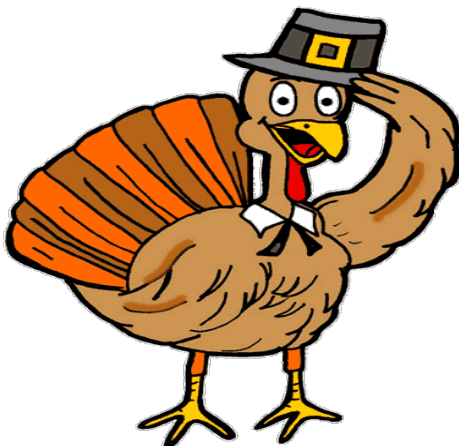
DIRECTLY TO MEMBERS....

DIRECTLY FROM NAAFA!!

Message #147

Your ONLINE newsletter

Billing & Payment news, Member updates



HAPPY THANKSGIVING TO ALL OF YOU! We hope you are all taking time to be with family and friends during the upcoming Thanksgiving holiday. For those of you who plan to travel....may your trip be safe and your destination rewarding. Blessings to all of you from NAAFA.

NOW FOR SOME UPDATES:

We have a favor to ask of all our members regarding how you donate to our funds. As you know, NAAFA has had two different funds for quite some time now. The oldest fund, called NMEF, is a fund established to cover legal and accounting costs. If NAAFA needs a legal opinion from an attorney, we use money from the NMEF fund. If NAAFA needs to pay our accountant's retainer fee, or pay other special accounting costs, they are paid from the NMEF fund. At the moment, we are not particularly seeking donations for the NMEF fund as we have enough in that fund to cover our expenses for a while now.

However, the **NDW fund** (our newest one) is extremely important and one we are constantly seeking donations for. Monies in that fund are used to help pay the expenses we are incurring as we develop the new website and database. Right now

the website and database are up and running, but the database continues to be a horrible challenge. From the time we launched in July, we are allowed only 2 hours a month of instruction from the i4a company. If we go over that, (which we have each month since) we get charged a LOT! We're sure you have all experienced the frustrations of a new software system. At least, that's what I hear from our members whenever AmFam launches a new system. Well, you can imagine how important your donations are and how much we appreciate them. But what we are asking here is going to be a change from what we asked before. Here we go:

- 1) **When paying your membership renewal dues by check and you have decided to also donate to a fund or purchase a SECA Kit, please make out only ONE CHECK.** [This is a change. We had always asked for separate checks before.] Our new database, for some unknown reason, won't allow us to enter two separate checks from one individual. You have probably noted that online, if you pay your dues and make a donation, either by credit card or e-check, only one total amount is subtracted from your credit card or e-check account. We suspect the database system wants to be consistent with all payments.
- 2) Below is a copy of how the hard copy billing you receive in the mail looks. This is the part you detach and return with your payment. From now on, simply indicate the amount you want attributed to your final one-check payment.

Please make your check payable to NAAFA

JOHN DOE

Dues Amount Enclosed: \$ _____

Donation: NDW Fund: \$ _____

NMEF Fund: \$ _____

SECA Kit (\$500): \$ _____

Total Amount Enclosed: \$ _____

Check Number: _____

My Personal E-mail address is: _____

QUOTAS:

It's the saddest thing we can think of right now. NAAFA has gotten many calls from distraught agents who are facing such production quotas. Of course, with rates being so high, AmFam realizes that this is a great time to put quotas on the agents they want

to kick out the door. The company knows you probably can't meet the quota. Often the company's termination timing does not line up with the agent's plans for retirement. We all know that the last 10 years or so of a person's working career is the time that most people can lay away money for retirement. Kids are gone, mortgage is paid off, car loans are nearly done....now is when people can start socking away earnings in their investment portfolio. To have this precious and important time taken away from you is tragic, to say the least.

We have wondered for a long time why American Family wants to get rid of agents. It does seem the agents with the '93 contract are the ones they are eager to shove out the door. People, our customers, want an agent's advice when it comes time to buy insurance. This is especially true as your customer accumulates assets. Oh sure, a customer with a car and apartment can probably just buy coverage on line...no agent's advice needed. But when a customer has a house, a couple of cars, a few 4-wheelers, a boat, a cabin, etc. the advice from an agent is critical. Why? Why has AmFam decided to toss these knowledgeable agents out the door? Why have they decided it's best to assign inexperienced agents to these good customers? From what we hear in the NAAFA office, many of these newbies are not making it. What is the persistency of these new agents at the end of their first year or second year. Does it matter? Does the company care? What is going on? It can't be good.

PLANNING AHEAD:

Well, NAAFA suggests all agents on the '93 contract do some immediate preparations for their retirement....whether you think it's imminent or not. Obtaining a SECA Kit is a first step. Getting the SECA Kit to your accountant is a second step. But there are several other items we suggest you take care of, too. A call to our NAAFA office, Ext. 1, would be wise, at least a couple of months before your actual retirement date. We try to go over with you the documents you'll need to gather up before your company computers are shut down.

It is interesting how many people haven't actually figured out how much it costs them to live. Do you want to live at the same level after you retire as you do before? What is your total cost per year to live as you are now? Will you have that much coming in after you retire? It's funny how a million dollars sounded like so much money a few years ago. But today, it's practically nothing. One agent said he figured he'd saved enough because he had a million dollars in cash assets. He said it cost him about \$60,000 a year to live so he figured that would last him about 16 or 17 years. It might, if return on his investments is good. It might if there are no unexpected expenses that come in. It might if no extended vacations/cruises aren't considered. Let's face it, a million dollars is just not much nowadays.

Of course, we hate to mention it, but how secure are your Termination payments from AmFam? Termination monies are not in a guaranteed bucket. AmFam continues to

make structural changes. Main Street America just sold their personal lines renewal business to Safeco. Why did AmFam decide to sell The General? Was Sentry's offer just too good to pass up? \$1.7 billion does sound pretty good. What else might they sell? Could AmFam possibly need that money to pay for claims?

There are so many questions. We just don't know all the answers, but our best advice is to plan, plan, plan. Conserve, conserve, conserve. Perhaps the new administration coming into Washington in January will bring some good news, who knows?

AMFAM Reviews:

Ever read "reddit.com?" Interesting comments regarding AmFam...some negative and some positive.

[Bing Videos](#) (American Family Insurance Company Review..video)

Bing.com

[Top 398 Reviews From Legit American Family Auto Insurance Buyers](#)

Consumer Affairs

[American Family Insurance Reviews \(2024\): 2,400+ User Ratings](#)

Wallet Hub

Evidently, we have a competitor, evidently one in AmFam's good graces!!

We certainly don't want to advertise for them because our goals are quite different.

AFBOA claims to support American Family agents in a "positive manner." (Of course, implying that NAAFA doesn't support AmFam agents in a positive manner. Oh yes, some call NAAFA negative, but how in the world can we appear positive when nearly all the calls and emails we get contain testimony of negative treatment from AmFam?)

They buy into the AmFam jargon that agents are "independent business owners." (Always wondered what agents own...their furniture maybe. If the fact that some agents qualify for Termination Benefits and that makes you an owner, just know that the IRS doesn't think you are business owners because they will not let you take capital gains on your Termination Benefits. Therefore, how could you own a business?)

From this office's conversation with one of the AFBOA board members, it appears they were actually organized in order to sell long term disability. That's good. More power to them. (As you know, NAAFA is NOT planning to sell health insurance as previously announced. Our board felt the liability exposure was just too great after they looked at the contract presented to us by the health insurance agents.)

Be careful if you think their membership is actually free. One of our members pointed out that joining that organization is advertised as free but free seems to only apply to the act of joining...not that the real membership is free. Evidently, if you want any of the advantages (whatever those are!!) of the organization, you have to pay.

Well, that's the news for now. Please note that we are not going to get a magazine out before Christmas. We've just been too swamped with database/website issues, but by no means have our members' issues lessened. We hear what our members are saying. We empathize with them. Our goal is **only to serve our members**. Won't you stand with us for this important goal? Thanks for supporting NAAFA and do have a wonderful

Happy Thanksgiving!!