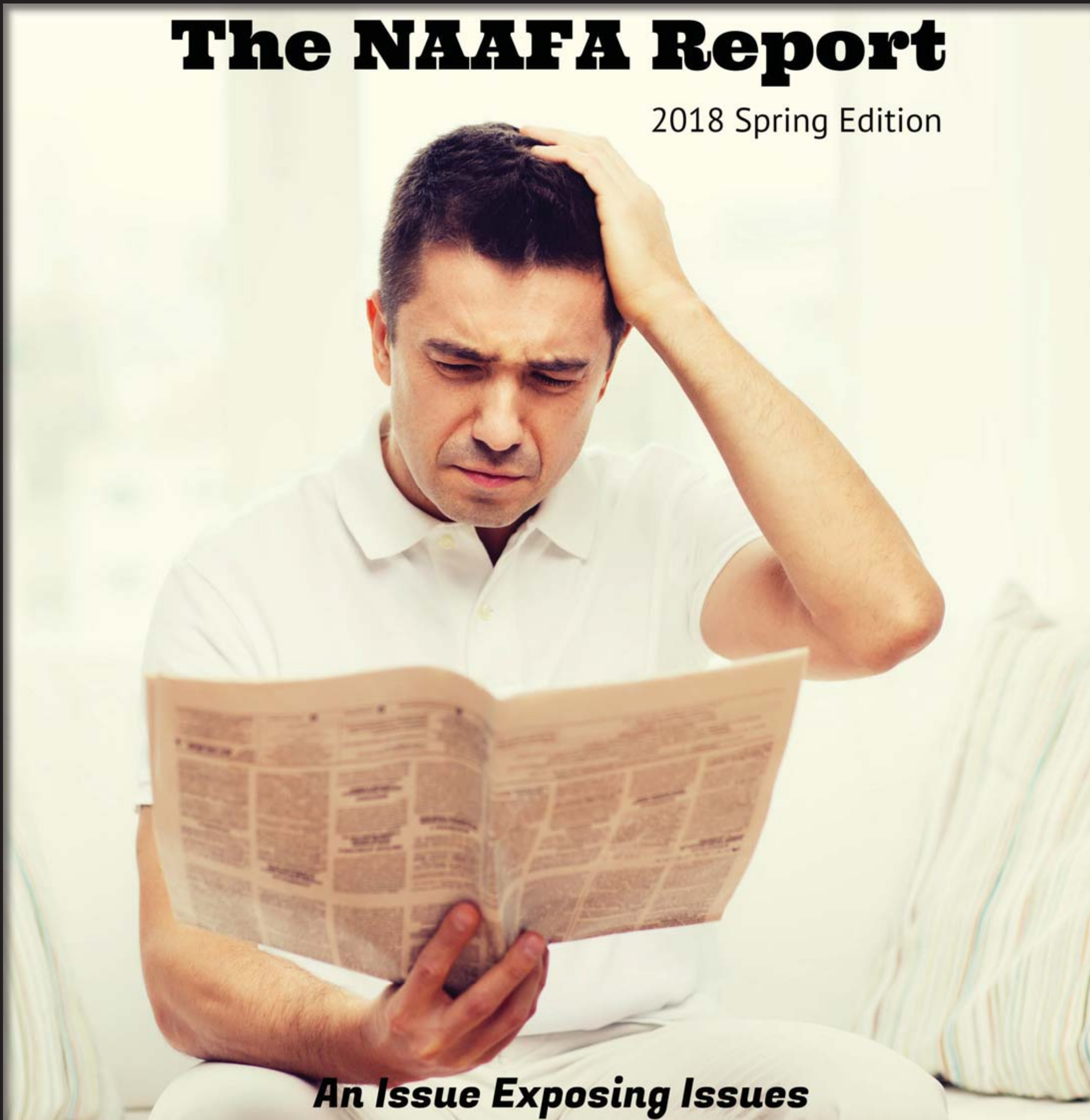
The NAAFA Report

2018 Spring Edition



An Issue Exposing Issues

NAAFA, Inc. PO Box 578, Circle Pines, MN 55014 Phone: 888-71-NAAFA Email: NAAFAwest@comcast.net

NAAFA, Inc. is a non-profit organization whose goal is to educate, communicate, and assist in eradicating all potential workplace harm and danger for our members. Most members are active or former agents of American Family Insurance Company, but all have a common goal of attempting to better the relationship between themselves and their companies.

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THE NAAFA REPORT

What's in it??

Three Cheers for

OUR ADVERTISERS!!

WHAT HAPPENS WHEN A COMPANY DOESN'T DEAL WITH ITS ISSUES?

Issues seem to arise when matters are not handled well. That's a given. Sometimes management simply is not in touch with their workers. What is the message workers at American Family get from management? Well, this is interesting. Let's talk:

There are a select number of agents (and we suspect internal employees, too) who are company favorites, for whatever reason. They tread a very fine line, are careful not to criticize, appear to 'do their jobs,' and as a result, get most of the accolades. But it's the rest of the workers we are talking about here.

NAAFA gets hundreds of calls from agents who say they are so tired of their treatment at AmFam. When asked about their stress, they say, "I never know when the axe will come down." "I live with constant tension." We understand that. NAAFA is attempting, in this issue, to bring forward some of their concerns.

We would like to see a change in attitude. A goal would be to see great *enthusiasm* among the workers….not stress. We'd like to see people who feel free enough to be *innovative*. Stress and innovation simply don't go together. Lack of *commitment* is common when goals are set too high or when the worker knows the goals are impossible to meet. All agents know that when agents receive piles of transfers, that their app count automatically goes up. Of course, it's easy to meet goals then. And then, happy workers will be helpful to one another. *Helpfulnes*s can spread like an epidemic…a good one, for all. And lastly, *respect.* Yes, we agree that respect is earned, but so is disrespect. If it appears that certain management is not respected, it's time to find out why. Likewise, if certain agents are not respected, find out why.

Things are changing at American Family. We can all see that. Some callers say "control" is worse than ever. But other callers say, "the company has eased off." Which ever way it is for you, our readers, we want you to know that NAAFA is the place to come to vent. It is safe to vent here because there will be no retaliation.

So, we are trying to expose the issues that seem to be on the minds of today's readers/agents. Please, American Family, read this issue carefully. (We know you read us because we can tell where our website hits are coming from!!) If you really cared for your agents, you'd advertise with us, too. Now, devour this issue.

The NAAFA Board

The NAAFA Report is published by:
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REFLECTIONS FROM THE NAAFA PRESIDENT

Dear NAAFA Readers and Honored Members:

Each time we put together a NAAFA Report, we ponder for hours over what the theme should be. Often that theme doesn't emerge until the articles start coming in. That's exactly what happened this time. Each letter/email that came in seemed to be dealing with an issue that was obviously really bothering the writer. Therefore, we have decided that our theme this time should be "*An Issue Expressing Issues*."

As you know, we try very hard to provide a safe place where agents can truly say what's on their minds. Most agents still fear retaliation from the company, so they prefer that their names not be used. There are a few, however, who *want* their names attached to their articles.

What are the issues? Well, there are many. I am going to tell you some of the issues, but I want you to figure out which articles fit the issues I describe. Have fun!

- **Company consultants who give bad advice.**
- **Inappropriate disability policies.**
- **Life policies that are a nightmare.**
- **It's a win for some, a loss for others.**
- **Misclassification is finally exposed where everyone's seeing it.**
- **When the target's on your back, ultimately you're gonna fall.**
- **Does charging more for minorities echo Milwaukee redlining?**
- **Your legal right to join a professional organization.**
- **Will I be wiped out by AI (Artificial Intelligence)?**
- **Smart people are often blinded by their own intelligence.**

Well, there are even more issues mentioned in this magazine, but you get my drift. Not only are the AmFam agents burdened with the stresses of trying to make a living with rates that are not always very competitive, but they're stressed with the repercussion of bad decisions being made by upper management. Our NAAFA office spends hours and hours helping agents with various problems. How and when to retire, the SECA Tax issue, harassment issues, questions from beneficiaries of agents, scores of calls from the agents' accountants, calls from agents who didn't receive the NAAFA Report….the list goes on and on. But do you know what? We don't mind. In fact, we encourage people to call us because that's why we're here. We're here only to HELP AGENTS.

Did you know there are only two reasons why agents don't join NAAFA? It's either because of FEAR (I'm afraid of retaliation from the company) or because of PRIDE (I already know it all, so NAAFA can't possibly help me!!) These two emotional responses have caused many agents a lot of pain. The NAAFA member is the informed agent. It is very often that we have to say to an agent, "If you'd been a member, you'd know that." By then, the agent has already been hurt. You have a legal right to be a member. JOIN NAAFA TODAY.

The greatest of blessings to our readers and members.

Your NAAFA President

THIS IS HOW IT ALL CAME TUMBLING DOWN
(A Terminated Agent Tells His Story)

As of Monday, February 12th, 2018, my contract with American Family was terminated without any warning. Nicole Lawson, my district manager, along with two other American Family employees, came to my office location. They entered my office building and were greeted by my office manager. My office manager rang back to my office stating that my appointment was here, however, no appointment had been made by Nicole to 'stop by my office that morning.' So, because I was busy, I told my office manager to tell Nicole thanks for stopping by. I asked her to call back and make an appointment.

Interestingly enough, Nicole and the two AmFam employees disregarded that request and proceeded down the hall anyway. My office manager did try to block them by explaining that they could not proceed unattended through our building for security concerns/protocol of the other tenants. They continued to disregard the warning by pushing on through to my office anyway. Then the office manager attempted once more to stop them explaining that they needed to remove themselves from the property. She was physically pushed aside, and they made their way down the hallway to my office. My office manager returned to her desk and contacted/warned other office tenants of the situation.

Nicole, along with her back-ups, made it to my office and were sliding a letter under my office door when a fellow tenant rushed to my office to see if he could help. He approached Nicole and the two AmFam employees, but they didn't respond when he asked if he could help them. They proceeded back through the hallway and exited the building. This, in my opinion, was not a very professional way to approach any agent and obviously shows the inadequacies in training of company personnel.

The termination letter that was placed under my door was a letter informing me that American Family had made the decision to terminate my contract. The basis for their decision, they said, had been discussed with me in a meeting we had on 2/1/2017 and then they referenced a subsequent meeting on 2/15/2017. As you can imagine, I was stunned. It is now nearly a year later. And I currently do not have the words to describe my emotions since receiving this letter.

As I recalled and reviewed the meeting we had way back on February 1, 2017, I recalled a conversation I had with Nicole Lawson and LaTunja Jackson at the district office in Oak Brook *just prior* to a district meeting we were having there. We discussed strategy on agency growth. LaTunja shared her concerns regarding agents' Classic Book decreasing over the next 5 years and how important it was for our Advance Products to thrive. Conversation went well between myself Nicole and LaTunja, all three of us sharing our concerns about retention. I shared that I felt by increasing and maintaining PIF, Premium, Retention, and Conversion Rate, NBP, that growth for my agency would continue positive.

Then we reviewed my 2014-2016 Performance Summary growth in my agency and noted that I had hit 2nd quarter bonus in 2016, which was nice. All three of us discussed 2017 goals. I stated that the new bonus structure was exciting. Also exciting was the new Dashboard allowing me to monitor my agency trends. Again, reviewing what my premium was in 2015 and with my increased premium achieved in 2016, I was very excited for 2017 and the growth I expected to continue.

I find it very interesting to note that during this 2/1/2017 meeting, nothing was mentioned about me receiving or being placed on a Performance Letter. I do remember that LaTunja did share that in November of 2016, she had met with agents who were struggling with growth in their agencies. I asked how many were struggling and she stated that she had met with 25 agents across Chicago Metro and these agents would now be monitored on a monthly basis. Honestly, since they were not applying this to me, I didn't ask any more questions. I offered my assistance to both Nicole and LaTunja in regards to having any agents contact me if they were interested in what was working for me. Being a part of the Agency Council for our district in the past was an honor and I felt privileged to have the confidence of my peers knowing that they could reach out to me.

Our meeting time ended, and I thanked both Nicole and LaTunja for setting up the meeting and for our discussion. I followed up this meeting with an email thanking both Nicole and LaTunja (which I would be happy to share with anyone interested.)

On February 7th, 2017, at 10:03 AM, I received a call at my office from Nicole (on her cell phone). She said she was calling me to inform me that LaTunja would be emailing me a performance letter. You can imagine my reaction. I was shocked, to say the least. Nicole stated, "*This is not coming from me, it is all LaTunja*." Nicole could not explain why I would be receiving this letter even after my strong growth across the board in my agency during 2016. I told Nicole that I felt targeted….very targeted!

After positive and continued growth since 2014, why would my agency be receiving another performance letter? (It should be noted that I had received three performance letters and had met the requirements each time.) She had no comment, and then repeated that this was coming from LaTunja and her hands were tied.

February 9, 2017 at 9:36 AM: I received an email from LaTunja Jackson. (Nicole Lawson was copied). Subject: *Please give me a call to discuss attached: [scanPDF]*

Paul:
Per our conversation on Feb 1st, I am attaching a letter that sets an expectation of a minimum of 18 NBP (net apps) per month moving forward. Attached was a 6-month Performance Letter. My agency should issue no less than 108 applications February, March, April, May, June and July.

February 15, 2017: Nicole and I had our normal quarterly review at my office. The review started out by Nicole asking me my thoughts on receiving yet another performance letter which I had received last week. She asked me to please share my *true feelings*, and to put trust in her that she is here for me. (I'm thinking, "How could I possibly trust her now? I was very frustrated and disgusted.) Nevertheless, I very simply stated to Nicole the following:

"I now see I am being targeted and will continue to be targeted no matter what. It clearly has now been demonstrated that it does not matter how profitable my agency becomes for American Family. I will continue to be targeted. It clearly is shown that even when I out-perform other agents in the district or Chicago Metro, I have a target on my back." Then I asked Nicole, "Have I done something personally to American Family or LaTunja Jackson to warrant this type of treatment?"

She couldn't answer that question, and I could see her trying to hold her emotions together following my answer to her question. I asked her if I needed to go into more detail about my feelings regarding this letter and AmFam's continued targeting and harassment since about 2015. She answered, "No."

At this point, I was wearing my emotions on my sleeve, to say the least. There was not a dry eye in my office, but I collected myself and proceeded with the quarterly review which involved reviewing 2016 agency performance results. They were all positive, and then we reviewed my goals for 2017. The meeting lasted 27 minutes and concluded with me thanking Nicole for her 'continued support.'

Afterward, I questioned whether Nicole documented this conversation in my agency file, particularly my comments about being targeted. Did she share my feelings/concerns with LaTunja Jackson? Was this reported to the ethics department?

Fast forward to August 2017: The 6-month performance period was now complete. I had exceeded the expectations. I felt I had passed the 'test.' At my 3rd quarter review with Nicole, I shared my concerns about the continued issues I (and all the agents) was having with how New Business Production was being tracked by AmFam. Nicole was very aware of the frustrations of all of us as we tried to get the production reporting correctly accounted for. For example, on May 17, 2017 we all received an email from Campaign Support saying,

"Unfortunately, there is currently no systematic way to fix NBP, so the +1 will not be reflected on the NBP reporting. HR Field Comp no longer uses NBP in the calculation for Agent Bonus, so there is no impact to bonus. By copy, we are notifying your SDL of this issue, so he is aware of the +2 that should be manually added to your NBP counts for purposes of any state or district recognition."

I asked simple but direct questions: "Should this be a concern considering agents are being held accountable for "app count" by our DM or State Director?" To manually input results, doesn't that raise the chance for errors? Errors that are continually being made on results? Should we be concerned by the fact that HR Field Support no longer uses NBP in the calculation due to no impact to bonus?

Again, I questioned whether I should have shared my concerns about the email with Nicole. Did she document what I'd said and perhaps take it up to the next level?

The meeting continued, and I asked Nicole whether I would be receiving an email from her or LaTunja confirming that I had successfully completed the 6-month performance requirement. Interestingly, Nicole did not have an answer, but instead said, "You should drop this and move on." I stated that all I wanted was to be as straight-forward and transparent as possible and I felt a letter would document that I had fulfilled my responsibility. But Nicole ignored this and continued with the review covering my positive growth, retention and profit.

Walking Nicole out, as each office renter needed to do because of our office building's security protocol, I shared once again how I still felt targeted. Nicole gave me a hug and stated, "Paul, continue your agency growth, profit, retention and all will be good." I thanked her for her time and support as I always did, and wished her safe travels while she was continuing her office reviews.

It is so interesting to note that since March 3, 2015, when my first Performance Letter was given to me by DM Tony Chiarito, my agency has continued to grow, maintain, and increase profits for AmFam and of course, for my family. But Performance Letters continued to be issued and I continued to meet the requirements. And each time a letter came, my current DM would state, "This is not coming from me, Paul, it's coming straight from LaTunja." They always tried to dodge blame and place it on the state director. And maybe it should be!

I remember getting a memo from LaTunja on January 7, 2014, which went to all Chicago Metro districts/agents and another on July 9, 2014 regarding the Performance Management process. I had concerns about agents being targeted because the true goals and outcomes

expected were not clear and appeared to have been manipulated by either the district managers or the state director. These concerns I have documented both with agency council, district managers and with our state director.

Even though I have been terminated by AmFam's management, I can look back at my successes from the start of my scratch agency in October 2009 to when I received the dreaded letter of termination just 4 days ago. I had the confidence and support from both Francine Keyes and Kelly Christensen who brought me over from Sentry Insurance. I think of the letters of welcome from Rich Steffen, congratulating me on becoming an "American Family agency owner." He stressed how, working together, *we* could fulfill *our* goals and objectives. What I do feel was real was the support of fellow agents, friends, and mentors who stayed by my side during the good as well as the bad times. My sincere thanks to them.

My achievements should speak for themselves. AFLIC, All-American, multiple agent-of-the-month awards, Rising-Star awards, OSAT bonuses, Life Bonuses….the list continued to grow from the first day I was appointed as a proud and passionate American Family agent. As I put into my personal mission statement: "*The Paul R Hanson Insurance Agency was created to provide excellence when it comes to honesty, fairness, education and trust as I help you protect your family with insurance. Your Family is part of My Family*."

It feels like yesterday when Rich Steffen handed out our mission statements at the completion of our "new agent school," shaking our hands, and wishing us all the success in the world. Rich said to me, "Paul, this is by far the most heartfelt mission statement I have seen for some time." I thanked Mr. Steffan and said to him, "Just letting my heart do the talking when it comes to having this posted up in my office."

I have and will continue to "bleed" over my experience at American Family. I have nothing to hide and I'm not ashamed because I did what was right. I had put my heart and soul into this company. Now I realize that when the wall comes tumbling down, it's impossible to stop it.

[If I can answer any of your questions or be of any encouragement to you, please feel free to contact me at 630-510-3245 or email me at paulhanson1825@gmail.com.]

Paul Hanson

WHAT'S YOUR OPINION OF EoA?

(Evolution of Agency)

In an article on Compass dated 12/12/2017 entitled "We've come a long way with EoA" we learned that in 2014 there were approximately 3300 AmFam agents. On 12/12/2017, that number had dropped to about 2700, and is undoubtedly much lower by now. EoA professes to be a program designed to enhance the relationship between agencies, sales leadership and the company.

If all the American Family agents that are left were gathered together in a room and asked to raise their hands if *Evolution of Agency* has been a good thing for their agencies, how many hands do you think would be raised?

Doesn't it seem that if EoA is such a good thing for agencies that the numbers of agencies would be growing? Wouldn't word be getting around about how helpful and encouraging it is to be a part of EoA?

Someone has speculated that there are probably just as many agents as before the big cuts because the agents getting gifted with all the policies (from terminated and pushed-out agents) find they must hire (at their own expense) several agents to service the additional policies.

Don't let the comments in AmFam's 1/17/2018 brief to the appellate court fool you. On Page 21, they state that "American Family only terminated the contracts of seven out of about 2800 agents in 2016---all of which were for performance reasons." Wish they'd told you the rest of the story. Scores of agents were approached by their managers and told their production was unacceptable and if they didn't turn in their resignations, they would receive the dreaded 6-month notice and ultimately be terminated anyway.

It's been interesting to note that by far the majority of these terminated and pushed-out agents were over the age of 50. Such threats caused many, many agents to turn in their resignations rather than be fired. (NAAFA takes a stand against such thinking. It is no disgrace to be fired by American Family. In fact, many agents find it was a blessing to get away from AmFam!) Such an approach to "dismissing" agents allows this company to blame their falling numbers on 'attrition.' We all know better!!

THE CLASS ACTION…JAMMAL v AMERICAN FAMILY

There is no question we get more often than, "What's happening with the class action?" NAAFA tries to keep our members updated by posting what we know on the member-side of www.NAAFA.com. Barely in time for this publication, we learned on 5/31/18 that the Appellate Court date has finally been set for July 31, 2018. NAAFA members were informed immediately on our website. Following is the 3/30/2018 update we had previously received from The Crueger Dickinson Law Firm where they mentioned that they expected to hear by early summer.

"An update on the case. We are at the appeals court. American Family appealed, and we submitted a response brief. They now get a reply brief. After that the whole thing will likely be heard by a panel of judges for oral argument. I would expect this happens in early summer, but we won't know until the Court sets a schedule. Several groups submitted interested party briefs in the case. For American Family, the Chamber of Commerce and the Property and Casualty Insurers submitted briefs. Supporting our side, the AARP and Public Justice submitted briefs."

Then the law firm sent copies of all the briefs filed and they have been posted on the member-side of our website in the column, *Directly to Members—Directly from NAAFA*. We encourage you to be patient as we all remain confident that justice will prevail. Lastly, we encourage you to JOIN NAAFA. See below!

U.S. Equal Employment Opportunity Commission

Fact Sheet: Retaliation Based on Exercise of Workplace Rights Is Unlawful

Retaliation Under the National Labor Relations Act

The National Labor Relations Board (NLRB) enforces the National Labor Relations Act (NLRA), which protects the rights of most private-sector workers to form, join, decertify, or assist a labor organization (union), and to bargain collectively through representatives of their own choosing, or to refrain from such activities. Employees may also join together to improve terms and conditions of employment without a union. The law forbids employers from interfering with employees in the exercise of rights to form, join or assist a labor organization for collective bargaining, or from working together to improve terms and conditions of employment, or refraining from any such activity. Similarly, labor organizations may not interfere with employees in the exercise of these rights.https://www1.eeoc.gov//eeoc/interagency/fs_retaliation.cfm?renderforprint=1

Editorial Comment*:* YOUR RIGHT TO JOIN NAAFA

It is often that we at NAAFA hear from agents who call us asking about joining NAAFA, and in the course of the conversation say that they have been told by their district managers that "it would be best for them if they didn't join NAAFA." Most agents admit comments such as this seemed like a real threat to them. Because of fear of retribution, these agents delayed joining NAAFA for years even though they claim to have supported the mission of NAAFA all along. This is sad.

The NLRB purposes to enforce the NLRA which in turn, protects the rights of private-sector workers. Independent contractors are private-sector workers. Therefore, it is illegal for this company or any employer to advise or threaten a worker for joining NAAFA. Should any of you have documented proof such as a recording or printed document advising you not to join NAAFA, please let us know immediately.

"INDECISION IS A DECISION"

NEW MEMBER SPECIAL

Belonging to a professional organization that has a mission statement that is consistent with yours can be a valuable enhancement to your own growth. We know we are making a difference in the lives of many agents. As a member, you are eligible to enter the member-side of our website where *you get-the-news-first*. You receive helpful hints and other information pertinent to your life as an insurance agent. *Directly to Members…Directly from NAAFA* is the direct message center where NAAFA keeps you informed.

NAAFA is offering any active American Family agent who has *never* been a NAAFA member or who has not been an active member for at least 3 years, the chance to join for a year at $199. (Regular annual dues are $264.) This special rate will run from June 1st until October 1st. You must pay that special rate in full. And please remember, our membership list is strictly confidential.

Join by visiting our NAAFA.com website where you can pay through PayPal. Or you can fill out the member application in this magazine and enclose your check for $199. Any questions, please call NAAFA at 888-716-2232.

NAAFA, INC. MEMBERSHIP APPLICATION
1-888-71-NAAFA

I, the undersigned, hereby apply for membership in NAAFA, Inc. (National Association of America's Finest Agents) and I certify that I will always uphold and support the mission and goals of the organization to the best of my ability.

***NAME________________________________ *ADDRESS___________________________________**

***CITY________________________________ *STATE____________ *ZIP CODE______________**

***CELL________________________________ *OFFICE PHONE_____________________________**

***PERSONAL EMAIL ____**

***SIGNATURE ____ *DATE __________________**

(Signature of Applicant)

*Must fill in these blanks

<u>MEMBERSHIPS*:</u> (Circle one)	**Annual Active AmFam Agent**	**$264**	**ACP Agent Annual**	**$ 132**
	Semi-Annual Active Agent	**142**	**ACP Semi-annual**	**70**
	EFT (Monthly) Active Agent	**22**	**ACP (EFT monthly)**	**11**
	Non-AmFam Agent Annual	**120**	***NEW MEMBER SPECIAL**	**199**

DONATIONS:
NMEF Fund $ __________________
SECA Kit ($500) $ __________________

PAYMENT OPTIONS:

CHECK: Make your check payable to: NAAFA, Inc.
**Mail to: PO Box 578
Circle Pines, MN 55014**

EFT: Active Agents send $22 check. ACP Agents $11 to above address.

CREDIT CARD: Go to www.NAAFA.com, click JOIN NAAFA to pay by PayPal.

***Membership and donation records are kept strictly confidential. Dues and donations are not deductible as a charitable contribution. Annual dues may, however, be deductible as a business expense. Questions: Call 888-716-2232.**

[*Agents have recently heard that they will have another disability plan available to them soon, but the following article, written by a disabled former agent, contains important information you may not have known about your UNUM plan and the handling of your Termination Benefits. Agents need to ask a lot of questions before agreeing to take the new plan being offered*.]

THE DISABILITY DEBACLE

Name Withheld

In 2015, because of health issues, I had to retire from American Family after 36 years as an agent. I would turn 61 one month after I retired. I thought I would be ok as I had some money in retirement, life insurance, and, of course, my disability coverage through the agent group, plus my Termination Benefits from American Family.

But no matter how well I had planned, things haven't turn out as I thought they would. Thank God the stock market has done well since my retirement as that has helped a lot. Sadly, I have had to borrow against my life insurance and cash in a couple policies to help meet expenses. We live in a small community in Nebraska and only have maybe 10,000 people in the 200 square miles of our county. Really thought we could get the house and office sold and we would be fine. But two and a half years later we still have the house and office plus all the insurance, taxes and upkeep so plan B has not worked out so well.

Because I'm experiencing it first hand, I thought I would take this opportunity to help you understand and review our disability coverage through the agent group policy plan we have through UNUM. For simple math let's say I had $100,000 a year income in new business and renewal at the time I had to retire. Forty percent of that is subtracted for office expenses to determine my income. That leaves me with $60,000. Then the UNUM policy says that your disability benefit is only ½ of that. So now we are at $30,000. That's $30,000 paid over 12 months which comes to $2500 a month. That's how much disability you "qualify" for. So you go from about $8000 a month to $2500 a month. But hold on, there's more to this nightmare. UNUM took the lead in getting me set up for Social Security disability. Here's why: UNUM subtracted the amount of the social security disability payment from the $2500 they *were supposed* to pay. I now get $1596 from social security disability but guess what? Now UNUM pays me only a little over $500 a month. Because of that measly $500 a month, I was required to give up my agency.

American Family refers to us as "business owners." As a business owner, I should not have been required to "sell" my business (actually 'give' it to AmFam) when I became disabled. As an owner, I should have been able to hire appropriate people to run my business. In investigating further, I found that there is a disability policy that provides coverage called BOE (business overhead expense) which covers the additional expense of hiring people to run your business while you are disabled. The money from the disability company which you personally receive could then be used to pay your personal expenses like mortgages, utilities, and other usual living expenses. Is it possible that AmFam sold us an '*employee*' disability policy instead of a *business owner's* disability policy?

As for my Agency Termination Benefits earned for the last 36 years of service: The company has explained to me that I don't get that money until I am 66 years and 2 months of age because I am drawing disability income. If I draw on my Termination Benefits, I will lose an equal amount of my disability benefits because, they tell me, you can't draw both. If I get a cost-of-living raise on my social security, UNUM reduces their payment.

I was able to use some dividends from life insurance policies I had bought over the years, but as everybody knows, the life company no longer pays dividends and hasn't done so for many years now. The officers and board of directors need to get the money somewhere to pay their salaries.

Last, but not least, I need to tell you another situation about my Termination Benefits. The company is putting them into an account for me and paying me 1.94% interest on the earnings. Can you imagine any employee benefit plan 401k plan for instance that gets so little? I wondered why they couldn't put the money in some fund where I would have a choice of how it was invested. Even CDs are getting nearly 3% these days.

I elected to take my Termination Benefits over a 3-year period, so they are paying it monthly into an account they control. It is only this money that has been dumped monthly into my account that earns interest, not the full amount of my Termination Benefits. How can they justify holding my money without at least paying interest on all of it? They still get to invest that, I guess, and earn money on it. I don't get an account statement and I don't get a monthly notice, but I get an email from agency services twice a year. I have no idea where my money is held and have no say as to what it is invested in. From all I understand I guess the company borrowed it from me and maybe I will get it back in another 4 years. I really suspected they would choose to pay me in a lump sum in 4 years when I'm eligible to get my Term Benefits. So I wrote to AmFam and asked how the Termination Benefits in this interest bearing account would be paid out. Here was the answer I got:

> "*Any deferred balance will be paid to you in a lump sum when you come off LTD. If there are any payments remaining from your original 3-year payout at that time, the monthly payout schedule will resume until they are completed. Interest begins accruing once the payments are actually deferred*." Dated 4/19/2018 [Continued next page]

Obviously, Uncle Sam is going to hit me extra hard with the lump sum payout, pushing me into a higher tax bracket. From what I see in corporate salaries, Jack gets paid more for a one-week vacation than I will be paid for 36 years of service.

I did learn if I die before I collect it, it is supposed to be paid as a death benefit to my spouse, if anybody can figure out where the money's at. And then they tell me the company reduces what is left by applying a "present value formula" to the figure, reducing it considerably, and that's what my beneficiary would get. I really think this is criminal but appears I can't do much about it.

I want to mention, I have a good friend still working as an agent in a nearby town. He has a pretty large agency and his daughter has worked with him for many years. He is 70 years old and when I told him about the disability policy, he said he was still paying for it, he thought. At this point it won't pay anything to him. For that matter, anybody else that is over 66 years and 2 months old should check this out. I think many are still paying the premiums.

Really enjoyed my life with American Family years ago. Went to many All Americans and was always Life Diamond or AFLIC. Gotta tell you, however, the last 10 years were hell. The leadership changed and so did the company. Early in my career, I knew the President, Vice President of Marketing, Vice president of Financial Services and my Regional VP. Many of you might think, "so what." Well, they knew me by name. But then again, they knew every agent by name. Agents were important to them. That all seemed to change when Harvey Pierce retired as CEO, and American Family has not been the same since.

Editorial Note: It has been confirmed by others over the age of 66 that AmFam is still deducting disability premiums from their monthly statement even though if they became disabled, the policy would pay nothing. Please check you statement and if you are over the age of 66, Request a refund and a halt to the deduction.

EMPLOYEES WIN..AGENTS LOSE
THAT'S HOW I SEE IT!

(Just try to name a win for agents in the last 15 years!)

Corporate likes to post on Compass the many wins for employees. Higher wages, higher benefits, special trainings, bonuses, incentives and trips. Corporate workers seem to be able to get bonuses year after year, regardless of corporate performance. Yes, there has been a 'matching' program for agent donations, and a 'scholarship fund' that has been appreciated, but still, very little in comparison to what agents have lost.

What wins have there been for the agents?

We deal with difficult technical issues frequently; and Advance has so many to work around we can't keep up with them all. American Family wants us to sell their home security product and answer questions about it *without any compensation*. Commissions have been cut. Bonuses are hard to come by. OSAT bonus was eliminated and is now only a multiplier for profit and growth bonus. Life gate keep for bonus has increased. Life apps to qualify for All American have increased from 18 to 30.

Agents can no longer specify what month to have life apps apply for All American, making it harder to qualify. Agents no longer receive full commission on block transfers after 10 years. Now there is reduced commission forever....! Recently Corporate announced bonuses (because of the recent tax cuts) for all employees and agents. But agents had to *qualify* through OSAT for the bonus, thereby eliminating many long-time agents who had a low OSAT score for poor claims service or billing issues. Why not just give every agent a bonus? Having a job with NO job security has taken a toll on agents. Agents are responsible for their own health care insurance and are dealing with rising premiums. And other expenses such as rising rents, etc. are a strain, especially when incomes are going down for many.

Regarding Spokesperson John Legend:

Why would American Family pick such an outspoken hater of our current President to represent American Family? The President's approval rating is at 50% - we are divided right down the middle. Surely there are plenty of other Americans we could have picked that aren't insulting half the voters. Terrible to have Legend and his wife representing our company. Why not get a sports personality or someone not involved in politics? We all lose when decisions like this are made.

Thanks, NAAFA, for letting me vent without fear of retaliation.

Name Withheld

IS AMFAM DESTROYING THE NATURAL CURVE OF SALES ACHIEVERS?

It has always seemed weird to me that sales managers want everyone to achieve at a high level. There's no room, it seems, for those who only achieve at 80%. Let's take a good look at the qualities of what we think of as 'successful people' as described by Sonia McDonald, CEO and Founder of LeadershipHQ. https://leadershiphq.com.au/qualities-highly-successful-people/

Successful people:

- Have a purpose
- Are curious and eager to learn
- Work on themselves
- Are extraordinarily creative
- Are self-reliant and take responsibility
- Live in the present moment
- They never quit

After reading this list, I immediately asked, are successful people always very intelligent? What is intelligence. Well, it is a person's capacity to 1) *acquire* knowledge (learn and understand) 2) *apply* knowledge (solve problems) and 3) *engage* in abstract reasoning. It is the power of a person's intellect and is absolutely an important part of a person's overall well-being. Psychologists have tried to measure it for over a century.

What is interesting is that 50% of people fall into the average (90-110 IQ) range. Only 2.2% are really, really smart or have an IQ of 130 or higher. And again only 2.2% have IQs under 70 or considered intellectually disabled. There are an equal number who fall in the borderline (6.7%) 70-80 IQ group and 6.7% fall in the 120-130 superior IQ range. The last two figures balance up the natural curve in intelligence. That's 16.1% in the 80-90 IQ (low average) and 16.1% fall into the 110-120 IQ considered high average.

So, if there is naturally a natural curve in intelligence, then why do we expect everyone to be top producers? Does it seem to you that at AmFam the management wants to clone all sales agents to perform at the same level? Is it possible, do you think, that management doesn't recognize or accept science's definition of a natural curve for intelligence and accomplishment?

On the other hand, it has seemed for several years that in our public schools the goal is to groom all students so they fall in to the "average" section on that natural curve…..if that were possible. Often creative thinkers who challenge the status quo are criticized or ostracized. Those of superior intelligence are ridiculed as being odd or kooks. And by the same token, underachievers are thought to be rather a nuisance, often dragging the rest down with them. Leaders often wish everyone would fall in to the average, easy to handle, compliant middle section of the curve. And if they don't, at least in the sales world, management tries to find ways to get rid of them. So on one hand, there are people who want everyone to be average, on the other hand, there are people who want us all to be super over-achievers. No wonder our world is so mixed up. Pray tell, what is wrong with allowing production to fall where it will, for then you can enjoy the spirit of a happy, trustworthy, satisfied achiever? Please just get off our backs!!

BLOWING OUT SOMEONE ELSE'S CANDLE DOESN'T MAKE YOURS SHINE ANY BRIGHTER.

MY OPINION ON THE NEED FOR 'THOUGHT LEADERS' IN THE INSURANCE INDUSTRY

[NAAFA Member Contribution]

Kevin McPoyle, President and co-founder of KMRD Partners, Inc., a risk management consulting firm and property/casualty insurance broker, asked the question in his 4/24/17 article, "Where are the 'Thought Leaders' in the Insurance Industry?" Hmmm! We've often asked the same question. He pointed out in his article that insurance representatives are rarely included in 'thought leadership.' He says that experts who are, seem to be people who can see the "bigger picture" such as college professors, politicians, editorial writers and financial analysts....but never insurance leaders.

He goes on to argue that thought leadership has missed the boat by not including insurance professionals because, after all, they are the people who are detail oriented and are able to see the potential risks involved to all industries. He calls insurance professionals the equivalent of *firewatchers*. https://www.carriermanagement.com/features/2017/04/24/166464.htm

From my perspective, I observe that the insurance industry probably has about the worst reputation for credibility of any field. Health insurers might take first place. But certainly, business and property/casualty insurers aren't far behind. To me, it seems obvious that 'thought leaders' would not be chosen from companies with such bad reputations. Insurance is, in the minds of most people, a necessary evil. In most instances, the consumer *must* have it, but when the time comes to use what we thought we paid for, somehow the coverage isn't there or only partially there. The companies' goal seems to be to do anything to avoid paying when claim time comes. Policies are changed from year to year, coverages withdrawn, and even though companies are supposed to send the insured notices of these changes, they are presented in such a way that it would take a rocket scientist to figure it out.

That's why I feel their agents are so important. I feel the real 'thought leaders' are the agents. I would guess that the majority of people rely on their insurance agents to "keep them sufficiently covered." The agents are constantly asked to explain the tangled web called insurance to their insureds. The insureds trust their agents, mostly because they can't trust the insurance companies. I predict that the elimination of agents, as the captives seem to be doing, will have such damaging effects on their customers (and ultimately company growth) that the captive companies will soon find they've been replaced by successful independent companies which have nurtured and encouraged not only their agents but their insurance customers as well. One has to ask, just where is "thoughtful leadership?"

No, I would hate to see *certain* insurance company 'professionals' placed on thought leadership teams or panels. Who would trust them? How credible would their advice be? Do your own survey and ask your friends how many of them trust their insurance companies. You'll find out very few. They trust their agent, but not their company. Yes, corruption abounds, but is it any greater anywhere than in the insurance industry?

HAS THIS EVER HAPPENED TO YOU?

An agent fills out the info for a "Small Business Quote" while the client is in the office. The Client decides to "think it over" for a few days. The client then receives an email from American Family that says, "Find the right General Liability coverage for your business," but the contact information of the agent who gave the quote has been removed. Instead, the company has added their call-center number (844-511-1766) as the one the client should call back to. The next thing that happens often is that the quote seems to be given to some "favorite-agent," and then the quoting agent loses the business. The only way to fix a problem is to acknowledge it. Call us: 888-716-2232.

SIAA AND STARTING AN INDEPENDENT AGENCY

By Matt Masiello
Executive Vice President & Chief Operating Officer

The story of SIAA (Strategic Insurance Agency Alliance) goes back more than three decades to Jim Masiello and his local independent insurance agency in New Hampshire. Struggling through a particularly difficult market, he – like so many others – was searching for a way to help his agency grow. As he put together the network of agencies that became SAN Group, Masiello focused on a mission to support the growth and continuing success of the independent insurance agency distribution system, which eventually evolved to become SIAA in 1995.

SIAA has come a long way since then, growing into the nation's largest independent agency distribution model. More than 6,750 independent agencies have chosen to join the alliance, writing more than $7.4 billion in combined premium. SIAA is national in scope but operates locally with 49 regional master agencies to uniquely deliver upon its founding principles with the tools and resources built for the agency of today and tomorrow.

What does this story have to do with AmFam agents? After working with multiple generations of agencies, the SIAA model has grown to serve the needs of more than one type of agency and has built a successful model that serves both existing independent agents and those who are looking to start their own independent agency. While that adds complexity to telling the SIAA story, it does help explain the size and success of the national alliance.

Often a captive insurance agent, also known as an exclusive insurance agent, is seeking to offer clients choices among multiple insurance companies, as well as earn higher commission rates and profit sharing. The SIAA model for independent agents provides for that.

Starting a small business is a significant undertaking for any entrepreneur, and first-time agency owners face the additional challenge of needing access to insurance company partners. Providing intense foundational support to first-time independent agency owners is something SIAA is uniquely positioned to offer. Following a proven methodology, SIAA and its master agencies have helped 4,150 insurance professionals realize their dream of owning an independent agency.

By partnering with SIAA, agents seeking to grow the income and value of their agencies gain access to many of the nation's biggest and best insurance companies – at top-tier commissions, along with national and regional incentives and profit sharing.

SIAA's independent agency members gain access to support services well beyond the reach of smaller agents –programs & specialty markets, E&S partnerships, life & benefits partners, perpetuation planning, and more. The result is the ability to grow and compete in a challenging environment.

SIAA has the mentors to help captives, direct writers, experienced agency producers and life and financial services agencies become independent and build their own business. These mentors include people who have the in-depth experience on topics to build your business: agency development, training and skills management, marketing, portfolio management, agency management systems, personal and commercial insurance lines of business and specialty markets. Most importantly, we don't succeed unless you succeed, and we use a team approach to help each of our members succeed!

SIAA is not just a successful insurance business. Member agents have become part of our extended family. This family has been growing rapidly – and making an impact for the independent agent since 1995. Consider Nationwide's recent announcement of their full transition to the independent agency distribution model by 2020. Also consider that the independent agent distribution model brings down expenses for carriers. Because it provides for a win-win situation, SIAA's approach has become the proven distribution model for our strategic partner companies, while maintaining its role as the total solution for the independent agent. Take a look at our model (visit siaa.net). Read about our benefits. Ask around. When it comes time to start your own independent agency, there is no better partner than SIAA.

Contact Lisa Grover, Marketing Director: 603-601-1205 or email at: info@siaa.net

We offer access to Auto, Home, Business, Life, and Health insurance policies from some of the most competitive insurance companies available.

We Invest In Your Future

Affordable American Insurance provides a turn-key business model for a captive insurance agency to transition to the independent world; or for an existing independent agency a platform to increase carrier representation and revenue while removing carrier production requirements.

Agent Statistics

- Our agents grow extremely fast for the first few years.
- In the 7th year, where other agents become dormant AAI agents grow 14%

Own Your Business & Future

Owning an agency with AAI provides everything you need to reach your goals and give optimum service to your clients, while being surrounded by ongoing support from our carrier representatives, corporate staff and fellow agents.

Team Concept

We like to say that Affordable American Insurance agents are “independent, yet not alone”. We have a growing group of agents that think like a team, act like a team, and win like a team.

Training & Technology

AAI has developed a unique and sophisticated platform combining the best technology, innovation, IT support staff. We have modern tools to ensure accuracy and efficiency.

- Platform to leverage technology & social media
- PC and tech support
- Website with online quoting capabilities
- Tech training classes

Find Out More

Watch this Video

Gain Back Your Future by Calling Us Today

Affordable American Insurance
Affordableamericaninsurance.com

(877) 811-3224

swoodworth@insuranceaai.com

MAIL’S HERE!

Letter #1 NAAFA still Fighting Same Battles

The NAAFA Mail Box

Hello NAAFA,
I just had the opportunity to finish the Fall/Winter NAAFA Report. I have been in intensive care twice this year and have not felt up to reading. One of the things that struck me in reading this is that I was terminated just over 22 years ago, and it seems like NAAFA has been fighting the same battle for over 25 years. It would seem that some progress is being made, but not nearly enough. I hope that the lawsuit in Ohio has a positive outcome.

Name Withheld

Editorial Response: NAAFA has had many agents contact us whose years of service go back 25 years before the statute of limitations (2/28/2007-2/28/2013) and who also say they were treated exactly as the qualifying agents have been…. controlled, controlled, controlled. Is there a possibility for another class action to cover pre-2007 agents? Somehow it doesn’t seem fair, does it?

Letter #2 AmFam’s Bad Claims Handling Score

Dear NAAFA:
I was saddened but not surprised when I read the 2018 J.D. Power U.S. Property Claims Satisfaction Study that ranked insurance companies and found that American Family rated nearly at the bottom of the list. One of the most important non-tangibles that I sell as an American Family agent is our claims service. Oh yes, price is important, but if we can’t satisfy our clients when they have a claim, they leave. And the bad thing is, claims handling is totally out of our control. I continue to ask myself why in the world AmFam lets this happen when they must know that news of bad claims-handling spreads like wild fire. When you take away our competitive rates and you fail on good claims service, no wonder we agents can’t meet the quotas you put on us when you want to get rid of us. Yes, I’m disgusted and actually ashamed of AmFam.

Name Withheld

Letter #3 Will’s at it Again!

From: Anderson, William L [mailto:WANDERSO@amfam.com]
Sent: Tuesday, January 16, 2018 2:13 PM
To: naafawest@comcast.net
Subject: your magazine

What I don’t get is people that continue to complain but do nothing about it. If you are so skilled and if you are so valuable, work hard. My income has gone up every single year…..if yours has not, maybe you’re not as good as you think. And if you are, but it’s not working at AmFam, do us all a favor and leave.

I remember when I read your article about AmFam getting an 800# and how we are going to be replaced by the 800#. You were wrong then too. Your negativity does no one any good.

Will Anderson

***Editorial Comment**: Will, your email shows more negativity than we’ve seen in a long time. Rumor has it that you’ve been gifted many, many files over the years and it’s also rumored that one so gifted just needs to keep breathing to keep growing. NO wonder you have time to write negative emails like this!*

Agencies receive their name on policies, higher commissions, higher profit sharing, marketing and automation discounts, commissions received directly from carriers and perpetuation.

Wisconsin Mutual Insurance Company · Rockford Mutual Insurance Company · Badger Mutual Insurance · Progressive · Acuity Insurance · Secura Insurance Companies · The Main Street America Group · Safeco Insurance · West Bend A Mutual Insurance Company · Harleysville Good people to know · MetLife · Auto-Owners Insurance · Independent Insurance Agent · The Hartford · Donegal Insurance Group · Allied Insurance · Integrity Insurance · Mt. Morris Mutual Insurance Company · State Auto Insurance Companies · Liberty Mutual Insurance · Austin Mutual Insurance Company · Pekin Insurance · American Modern · Kemper · Germantown Mutual Insurance Company · Travelers · Selective Response is everything.

Discover the Couri difference today. Visit CouriAgents.com or give Steve Albinger a call at 800.444.1215.

THE ISSUES OF INNOVATION

[by "I'm Here to Stay!]

On one side of the table we have those who argue that the majority of consumers will always want their faithful insurance agent to guide them in the purchase of their insurance needs. On the other side of the table, we have those who believe that "artificial intelligence (AI) with a human touch" as CEO and Co-Founder Mike Greene describes his "Hi Marley" invention, will replace the beloved agent. He claims Hi Marley customers/users will love and embrace their insurance companies when they become acquainted with Hi Marley. Listen to the following YouTube to get an idea of what Hi Marley is all about. https://www.youtube.com/watch?v=EyXR7bDtHZU. With a Hi Marley gadget (smart phone, basically) the customer has a direct line of communication with Marley who walks her through any insurance claim she may have. Marley speeds up settlements, or so they claim.

Who's right? Will AI eventually replace the need for call centers, claims handlers agent-to-the-rescue services? Will all this technology disrupt the insurance industry? We don't really know how far and how fast this InsurTech movement will change things, but perhaps the advice to be open to change is good. Since people are living longer, they also seem to be working longer. And the fact that those who are most successful as they age are the ones who have kept up with current technology. And that requires having a sharp mind. Mental exercise is good for the mind. Use it or lose it, some say.

If I were to wager a guess, I would say that insurance companies are thriving (be it ethically or corruptly, you decide) so to believe that technical innovation would destroy them is quite ridiculous. They will adapt and use what makes them more profitable. We believe the smart ones will always realize the need for live, effective insurance agents who can relate to the customer who still wants to make a decision with his agent's help and advice. I would guess that even though most people have adapted to computers, smart phones and other such innovations, these same people love one-on-one relationships. Wouldn't you rather trust a human being than a machine?

INTERESTING STATISTICS:

Dog bites and other dog-related injuries accounted for more than one-third of all homeowner's liability claim dollars paid out in 2017, costing almost $700 million. (https://www.insurancejournal.com/news/national/2018/04/06/485542.htm

Less than 2% of Term policies ever result in a death claim. Some even quote it at less an 1 %. http://www.term-life-online.com/term-life-insurance-death-probability.html

85% of consumers agree that most people need life insurance, yet only 62% say they have it. Source: LIMRA's Life Insurance Barometer Study 2013

Americans make up 44% of the world's population—and own 42% of the guns. Reviewjournal.com

The World Economic Forum says all the plastic trash floating in the ocean will outweigh all the fish by 2050. Reviewjournal.com

Motorists spend an average of 17 hours a year searching for parking spots. Highest: 107 in New York City. Reviewjournal.com

WHAT ARE OTHER CEOs MAKING?
HOW BIG ARE THEIR COMPANIES?

State Farm, one of America's biggest insurance companies:
CEO Michael Tipsord has one of the lowest total compensations of any insurance company leader. Total 2017 compensation was $8.5 million

Allstate Chairman, President and CEO Tom Wilson earned $17million in 2017.

Liberty Mutual Chairman and CEO David Long made $19.7 million in 2017.

Progressive's Tricia Griffith, President and CEO took home $9.3 million in 2017.

Farmers President and CEO Jeffrey Dailey earned a total package of $4,576,451 in 2017

American Family Chairman and CEO Jack Salzwedel made $9,617,184 in 2017

https://www.insurancebusinessmag.com/us/news/breaking-news/how-much-does-state-farms-ceo-earn-99975.aspx

Here are some of the statistics we were able to find:

State Farm net worth $97 Billion…end of 2017.
American Family total assets $24.2 Billion. But total equity stands at $8.1 Billion.
Allstate net worth $112.4 Billion
Progressive net worth $38.7 Billion
Liberty Mutual Net assets $662,227,335
Farmers Insurance Exchange, Fire Ins Exchange & Truck Insurance Exchange assets $20.6 Billion
Nationwide total assets $236 Billion end of 2017 with a net worth of $87.3 Billion.

Remember: Net worth equals total assets minus total liabilities.

In an interesting article, "How Companies Actually Decide What to Pay CEOs," by Steven Clifford, the author said compensation committees decide where their company is 'benchmarked' within this group. (*All large companies have compensation committees. They meet about once a year, do some studying of outside CEO salaries. Then they make their recommendation for their CEO's salary, and boards always approve their recommendation*!) The writer says he never sat on a committee where a company benchmarked itself at anything other than 50th, 75th, or 90th percentile. Anything below 50th percentile says, "We are a lousy company and don't even aspire to be better." This writer feels that benchmarking is one of the main reasons executive's pay continues to rise higher and higher

You may want to read the article as it might help you understand why AmFam' s CEO's salary keeps going up so much…even when he's running a relatively small company. It depends on where his comp committee benchmarks his company. Interesting? More corruption?? You decide!!
https://www.theatlantic.com/business/archive/2017/06/how-companies-decide-ceo-pay/530127/

American Family Executive Compensation for 2017
Cost of Officer Compensation increased 19%. Jack alone took a 14.3% pay increase!!

NAME	POSITION	SALARY	BONUS	All Other Compensation	TOTAL
Salzwedel, Jack C	Chairman and CEO	$ 1,125,000	$ 7,975,403	$ 516,781	$ 9,617,184
Schmoeger, Mary L	Retired Personal Lines President	$ 414,203	$ 893,428	$ 2,428,881	$ 3,736,512
Westrate, William B	President	$ 678,769	$ 1,967,261	$ 259,999	$ 2,906,030
Kelly, Daniel J	Chief Financial Officer/Treasurer	$ 568,300	$ 1,569,798	$ 323,673	$ 2,461,771
Gunder, Peter C	Chief Business Development Officer	$ 532,500	$ 1,469,926	$ 197,809	$ 2,200,235
Graham, David A	Chief Investment Officer	$ 455,700	$ 1,344,221	$ 77,483	$ 1,877,405
Holman, David C	Chief Strategy Officer/Secretary	$ 439,000	$ 1,127,805	$ 211,516	$ 1,778,321
Kirkconnell, Kristin R	Chief Information Officer	$ 419,400	$ 1,034,113	$ 112,425	$ 1,565,939
Benusa, Gerry W	Chief Sales Officer	$ 419,400	$ 955,975	$ 169,281	$ 1,544,656
Afable, Mark V	Chief Legal Officer	$ 430,700	$ 925,112	$ 152,593	$ 1,508,405
St Vincent, James E	Chief Human Resources Officer	$ 353,031	$ 837,311	$ 294,271	$ 1,484,613
Vancy, Telisa L	Chief Marketing Officer	$ 384,539	$ 957,691	$ 74,533	$ 1,416,762
Francher, Todd	Chief Digital Transformation Officer	$ 345,777	$ 755,680	$ 207,226	$ 1,308,683
Stauffacher, Jessica J	American Family Agency Chief Opr Officer	$ 442,431	$ 721,128	$ 134,152	$ 1,297,710
Theilen, Mary	Personal Lines President	$ 345,616	$ 686,298	$ 78,575	$ 1,110,489
Listau, Christopher R	Commercial Farm/Ranch President	$ 346,100	$ 658,490	$ 93,306	$ 1,097,896
Constien, Timothy D	Personal Lines Claims Vice President	$ 326,662	$ 625,411	$ 115,299	$ 1,067,372
Van Beek, Troy P	Finance Vice President	$ 307,000	$ 629,966	$ 85,923	$ 1,022,889
Geraci II, Sebastian J	Strategy Vice President	$ 333,400	$ 533,438	$ 116,662	$ 983,500
Grasee, Karl E	Business & Workplace Services Vice President	$ 345,800	$ 535,991	$ 74,092	$ 955,883
Cruz, Justin B	Strategic Data & Analytics Vice President	$ 323,500	$ 531,002	$ 70,276	$ 924,778
Gisl, Gregory V	B & A Insurance Solutions President	$ 272,600	$ 444,896	$ 118,697	$ 836,193
Steffen, Richard M	Life President	$ 323,977	$ 432,228	$ 72,915	$ 829,120
Seymour, Scott J	Government Affairs & Compliance Vice President	$ 286,100	$ 423,967	$ 90,087	$ 800,155
Preston, Jeffrey N	Reinsurance Vice President	$ 316,200	$ 418,398	$ 64,936	$ 799,534
Pfluger, Gregory J	Business App Systems Mgmt Vice President	$ 299,500	$ 386,591	$ 62,067	$ 748,158
Tjugum, Steven R	Sales Strategy & Support Vice President	$ 255,877	$ 374,969	$ 111,997	$ 742,843
Castellucci, Marc A	Personal Lines Claims Vice President	$ 325,902	$ 22,143	$ 391,177	$ 739,221
Rupert, Julie A	IT Security Vice President	$ 285,600	$ 369,397	$ 61,916	$ 716,913
Lien, Kelly J	Former PL Product Management Vice President	$ 191,353	-	$ 517,711	$ 709,064
Bergquist, Elizabeth A	Agency Sales Vice President	$ 255,970	$ 327,415	$ 68,870	$ 652,255
Buchhelm, James S	Communications Vice President	$ 250,000	$ 349,360	$ 47,211	$ 646,571
Pinzon, Cesar A	Agency Sales Vice President	$ 247,300	$ 313,896	$ 59,841	$ 621,036
Madden, James J	Computing Services Vice President	$ 227,600	$ 285,980	$ 85,786	$ 599,367
Swalve, Jeffrey J	Chief of Staff Vice President	$ 250,039	$ 252,497	$ 77,491	$ 580,027
Riggs, Michael R	Agency Sales Vice President	$ 246,000	$ 243,256	$ 54,726	$ 543,982
Tolefree, Bryce H	Claims Legal Vice President	$ 220,400	$ 216,445	$ 93,358	$ 530,203
Endres, David J	Corporate Legal Vice President	$ 220,400	$ 216,445	$ 81,582	$ 518,428
Embray, Candy	Sales & Service Operations Vice President	$ 220,400	$ 223,685	$ 73,789	$ 517,875
Koenig, Brenda L	Small Commercial Vice President	$ 234,846	$ 171,818	$ 55,435	$ 462,099
Gates, Joseph C	Chief Risk Officer	$ 258,023	$ 126,408	$ 66,413	$ 450,844
Kittoe, Jan A	Ignite Vice President	$ 221,031	$ 161,209	$ 58,566	$ 440,806
Quesnel, Robert D	Marketing Vice President	$ 229,994	$ 129,538	$ 80,384	$ 439,917
Wright, Benjamin P	PL Product Management Vice President	$ 211,539	$ 145,738	$ 56,999	$ 414,275

Please visit <u>www.NAAFA.com</u> to see a more complete list of AmFam salaries, including the AmFam Board compensation.

AGENTS NEED TO ASK QUESTIONS ABOUT THEIR E & O COVERAGE, AND HERE'S WHY!

[NAAFA recently received this email. We have withheld the identity of the writer.]

About one year after I left American Family to go independent, I was sued by one of my former clients. The client was one of AmFam's senior-aged clients. He lied but none-the-less, AmFam left me out to hang. Fortunately, we won! Here's how it all came down.

The client claimed I did not offer uninsured and under-insured coverage on the umbrella I had sold him. The fact is, I did. I even wrote it on the application! American Family did nothing to help me. Remember, I no longer worked for them. Thank God I had $5M E and O coverage with the 10-year tail and thank God the attorney they assigned me understood. I determined that I would have spent my last dime and every minute of every day working on this till I did win against a liar. I read cases and cases of documents, I listed strategies and I know my stuff. I investigated other court cases as well. I listed strategies and my attorney was very helpful after she saw my devotion.

It took almost 3 years and enormous stress. At the beginning, the client appeared to be the credible one and I was the least believable. I had had this man insured for many years, so I knew a bit about his personality. We had caught him in several lies, but even the attorney AmFam assigned to me at first chose to believe him…not me. Finally, I told her to ask the client in the deposition a few questions I knew would set him off. She did, and that's when he became extremely irate. He thought he was in control and he had everyone snowed, but he did not. My attorney finally had him. She said, "Your deposition is recorded, and it will be used in court." It's good to remember that liars don't always remember their lies.

We were fortunate to get a *good* judge, and the other side (bad side) asked for a new judge. We feel we got one of the best. On top of that, I felt the client who sued me ran out of money and elected for the judge to decide vs a jury. If a jury had decided, it probably would not have been a good result as it was a complicated issue. Juries hate insurance companies and you, the agent, represent the insurance company.

Yes, it took almost 3 years and enormous stress, but I won. The client got nothing. I would be glad to tell you more about the case, but if you post it, I do not want my name used. You're welcome to post the state but please don't use my name. I can send you anything you want, I have it saved on disc.

Accident attorneys are trying something new. They are trying to use "duty of care" as you would have with a financial advisor and applying this "duty of care" responsibility to a sales agent. They use it against the agent and even if you prove you offered it, they claim they did not understand and that the agent should have *made* the client buy it. I ask, "How do you make anyone do anything.? I had them sign and I even followed up with a letter.

By the way the client was not out any funds from the accident. The other party paid max limits, AmFam paid UM/UIM on auto coverage, and his Medicare paid the difference. It was obvious he was a master at suing. This was not his first rodeo. I remember every detail as if it were yesterday. He was a bad client from day one. You know the saying, 10% of our agency cause us 90% of our headaches. Believe it!

Name Withheld

Editorial Note:

*After receiving the above email, we contacted the former AmFam agent to get the whole story. You can read the agent's complete story at www.NAAFA.com on the Member-side column, **Directly to Members, Directly from NAAFA**.*

*NAAFA has some concerns. Questions the agents might want to ask are: What are the coverages under the present E & O policy that is offered to agents at approximately $58 a month? You need to have it in writing what your maximum coverage is, what your deductible is, and whether the policy you have has a "tail." (ERP coverage) Because of above agent's experience, this agent advises that no agent should leave AmFam without an E & O policy **with a tail**. If your present policy doesn't have a tail, buy one before you leave that does. Also, agents should ask what company AmFam has your E & O policy written with. Rumor has it that AmFam self-insures your E & O. If so, exactly what coverages do you have. Get it in writing.*

Another issue seems to be the exposure agents have who are selling Advance policies. Agents tell us that the customer must choose or deny coverages under the Advance plans. What happens if the client chooses not to take certain coverages and then has a claim? Yes, we're all aware of the "Reformation Program" where claims/underwriters are adding coverages back in order to avoid an E & O claim. Is there some precedent that says that losses paid out of claims will enable the insurance company to raise rates?

NAAFA is interested in seeing that agents are adequately protected. In another article in this issue we have questioned whether the agents' disability plan was adequate or not, and now we question whether the agent E & O is adequate or not. We do note that AmFam has turned the disability coverage over to the Agency Council to handle. Still, agents need to ask questions.

The important thing is to do the right thing.
Then credibility will follow. ~Henry A. Kissinger

WHAT'S GOING ON WITH MINORITY VS NON-MINORITY AUTO RATES?

Lately there have been reports questioning whether insurance companies are charging higher auto premiums in minority neighborhoods or not. It seems *Consumer Reports* did a study that found that neighborhoods with equal amounts of risk (based on numbers of claims, we suspect) do not show equality in premiums. Minority neighborhoods showed much *higher* premium charges. Of course, the insurance companies reared their ugly heads over such accusations.

It seems American Family's Media Director, Ken Muth, explained to the agents that the study was flawed, of course. And to refer any questions to AmFam's Media Relations staff.

It was interesting that in an NPR interview of Julia Angwin, (senior reporter at ProPublica and one of the co-authors of a study spotlighting disparities in automobile insurance premiums between residents of white neighborhoods and non-white neighborhoods), we learned that the California Dept of Insurance responded to the study saying it was flawed. They explained that the study took all the insurer's payouts per zip code on average and compared that as the baseline for what is risk, but each different insurer could have had a different rate of loss.

In answer to that charge, Ms. Angwin agreed, that could happen. However, she noted that one company, Nationwide, in CA actually filed its internal losses per zip code in one of their rate filings with the insurance commission. In that case, they found that the disparities were actually higher between minority and non-minority neighborhoods of the same risk than what they had found when they did it the other way.

When the NPR host asked Ms. Angwin to explain why this might be true, she said that what they saw in the study was that as the risk in the whiter neighborhoods increased, the premiums actually flattened out and sometimes even declined. But in the minority neighborhoods as the risk increased, the premiums increased.

AmFam agents have been speculating for quite some time about the Advance system and how because rating is so specific that they sometimes feel rates can be specific to a certain address rather than to a zip code as it used to be. Agents have also speculated that the Departments of Commerce probably don't really have a clue about the rating systems of insurance companies anymore because they are so complicated and non-specific. We just pray that there isn't a reoccurrence of the late 90's Milwaukee redlining situation.

https://www.npr.org/2017/04/09/523203746/are-car-insurers-making-minorities-pay-higher-premiums (NPR interview, 4/9/2017, All Things considered)

The following story arrived in the NAAFA mail a couple of months ago and we just had to share it with you. We did a little checking and websites all over the place are claiming this story. It may be adapted a little by the sender, but the sender didn't give us his name. Anyway, the envelope came from Indiana…….

The MENSA Story

There was a Mensa convention in San Francisco. Mensa, as you probably know, is a national organization for people who have an IQ of 140 or higher. Several of the Mensa members went out for lunch at a local café. When they sat down, one of them discovered that their salt shaker contained pepper, and the pepper shaker was full of salt. How could they swap the contents of the two bottles without spilling any, and using only the implements at hand?

Clearly, this was a job for the mighty Mensa minds. The group debated the problem and presented ideas and finally came up with a brilliant solution involving a napkin, a straw, and an empty saucer. They called the waitress over ready to dazzle her with their solution.

"Ma'am," they said. "We couldn't help but notice that the pepper shaker contains salt and the salt shaker has pepper." But before they could finish, the waitress interrupted. "Oh, sorry about that." She leaned over the table, unscrewed the caps of both bottles, and switched them. There was dead silence at the Mensa table. Kind of reminds you of the past 30 years at American Family, doesn't it?

What's the moral of the story? "Sometimes the solution to the problem is so simple that supposedly brilliant minds can't see the solution." ~Editorial comment.

DARE WE PREDICT THE DEMISE OF THE MCKINSEY REPORTS?

I had second thoughts about writing an article disputing the 2013 McKinsey Report which said insurance agents won't be needed in the future, but this time I just couldn't pass the opportunity up. I guess I could say I rather enjoy watching such people "eat crow." Do you remember the 2013 McKinsey Report that apparently several captive insurance companies 'took to heart?' Yeah, the one where McKinsey said insurance agents would go the way of travel agents….dead in the water? Well, they're eating crow because in another more recent McKinsey study, they have admitted they might have misguided a few companies with their erroneous predictions. They are now admitting that other crucial happenstances can and do affect how quickly changes like 'the elimination of agents' can occur. Just how quickly new technology is adopted, variations in economic conditions, labor market variations, government regulations and social attitudes for or against accepting changes can all affect McKinsey's predictions, they claim.

So perhaps AmFam needs to take another look at their close-to-completed plans of eliminating agents. Maybe they should realize, as we agents have known all along, that the majority of people still want an agent to direct and advise them of the proper insurance coverage to meet their needs.

Listen to what McKinsey is saying today:

"*Still, automation will not happen overnight. Even when the technical potential exists, we estimate it will take years for automation's effect on current work activities to play out fully. The pace of automation, and thus its impact on workers, will vary across different activities, occupations, and wage and skill levels. Factors that will determine the pace and extent of automation include the ongoing development of technological capabilities, the cost of technology, competition with labor including skills and supply and demand dynamics, performance benefits including and beyond labor cost savings, and social and regulatory acceptance. Our scenarios suggest that half of today's work activities could be automated by 2055, but this could happen up to 20 years earlier or later depending on various factors, in addition to other economic conditions."*
https://www.mckinsey.com/global-themes/digital-disruption/harnessing-automation-for-a-future-that-works

We can mourn the fact that now it is too late for thousands of exclusive agents who have already been "unjustly terminated," but we certainly aren't going to mourn the fact that these companies have now lost probably the most important segment of their whole company….the agents. These are the important folks who represented the company and who maintained direct contact with their customers….the people who, at the agents' urging, decided to put their trust in the company in the first place. Customer loyalty is due to the actions of nurturing agents, not the fickleness of companies.

Following is a chart from McKinsey where they show how they feel automation will affect different vocations across America.
https://www.mckinsey.com/~/media/mckinsey/business%20functions/mckinsey%20digital/our%20insights/where%20machines%20could%20replace%20humans%20and%20where%20they%20cant/sector-automation.ashx

What I find interesting is that automation seems to affect insurance less than it will affect management and administrative jobs. How's that for a kick in the face of certain companies who relied on McKinsey to '*get rid of insurance agents*??!!'

Now listen to what the "American Professor.com" website says about insurance agents:

On the subject of online insurance sales, which many insurance agents feel could lead to them being pushed out of the industry, the BLS report also notes that while the number of online sales through larger insurance companies is likely to increase, this will not lead to insurance agents

becoming obsolete. Insurance agents will still be needed to interact with customers and provide a human face after the purchase of insurance has been made, which means that while some insurance agents might find themselves less involved with the initial sales process, the demands of the industry will lead to their jobs being modified rather than eliminated entirely.

To get right to the point, the job outlook for people working in the insurance industry is good. According to the Bureau of Labor Statistics, the insurance industry is projected to grow 10% by 2022 from where it was in 2012. Breaking the numbers down further:

- *Total insurance sales agent jobs are projected to grow by 11%*
- *Total jobs for related occupations are projected to grow by 7%"*

In the 2013 McKinsey Report "Agents of the Future: The Evolution of Property and Casualty Insurance Distribution" McKinsey warned that the way of insurance agents was the way of travel agents….dead in the water. McKinsey warned the insurance companies that consumers would buy insurance through the internet and not through traditional insurance agents. McKinsey warned that a few would survive, but they'd be larger and more successful. Naturally, the insurance companies chose to believe the organization they'd paid large sums of money to 'do the study.' So agents have been eliminated by the scores. What a waste!

Since that time, we have seen the independent agents grow and grow without the so-called detrimental effects of the direct internet purchasing procedure McKinsey warned about. One has to wonder whether the captive companies, after reading the 2013 McKinsey Report, didn't simply act to fulfill the prophecy of the Report while the independents chose to disregard McKinsey's advice and predictions.

Society has to be ready to give up the advice and recommendations of insurance agents, and McKinsey admits this. Up to this point, we have seen that by far the majority of people want live agents, agents they can see, trust, rely upon. Think about automatic teller machines and how it was thought back in the 1960s that bank tellers would become extinct. Didn't happen, did it? Or think how many more people use live check-out clerks in a grocery store than use self-check-outs. People still want a live doctor to make their diagnosis rather than a machine. Panera Bread has offered customers the chance to place their food orders on little kiosks, but guess where most people go to place their food orders….to the live clerk/cashier.

What it all boils down to is that insurance customers want an experienced agent who can give them advice on how to insure their homes, cars, and advise them on what kind of life insurance they need and how much to buy. It appears to some that the captives might be getting out of the insurance business in a few years. Or at least, insurance might become a minor part of their business holdings. Well, that's all right because that just leaves more business for the independents. And since the captives are pushing more and more of their agents out the door, all we can say is, "Thank you, Lord, that by far the majority of insurance companies recognize the value of agents in the field." Yes, we've just been hurt once too often.

~NAAFA Board Member

A RIVER CUTS THROUGH A ROCK,
NOT BECAUSE OF ITS POWER,
BUT BECAUSE OF ITS PERSISTENCE.
~movenourishbelieve.com

GUIDELINES FOR SECA KIT AVAILABILITY

To all members and their accountants:
THE CONTENTS OF THE SECA KIT ARE CONFIDENTIAL!

The SECA Kit was updated in December 2017. Those with active memberships who have received kits in the past should contact the NAAFA office to receive the updated kit. The success of this kit has been invaluable. As most of you know, the SECA Kit is just one of the benefits of being a NAAFA member. Any members who leave American Family (and qualify for Termination Benefits) should have the Kit *before* filing their taxes the first time. Understanding how and why you file as you do could save you thousands of dollars in penalties and fines by the IRS.

At issue with NAAFA has been the fact that some agents wait until after they retire to join NAAFA and ask for the Kit. NAAFA feels that members deserve the benefits of the Kit only if they have supported NAAFA for a number of years. We want to encourage agents to support NAAFA during their active years with the company. We need your support. It costs NAAFA hundreds of dollars and hours of time to produce and update the kit. It is only fair that NAAFA be reimbursed for this expense.

As a result, NAAFA asks for a donation of $500 for the Kit unless a member has had 3 full years of continuous (no lapse) membership. After the three full years of membership, the Kit is free. A *new member* would pay the first year's active membership rate ($264) up front and then the kit would immediately be available for the donation of $500. Or the new member who pays dues either *monthly* or *semi-annually* would have to wait until the beginning of the second year to become eligible to receive the Kit after donating $500.

As before, you must have a personal Email to receive the SECA Kit. NAAFA asks that you honor confidentiality regarding the Kit. Do not share it with non-members. And be sure to tell your accountant that this kit must remain confidential and only used for your own tax preparation. As a member, you deserve *all* the benefits of being a member and the Kit is just one of them. JOIN NAAFA TODAY! BE PREPARED!!

SECA Kit

Note from NAAFA Office:
We have seen quite an increase in the numbers of IRS inquiries lately. So far, our SECA Kit has proven successful in 100% of the cases where members have used the SECA Kit information to file and also to respond to an IRS inquiry. We are thankful for the opportunity to save our members thousands of dollars in SECA taxes. Be sure to get the kit ***before*** *you file your Termination Benefits/Life Extended Earnings for the first time.*

MY DREAM.....WAS YOURS PROTECTED BY AMERICAN FAMILY LIKE MINE WAS?

Still have your dream? Has American Family protected your dream? Here's my experience:

I had a dream! I dreamt in 1978 that I'd invest in myself for the future.
An agency with American Family Insurance Company.

In 2003, I still had my dream. But I was let go for not signing a blank sheet of paper. (Yes, I was the only one in the district who wouldn't sign a blank sheet of paper. Who knows what the company was going to add to it!!) And yes, we agents were told that "It is ethical to take advantage of the consumer and there is nothing you can do about it!" And for being the rebel that I am, company officials falsely accused me of calling my district manager a racial name. It later came out that he had lied.

I left American Family still believing in my dream, but a dream with a different slant from what I had back in 1978.

Oh yes, I had another dream! I dreamt I'd put dollars into the L-95 to protect my family and I dreamt that future dollars were *truthfully* projected by the A+ company.

Plan L-95. Age 31:	Premium $781.90, death benefit base	$70,000.00
	Projected cash value at age 65:	$87,356.00
	Projected death benefit at age 65:	$178,321.00
	Real cash value today:	$69,965.80
	Real death benefit today:	$137,061.98

What's happening to my dream?

I had yet another dream! I dreamt I'd put dollars into the L-100 to protect my family and that future dollars were *truthfully* projected by the A+ company.

Plan L-100, Age 30, premium $3,148.00, death benefit base	$200,000.00
Projected Cash value at age 65:	$401,914.00
Projected Death benefit at age 65:	$966,112.00
Real numbers at age 65*: Cash value:	$189,608.00
Real numbers death benefit at age 65:	$463,974.07
(Mustn't forget the 7 cents)	

* Used age 67 because that's the printout I have.

So you can see for yourselves how American Family pretends to protect dreams. My dream became a nightmare. (And I hear they're still doing it with other life and long-term care policies.) I didn't know I was working for a dream crusher. But guess what? Once I got away from American Family, I began dreaming again. And this time I surrounded myself with people who encouraged me, not crushed me. I will never, ever be totally free of the scars inflicted on me by this company, but finally, the sun shines more than it storms.

Name Withheld

Does the Insurance Industry have the Target on their Backs Now?

If you have been keeping up with insurance news in the media lately, you have probably seen the headline saying, "*The Insurance Industry is Now Being Targeted for Independent Contractor Misclassification Lawsuits*." To name a few: https://www.jdsupra.com/legalnews/insurance-industry-now-being-targeted-22060/ and https://www.insurancebusinessmag.com/us/news/breaking-news/legal-industry-targets-insurance-employers-97686.aspx

Those of us who have contracted with AmFam for years as independent contractors (but actually treated and controlled like employees) are finally breathing a sigh and uttering, "At last!" Many times, captive agents have attempted to win such arguments in court…unsuccessfully, in most cases. There just didn't seem to be any specific laws that pertained to the interests and protection of independent contractors. But now, at last, it appears that courts are beginning to listen. And the current administration in Washington seems to lean toward the protection of the small guy. It's a shame we've had to make such a loud noise in order to be heard, especially since proper and fair treatment of IC agents would probably have prevented legal action.

Recently, in the Ferguson v Tex. Farm Bureau Bus. Corp., No.17-CV-111 (W.D. Mar. 20, 2018) case, Farm Bureau agent Chris Ferguson argued that he had been misclassified as an independent contractor. The court agreed that in his complaint he had sufficient facts to demonstrate employee status. The companies were looking to end Ferguson's proposed collective action that sought overtime pay under the Fair Labor Standards Act (FLSA).

Another case that is very similar also involves a Farm Bureau insurance agent. The case, English v Texas Farm Bureau et al. In this case, the agent argues that agents are entitled to overtime pay for overtime worked under a federal law called Fair Labor Standards Act. This case was filed 11/17/2017.

Of course, there is the Jammal v American Family case which you are all familiar with and which appears, if Jammal wins, to be a real landmark case. This case is now before the appellate court and will probably be heard sometime in early summer.

But really, other industries besides insurance companies are being hit with rather large settlements. Following is an excerpt from *Independent Contractor Compliance.com*:

IC Misclassification class actions continue to produce multi-million-dollar settlements

Although the landscape of independent contractor law is becoming more hospitable for many companies, the bulk of businesses that use ICs remain targets for class and collective actions under state and federal wage payment laws, minimum wage and overtime laws, and employee expense laws. 2017 saw a host of large settlements including (to name just a few):

- ***court approval of a $27 million settlement between Lyft and drivers who use that app;***
- ***an $8.75 million settlement between Postmates and couriers who make deliveries using that company's app;***
- ***a $5 million settlement between nine San Francisco nightclubs and exotic dancers;***

- *a [$4.65 million settlement] between Instacart and shoppers who shop, purchase, and deliver groceries to customers at their homes and businesses through Instacart's app; and*
- *a [$1.48 million settlement] between Atlas Van Lines and truck and moving drivers.*
  https://independentcontractorcompliance.com/2018/01/04/five-key-independent-contractor-legal-developments-in-2017-and-what-to-expect-in-2018-part-i/

We all had a dream. We all dreamed, when we signed our American Family agent contracts, that we would be free to be free agents who could create a business in the manner, speed, and size that we felt comfortable with. Daniel H. Pink, best-selling author (The Surprising Truth about Moving Others, Drive and to Sell is Human) said, "The motivation of free agents can be described as mastery, purpose, and autonomy. The motivation to get good at what you do and to find meaning in it---with the room to figure out how to get there." What hurts so many at AmFam is that the company wants us all to be big producers when some of us want to be normal/average producers. Success in *your* mind may not be success in *my* mind. As an independent contractor, I should get to decide.

We agents have fought hard for our independence. We are entirely convinced being a free agent is the way to go. Actually, if you'd do a survey, you just might find that a large number of the AmFam employees would love to be free. They hate being controlled just as much as we do. Ever hear of Jared Burden? Probably not. But he is a Virginia based attorney who counsels early-stage clients on raising capital and other growth issues, and companies of all sizes on contracts, transactions and intellectual property.

Recently, one of Burden's articles was featured in Inc.com.. https://www.inc.com/jeff-haden/maybe-you-should-treat-your-employees-like-independent-contractors.html He suggested that "b*ecause it's clear that companies are running big risks by being control freaks, and if it's clear that free agents like the feeling of freedom, there is room for a bit of a leap." He says, "Employers should not just treat their independent contractors as independent contractors. They also should treat their employees the way they should be treating independent contractors."*

Interesting. He was sitting in a coffeehouse as he wrote his article and noticed clearly that the customers who were working in the coffeehouse that day had all the freedom in the world to figure out how to deliver their required results. Most were trusted to figure it out. Then he said, "*Employees, too, like to be trusted. After all, a good job is a good job."* Maybe I'm still dreaming. Could this ever happen at American Family?

AGENTS' MISSION STATEMENT

By Bruce Swartz 194-279, retired

I'm not allowed to run the ship,
the management is you know.
I'm not allowed to say how fast
the processing will go.
I'm not allowed to set the rates
and rules I cannot spell.
But let production go down the tubes
and see who catches hell.

INCREASING REVENUE WITH KNOWLEDGE

Introducing ASNOA University

By Meghan Beach Lang, ASNOA Marketing & Communications Specialist

The Agent Support Network of America (ASNOA) is the go-to independent insurance agency network that assists captive agents looking to transition into owning their own business and current independent agents looking to grow their book of business. We take care of vital backroom functions, so affiliates can spend more time doing what they love: selling insurance. Our mission is to help agents grow their business through direct carrier access, industry specific training, marketing support and business automation, using cutting-edge technology and devoted customer service.

For the past 15 years, ASNOA has proven to be different because of the personal nature of our trainings. We take the time to make sure our agents have the tools and resources necessary to look like a million-dollar revenue agency from day one.

As a result, it is our pleasure to announce the newly developed ASNOA University. The University provides every agent and agency personnel who join ASNOA **upfront and ongoing personalized training** to ensure they have all the skills and knowledge needed to grow their business. Agents receive training through recorded webinars to view on their own time, scheduled online classrooms with live instructors, monthly e-newsletters, support calls with staff, or by attending one of the many in-person trainings across the country.

Topics covered include:

1. **Applied Epic:** Most agents are aware of Applied Epic as the world's most widely used agency management system. Despite all of its benefits, we all know it is a beast to understand, navigate and comprehensively utilize to your fullest advantage all on your own. As a result, we have dedicated staff on hand to help with upfront and ongoing training of the system.
2. **Carrier Spotlights:** Offerings, products, regulations and sales reps change regularly with insurance carriers. As a result, we put together live webinars and regular e-blasts to ensure you have the latest information to stay competitive in the marketplace.
3. **Small Business Commercial Lines Course:** This course provides knowledge and understanding of the essential principles, coverages, agency management, customer services, best practices and sales of small business commercial insurance. Our goal is to provide working knowledge of Small Business ACORD applications and ISO policy forms for: Business Owners Policy (BOP), Commercial Auto (CA), Workers Compensation (WC), and Umbrella (UM).

The Small Business Commercial Lines Course will cover basic working knowledge of regulations, definitions and classifications, and help agents identify coverages and exclusions. Participants will walk through how to transfer information from quote sheets into each application and policy form with mock prospects to ensure a strong understanding of writing commercial business insurance. Participants will also discover various resources for risk management and review experience modifications, contractor credits, officer/partner exclusions, audits and more. Materials will be provided for agents to download, study and utilize in their businesses. In addition, the ASNOA University course will provide practical resources and informative marketing ideas to sell your new commercial lines insurance capabilities with confidence.

The course is offered online with a live instructor over the course of five weeks. Kathy Eraci-Bova, ASNOA Vice President of Education, will be the course instructor and has been working in the independent agency sector since 1980. No CE or designations are available for this course at this time. Graduating agents receive the accolade of accomplishment, the confidence to sell more in a new market and an ASNOA Small Business Commercial Lines Diploma to do with as they please.

The course is available for free exclusively to ASNOA Agents. Seats are limited intentionally to ensure a personal and relevant experience for all registrants. As a result, we encourage all ASNOA Affiliated Agents to register as soon as possible at www.asnoa.com/asnoa-university. If you are not a member, feel free to inquire about how we can help your business grow. We are constantly looking for new ways to improve upon our products and services to help independent insurance agents.

Whether you are a captive agent looking to transition into owning your own business, or a current independent agent looking to grow your book of business, we can help. With ASNOA, you don't have to spend time worrying about daily operations. Instead, **you can happily focus on doing what you love: selling insurance**.

Learn more at www.asnoa.com , call 866.484.9849 or email: contact@asnoa.net.

ASNOA®

UNIVERSITY

Knowledge Increases Revenue

SMALL BUSINESS COMMERCIAL LINES COURSE

GROW YOUR BOOK OF BUSINESS

The mission of the Agent Support Network of America (ASNOA) University is to provide independent insurance agents with the knowledge necessary to increase revenue and efficiency in operating their agencies. We want agents to have the resources and tools to sell with confidence.

THE COURSE IS FREE & AVAILABLE TO ASNOA MEMBERS ONLY.
To learn more about the course and other ASNOA benefits, please go to **asnoa.com/asnoa-university.**

1

CHAPTER 1:
Intro to Small Business Commercial Insurance - Definitions & Best Practices

2

CHAPTER 2:
Intro to Business Owners Policy (BOP)

3

CHAPTER 3:
Intro to Commercial Business Auto

4

CHAPTER 4:
Intro to Workers Compensation

5

CHAPTER 5:
Intro to Umbrella

6

CHAPTER 6:
Marketing

Live Online Classes

Pre-Recorded Sessions Coming Soon

Each chapter will walk you through the corresponding section in both the Small Business Commercial ACORD Application and ISO Policy Form.

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 $22.00 a month ($10, if retired) 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 $22.00 ($10, if retired) to:

NAAFA, PO Box 578, Circle Pines, MN 55014.

IF YOU HAVE MOVED, **please inform us of your *CHANGE OF ADDRESS*!!**

Contact us at: (888) 716-2232. Email us at: NAAFAwest@comcast.net.
Or mail us at: NAAFA, Inc. PO Box 578, Circle Pines, MN 55014

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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