

# The EA Competition Survey – the Results...



**THE SPRING ISSUE** of this magazine included the EA Competition Survey, which was designed to determine, from the agent's perspective, how competitive Allstate really is.

Well, the results are in and in keeping with Allstate's method of tabulating ALI scores, where only 40 responses are required to produce a statistically valid measurement, we believe the following statistics are indicative of the experiences shared by the vast majority of Allstate agents as we received many more responses than the minimum required.

When asked if Allstate has a competitive auto rate, 97% said no, 2% said maybe or sometimes. Three agents actually said yes, that Allstate has a competitive

auto rate in their markets. We apologize, however, that we cannot disclose these markets lest they be overrun by hordes of marauding Allstate agents in search of markets where they can close more sales.

76% of agents claimed that Allstate's auto rates are at least 30% higher than the competition. Nearly half of the agents responding claim they write 5 policies or less for every 100 quotes they produce. 20% of agents admit to writing 12 policies or more for every 100 quotes. Overall, this means that 80% of the agents write 11 policies or less per 100 quotes.

Only 57% of you are able to sell Allstate homeowner policies, and of those who are in "no write" areas, 65% say they lose the auto sale 30% of the time

because they cannot write a companion Allstate homeowner policy.

Your biggest competitors are State Farm, GEICO, and Progressive. 72% of Allstate agents write a policy away from GEICO less than 5 times per year. Marketing department, are you listening? It's no wonder GEICO is gaining on us.

After getting up off the floor from laughing so hard, 82% said they have never saved a GEICO customer \$473 when switching to Allstate. 10% said it happened only once in their career. One agent didn't check off any of the answers; instead he wrote the following comment: "This is a joke, right?"

Regarding the ALI score, 92% stated that Allstate's competitive position hurts their score; 8% said it has neither positive nor negative influence.

Not surprised? Neither were we. One long-term agent aptly reminded us that agents have been saying, "It's the rates stupid!" for years. Is this fact really so difficult for management to comprehend?

As Allstate agents, we know how important survey results are to senior management and we hope they take our results seriously. Unmistakably, our rates are way out of line in most parts of the country and it is clear that we need some major rate relief. Our suggestions are that the company tighten its belt by downsizing its bloated management structure, rein in excessive management compensation from top to bottom, eliminate the stock dividend and cut rates across the board so that we can begin a credible journey to overtake State Farm as the leader in the industry.

Accomplishing such a worthy goal will take great sacrifice by all stakeholders, including the shareholder, all levels of management, the employees and the agency force. We can do it if we take greed out of the mix. **Ef**