



## Why Join NAPAA?

### All Professionals Work Together for Their Common Cause

**Ted Paris, NAPAA Executive Director**

“Why join NAPAA?” This is a question I get asked repeatedly. It is a good question, but a better question is “Why not join?” I talk with a large number of agents weekly. Many just don’t understand a basic point: The larger the number of members we have, the harder it is for the Company to brand members as discontents. Or branded as older, negative agents who don’t want to work and just want to live in the past. Truth be told, those folks don’t join NAPAA. Imagine the influence we would have if over 50% of agents were members. Imagine the effect on the Board of Directors and analysts!

Generally, I will answer the question “why join NAPAA” with a short dissertation starting with why do attorneys join the American Bar Association (not the ABA that Garth Brooks sang about)? Why do doctors join the American Medical Association? Or why do Engineers or Architects or Accountants join their respective professional associations? Why do independent agency owners join IAABA, known as the Big I? These professionals join for a common cause. That common cause is to have someone help them by promoting their values and professionalism.

What about schoolteachers, police officers, or firefighters, who all join associations? I can go further. What about the National Basketball Association basketball players – don’t they join associations? And Major League baseball players? What about NFL players? Granted that the professional athlete associations have transformed to unions just like schoolteachers, police officers and firefighters have. But they joined together for a common cause of helping each other. Over time they became unions for many reasons such as collective bargaining, pay standards and job security, but remember these members are employees and not independent contractors. It is extremely difficult for non-employees to form a union, hence why State Farm agents have NASEA, Farmers has UFAA, American Family has NAAFA, and Nationwide had NIICA. All of these are trade associations like NAPAA.

Normally, the personality traits of the people who become insurance agents are more independent minded and strong willed. Dare to say, many have a Type A personality whose characteristics are among others: achievement oriented, competitive, fast paced and impatient. Any of this sound like someone you know? Being driven and goal oriented, many of these people don’t need any help, just ask them. All they need is for people to stay out of their way. In fact, they become offended when one even slightly suggests that they might need help (heaven forbid). Again, just get out of my way.

How is that working out for most of the agency force at Allstate? Until the year 2000, the agents at Allstate were employees with salary, commissions, bonuses, health benefits and retirements plans. And then you weren’t. Did the Company make the agents independent contractors (we can discuss that reality later) because it would be better for the agents to be independent business owners? But was it better for the agents or for the Company? Remember, Allstate hired McKinsey Research Company in 1992 to help Allstate transition themselves away from being part of Sears. McKinsey Research is a huge, talented, successful consulting firm. Normally, part of the

advice given is that companies need to reduce expenses to the bone. So again I ask, was forcing agents to become independent business owners good for you or the Company? The Company continues to use McKinsey Consulting. While the Company uses outside professional help, agents don’t need anyone to help counsel or help ... or do they?

When you joined Allstate as an Exclusive Agent, the Company told you that they would be there to offer training, advice and assistance. That they would be a true partner in helping you achieve greater success than one could imagine. Everything started off well – mostly. The company worked with you to understand the marketing programs and how to process the business. They taught you everything you needed to know to solicit and sell their products. They trained you on how to spend your money on leads, on marketing and on having staff. But did they ever train you on how to balance your finances? How to prepare a budget? Or was their advice limited to buy leads, hire more staff and make more sales? Did anyone ever counsel you on how to run a profitable business and have money for home? Or was the conversation “maybe you take out a TPP loan or borrow from your 401K” so you can achieve that trip to Paris or London?

A few years ago, I was asked to deliver a speech to the UFAA, the United Farmers Agents Association. UFAA knew I was a former District Manager and was a former Allstate agency owner. I accepted and titled my speech “Confessions of a Former DM” because for many years I was teaching the people I converted to becoming agency owners similar things. I resigned when it became apparent that starting a scratch agency was not producing the result that was promised. Agency owners needed more than what the Company was providing.

Agents needed a voice to the Company. Agents needed a voice to the Government regulators. Agents needed a voice to the media. Agents needed an organization to stand up for them. Agents needed a place to openly share ideas, suggestions, and best practices on how to be a successful business owner in addition to selling policies. Agents needed a place to vent without reprisal. Agents needed a place where they could learn and acquire information that the Company won’t provide. The agents needed more resources from an unbiased source.

I truly believe that NAPAA is such a place. Our only function and reason for existence is to help you become and maintain being a successful independent business owner running a successful Allstate insurance agency. That is our very being. We are here to assist you. Without Allstate agents we don’t exist. And, unfortunately, due to the nature of the beast (owning an insurance agency is tough and not for the faint of heart), to help you redirect your career outside Allstate when all else has failed. Not all agents will succeed.

I could list past success of NAPAA. I could list all the things we continue to do for the agents. But if you don’t understand the concept of what we do or understand why we continue to do what we do, you will never join. Please think about it. [www.napaausa.org/join](http://www.napaausa.org/join).