Exclusivefocus

Winter 2023/2024

An Official Publication of the National Association of Professional Allstate Agents, Inc.

What Now, My Love?

Take an Honest Appraisal of Your Opportunity, Direction

page 8

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A Magazine for Allstate Agency Owners

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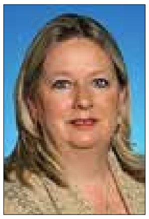

Stay Active in Your Personal Life

Claudia Gamache, NAPAA President, CPCU, ARM

It is amazing how quickly times flies by. Unbelievable that I have now been retired from agency ownership for nearly one year. Seriously, where did the time go? It seems like yesterday I was just starting my time as an agency owner. Prior to buying my agency in 2005, I held various positions with a major commercial insurance company and was an officer at an independent agency. My husband was a former Allstate agency owner, so when the opportunity arose to purchase an agency in the southwest suburbs, we jumped at it.

Switching from corporate to personal ownership had both challenges and opportunities. It was both scary and exciting. If you asked me today if I would do it all over again, I don't really know the answer. Being in a corporate setting had its advantages: steady income, fringe benefits and maybe a little more job security. But owning your own operation was exciting. New challenges and new opportunities. So, I would probably do it all over again. But after over 17 years of experience, I would make changes.

Enough about me; I have a few things to discuss. One would be that when you do decide to transition away from agency management and retire, do yourself a big favor. Stay active in your life. Don't drop all your memberships; in fact, you might want to join a few new ones. One of the hardest things to handle was continuing to have things that needed to get done. Maintain your cyber skills. Being busy and tugged at in many ways has been part of your DNA. This doesn't really go away.

Another thing is to get a hobby, a real hobby. Mine is walking on the shores of Lake Michigan and, if traveling, along seashores collecting sea glass. Yes, walking on the shores of Lake Michigan in January is a little cold, but it's worth it. This year I also collected glass in Mystic, Conn.; Cleveland, Ohio; Racine, Wis.; and Mykonos, Greece. Finally, when you retire, travel. Especially if you didn't permit yourself too much time away as an agent. Plan your dream trip now while you are still able to enjoy it. I can proudly say that regarding these things I have followed my own advice!

I am proud to be involved in NAPAA as the current president. I had been a member for many years. In addition to being president, I served as a board member, as the executive vice president and as secretary. I enjoy working with the other members of the board of directors to keep agents informed, updated, and educated on what is happening at not only Allstate but the insurance industry, as well. NAPAA has many publications, the Exclusive*focus*, a quarterly magazine; the *Direct Express*, a weekly newsletter to NAPAA members; and the Agent Informer that goes to nonmembers twice a month. We also manage and operate the All Agents Page for Allstate agency owners and the Plan B, planning for life after captive for captive agents who are looking to transition away from Allstate. Both pages are Facebook pages. We do a lot to try to help keep members and nonmembers informed. This takes a great deal of effort and expertise. I hope you appreciate them.

In this edition of the magazine, we are doing a feature on our board of directors. They are a hardworking, diverse group of current agency owners and retired agents who donate their time without any compensation. Serving is strictly a labor of love. Our Executive Director, Ted Paris, who himself was a former Allstate agency owner of multiple agencies, is the only paid employee at NAPAA. So please read the feature about the agents who are supporting you.

Going forward, I plan on serving out the remainder of my term as president. Afterwards, I will continue to assist NAPAA in any way I can.

Claudia Gamache retired in January of 2023 as an agent for Allstate Insurance, after having been an active agent from 2004 to 2022. She holds a broker's license and plans to continue her insurance education. Over the past years, she has served on various insurance and community Board of Directors. Claudia is currently the president of the National Association of Professional Allstate Agents. She has earned CPCU, ARM and AMIM designations, and her experience includes management at branch, regional and national levels.

Her experience has been primarily in Property and Casualty, but she also has Life Insurance experience and passed the 6 & 63 exams. She has been on the company and agency side of the business, and some of her more interesting experiences have been working with the E&S market and the development of a PEO.


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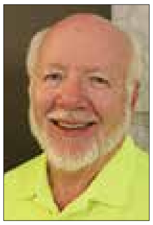
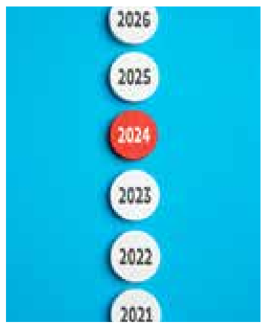


What Now, My Love?

Ted Paris, NAPAA Executive Director

This was a popular song years ago. While many artists sang it, Elvis's rendition was the best. It talks about leaving and what is going to happen next. It talks about hopes and dreams turning into ashes. It goes into how he could once see, and how he is numb and without a goal. And how he would be a fool to go on and on. Wow. Almost sounds like the love affair we all have had with Allstate. Okay, maybe not a "love affair," but we all felt good about owning and operating an Allstate agency.



Since the announcement of Transformative Growth in November 2019, there have been considerable changes and upheaval in the Exclusive Agency channel. What we once knew is now mostly gone. What we once felt about owning an agency has changed. Granted, for some the change has allowed for growth, the opportunity to earn more income, and opportunity to expand. For others, the opportunity is "not what it used to be." Many agency owners are watching the economic interest in their agencies deteriorate; their ability to grow as they did in the past has changed, and their ability to run their agencies is more challenging than ever, while others have watched their opportunity grow and flourish. If there was ever a time when people had a difference of opinion on whether the glass is half full or half empty, this is it.

Before my time with Allstate, about 25 years ago, Allstate was transitioning The Company from captive employee agents to independent contractor status agency owners. (Let's don't go down the IC status.) All the agents were in an uproar, a state of flux. Some were upset, mad, worried, fearful, and afraid of what the future was going to bring. The apple cart was more than turned over, it was destroyed. Others thought YES, this is great. Best thing that ever happened. Again, the glass was half full—or was it half empty? I surmise it depended on which path you took. Many of the agents who left probably made the right move; just because you were a great employee agent did not mean you had the skillset to own and manage your own business. But for those agents who were being held back by The Company's rule and management who had the ability to be an entrepreneur and could juggle of the balls needed as a business owner and still be an agent, the opportunity was there for the taking. Twenty-five years ago, the decision they made on their future was based on their beliefs or fears. Some who left probably should have stayed. Some who stayed probably should have left.

So fast forward to TODAY. Again, agents are faced with some tough decisions. WHAT NOW? Is the glass half full or is it half empty? In all honesty, it's both. Exclusive agency owners are at a similar crossroads that many agency owners before us faced. The opportunity has changed. The opportunity is going to continue to change. We've talked in the past about the only constant in the world is change. That is still true and how you handle the change is paramount. We are being forced to make life-changing decisions. It might be a good idea to review your hopes and your dreams to determine if your future is still with Allstate. You are going to be forced to set new goals and determine whether one would be a fool to go on. All of these are tough, tough decisions to make. Especially if you have been a true-blue believer. Should you leave or should you stay? That decision is up to you. If you are unwilling or unable to change, then that decision has already been made but not acknowledged.

To stay, successfully, you are going to be required to make numerous changes. You are going to need to start thinking BIG. You are going to understand that managing numerous staff is not a dream but a reality. You are going to understand that you are a businessperson who owns a small business who employees 15 to 25 people and your product is offering Allstate products to the insurance public. You need to understand that you are not going to pick and choose which products you will sell. The Company will determine that. Your agency operations are going to be refined. Things that you used to do will be handled outside your agency. Your main function will be to produce new business for The Company. You will be paid well if you produce in sufficient numbers in the products The Company wants. Your income will be mostly driven by new business and bonuses. While you will still receive renewal income, the percentage derived from it will be less than previously.

I talk with hundreds of agents every year. Many of the more aggressive agency owners are extremely optimistic about the future. They have accepted the new model. They are shooting for the moon and beyond as Buzz Lightyear would say. Other agents are still clinging to the ways of the past. But just like in 2000 when Allstate upset the apple cart and made everyone become an agency owner, in 2024 and beyond, all agents are going to have to accept the new model if they want to remain an agent with Allstate. This does not make it right nor wrong. It's just a fact.

Listen, there is STILL A GREAT OPPORTUNITY IN OWNING AN ALLSTATE AGENCY. Will it be different than before? YES. I suggest that you dig deep and determine WHAT NOW!

Ted began his 30-year career in insurance at Farmers Insurance. There, in his 18 years as a district manager, he personally recruited and trained over 50 scratch agencies. When Ted left Farmers in 2005, his district was the largest in the Indianapolis area and the third largest in the state of Indiana. He continued his insurance career at Allstate, where he purchased three agencies in west-central Indiana. While at Allstate, Ted served on the North Central Regional Advisory Board, and earned numerous awards including the Chairman's Award, the Leader's Club Award, the National Conference Award, and many Honor Rings. Ted was an Allstate agent starting in 2005 until he sold and retired in 2017. He has been the Executive Director for NAPAA since 2017. He can be contacted at ted.paris@napaausa.org.

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The Price of Joining Agency Networks and Alliances – What's Fair?

Daniel Bruck, Smart Choice

If you're partnered with, or have ever considered partnering with an agency network, alliance, aggregator or cluster, you have—no doubt—had to evaluate what it's going to cost you and your agency. With over 100 agency networks and alliances across the country, it can be difficult to evaluate and determine which type of fee structure will be right for you.

Agency networks can benefit your agency in a number of ways, such as providing risk placement assistance, product and sales training, free education, and more, in addition to their main draw—market and carrier access. However, in most cases, you'll have to hand over some money to gain that access, which can be difficult if you're just starting out and funding is already tight. In order for that network or alliance to be in business, however, they have to make money too. The partnership must be mutually beneficial.

Networks and alliances make money in three ways—fees, bonuses, and commission splits. To determine which network has the best financial offering for you, you'll need to weigh each alliance's fee and compensation structure on those three things.

Bonuses and Contingency Sharing

Most agency networks and alliances are able to make money each year by earning special bonuses and contingencies through the combined premium of the agencies with whom they're partnered. In the 2022 INA Study, 69% of agency networks and alliances said they shared up to 75% of their profits from these agreements with their member agencies.

Look through your contract carefully to make sure you'll have access to these exclusive types of benefits from the carriers, as this can have a significant impact on small to mid-size agencies who may not otherwise be able to earn such benefits.

Fees

While most agents will automatically look at the commission split first, the very first thing you should consider is whether or not the membership charges any fees. Many alliances charge fees for access to their membership levels, which can include any combination of start-up (join fee), monthly, exit, or even all three. Before you ever write a policy or gain access to a carrier, you may have to pay anywhere from $5,000 to $20,000 just to get started.

After that, like any franchise, you may have to pay a monthly marketing fee that could be fixed, or on a sliding scale depending on the size of your agency or book of business, which could ultimately end up hindering your revenue growth. If your fees go up as your income goes up, it can be a frustrating and never-ending cycle.

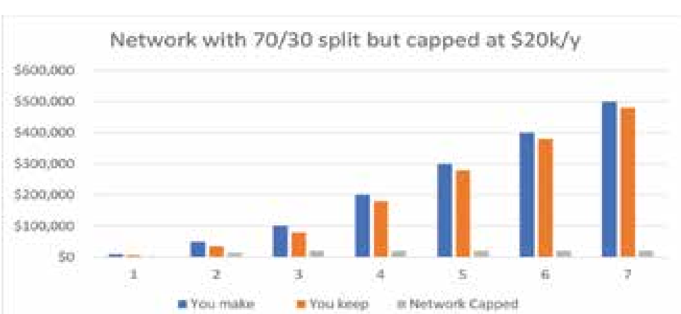
If you end up deciding the membership or partnership isn't benefiting your agency, and decide to leave, you may have to pay a fee to break your contract as well.

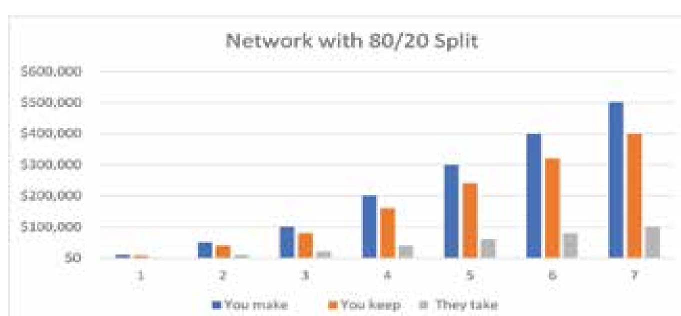
Commissions

One of the top consideration points that agencies evaluate is the commission split they'll have to pay. If you're comparing two network contracts, and one has a commission split of 80/20, the other of 70/30, it may automatically seem like the first agency contract is the obvious choice since they're taking less of your hard-earned commissions, right?

Not necessarily. While retaining 80% of your sales revenue certainly seems better than 70%, clauses like this often involve hidden costs. First consider the fees you'll be paying on TOP of the commission, which will negate a portion of your profits. Second, you need to find out if there's a cap on how much the network or alliance can take of your commissions in any given year.

The 70/30 commission split might actually be the better deal, especially if it comes with a cap and no fees. Once you reach that





cap level and start receiving 100% of your commissions, it is guaranteed that you'll never pay more than a certain amount to your network partner in any given year, no matter how large your agency gets. This small clause can pay off in a big way once your agency has become successful.

Imagine the following scenario:

	Network with 80/20 Split		Network with 70/30 split but capped at $20k/year	
You Make	**You Keep**	**They Take**	**You Keep**	**They Take**
$10,000	$8,000	$2,000	$7,000	$3,000
$50,000	$40,000	$10,000	$35,000	$15,000
$100,000	$80,000	$20,000	$80,000	$20,000
$200,000	$160,000	$40,000	$180,000	$20,000
$300,000	$240,000	$60,000	$280,000	$20,000
$400,000	$320,000	$80,000	$380,000	$20,000
$500,000	$400,000	$100,000	$480,000	$20,000

As you can see, the cap pays off in the long run as your agency grows. So, in a network without a cap on commission splits, no matter how large and how successful you become, as you grow, you're always paying more of your hard-earned income.

In addition, it's important to note that some agency networks and alliances take a portion of your commissions on EVERYTHING you write, not just on the carriers you access through their network. This could cost you a lot, if you already have some direct contracts on your own and are forced to move the business under the network.

Tip: Carefully compare commission structures and fees together so you have a full understanding of the cost of doing business. A network that offers a commission cap is often the best choice for long-term earnings and revenue growth. Also look for a network or alliance with a non-exclusive contract which allows you to keep 100% of your commissions on your direct contracts.

> From an agency owner's perspective, this is very important because I think with some of these other aggregators, you don't have that cap level. They're going to take a percentage of what you do in perpetuity and they're going to take it at that same percentage no matter how big your book gets. And that's to me what makes Smart Choice a very equitable and fair proposition and I've always said that whenever anyone's talked to me about Smart Choice. I've always told them that I thought it was a very fair business agreement. —Allan Miles

Can They Do That?

Frequently Asked Questions about the Allstate Contract

Dirk Beamer

I spend a lot of time providing expert consulting services to agents and their local attorneys all across the country. On average, I probably speak to two or three agents every week. Most of the time, they are calling to clarify what is or is not permissible under the R3001 Exclusive Agency Agreement.

Although Allstate uses the same form contract across the country (except in New Jersey), you should keep in mind that contracts are ultimately subject to state law. Since each state has its own set of laws, how the contract is construed in one state may be different that in another. Additionally, the unique facts and circumstances of each situation need to be carefully considered when analyzing the legal ramifications of actions under the contract. With these caveats in mind, let's take a look at some of the most frequently asked questions I receive from agents.

We Don't Have a Contract, We Have an "Agreement", Right?

I hear this a lot, and I assume it is because the title of the Allstate contract is the R3001 Exclusive Agency Agreement. Typically, the person asking seems to believe there is a legal difference between a "contract" and an "agreement," and that this difference makes the agreement somehow less binding or enforceable. Turning to the Black's Law Dictionary that I purchased many years ago in law school, I can confirm that the definition of the term "contract" is "an agreement between two or more persons which creates an obligation to do or not to do a particular thing." In other words, a contract is, by definition, an "agreement." Call it what you will, the R3001 Exclusive Agency Agreement is the contract that underlies and forms your legal relationship with Allstate.

Can They Require Me to Attend Meetings?

Yes and no. According to the Agreement, the agent will, when requested, "meet with company representatives at mutually convenient times to discuss various business topics." I understand this to mean that an agent will respond to a request for a meeting and make a reasonable effort to find a mutually convenient time to meet. I also understand this to mean that local management may not unilaterally dictate that an agent show up at a set time and place without making accommodation for the agent's schedule. So if your FSL shows up unannounced in your office and says, "We need to talk right now," you would be within your right to determine whether this, in fact, was a convenient time to meet. By the same token, if you receive a phone call asking to find a convenient time over the next few weeks for a meeting, you should make a reasonable effort to comply.

If I Receive a 90-Day Termination Notice, May I Continue to Operate My Agency During the 90-Day Window?

According to the Agreement, once written notice of termination has been given, the agent will "upon request of the Company, cease to act or two represent itself in any way as an agent or representative of the Company." So if Allstate affirmatively asks or directs you to stop working in the agency as an Allstate agent, you should do so. However, many agents do not realize that pursuant to the Manual, a terminated agent may make a request to allow the agency to remain open, especially in those instances where closing the office will cause "significant undue hardship" to the business. If you have licensed staff, you should pursue such a request if you receive notice of termination.

What Are the Restrictions on Competition for a Departing Agent?

Terminated agents (whether by Allstate or voluntarily) agree for a period of one year not to "solicit the purchase of products or services in competition with those sold by the Company"

- From the departing agent's customers;
- From Allstate customers the departing agent learned of while working as an Allstate agent; or
- From any location within one mile of the departing agent's former Allstate agency.

A bar against solicitation differs somewhat from a bar against competition. Under the contract, former Allstate agents may sell competing products within the one-year window so long as they have not improperly solicited the sale of those products.

Remember, the prohibition against using information Allstate considers proprietary or confidential continues beyond the one-year non-solicitation window. If Allstate believes you are improperly soliciting business with the assistance of an Allstate customer list, it may initiate legal action even after the one-year window has closed.

Do They Really Own My Phone Numbers?

According to the Agreement, "All telephone numbers used in connection with business conducted pursuant to the Agreement are owned by the Company." I would be very interested in hearing a judge's reaction to this provision, especially if the number was obtained and paid for by the agency over a number of years. Additionally, the language begs the question, "What numbers are 'used in connection with' business conducted pursuant to this Agreement?" Does that include the agent's cell phone number? Or additional rollover phone lines that are not advertised to the public? My general rule of thumb is to give them the primary office number that is published in connection with the agency.

Who Determines the Sale Price of an Allstate Agency?

Routinely, Allstate agents call to complain of management interference with the negotiation and sale of a book of business. More than once, I have heard of situations where a selling agent and his buyer have agreed on the sale price only to have the buyer balk at the price based on feedback from local management. Such interference is clearly improper and should not be tolerated. According to the Manual, "In the sale of agency situations, Allstate is never the buyer or seller. The only times Allstate is involved is to approve the buyer and when you elect to receive the termination payment....It is your responsibility to establish a value and negotiate the sale price for your economic interest in any of the business included in the transfer."

What Am I Being Disciplined for My Staff Member's Misconduct?

Allstate routinely encourages its agents to expand their agency's staff. But this does not change the fact that, in Allstate's words, "You are accountable for the conduct of your agency's staff. You must ensure that all agency staff comply with all laws affecting your agency operation and meet the Company's standards with respect to ethical business practices." I have spoken with numerous agents who are surprised to learn that Allstate corporate security is recommending the termination of their agency agreement based on overzealous of sloppy sales practices by one or more staff members. Twenty- and thirty-year agents shake their heads in disbelief that, notwithstanding their long careers and impeccable records, Allstate most often follows a one strike and you're out rule when staff members deviate from company best practices.

Conclusion

All combined, the R3001 Agency Agreement and the ancillary materials (Manual, Supplement, Reference Guide, and Standards) cover hundreds of pages. And those pages get updated and modified routinely. Nonetheless, I urge you to take the time to read them and understand them as best you can. To paraphrase an old legal maxim, "Ignorance of the contract is no excuse."

The information presented in this article is not intended to replace independent evaluations by your professional advisors. NAPAA has provided this article for informational purposes only and should not be construed as legal advice from NAPAA or its attorneys or accountants, and NAPAA expressly disclaims any such advice. NAPAA recommends that agents consult with their professional advisors before taking any action that could affect their tax or legal status. This article was previously published in the Fall 2017 *Exclusive*Focus.

Dirk Beamer has served the National Association of Professional Allstate Agents ("NAPAA") as General Counsel since 1999. In that capacity, he has successfully defended NAPAA against a federal internet trespass case brought by Allstate. He also sued Allstate on behalf of NAPAA and its members in a highly publicized federal lawsuit challenging Allstate's treatment of its agents. In addition to litigation matters, Dirk regularly counsels NAPAA concerning its ongoing business affairs including contract negotiations, management and employment issues, and member concerns. Dirk provides similar services as General Counsel to The United Farmers Agents Association ("UFAA"). Dirk regularly works with captive insurance agents from across the country, as well as their local attorneys, to handle business issues including purchasing and selling books of business, investigations and disciplinary proceedings with the carrier, employment law and contract litigation. Dirk graduated from the University of Michigan Law School with honors in 1993. He is licensed to practice in Michigan and Ohio, and he is a member of the State of Michigan Bar Foundation—an honor reserved for less than 5% of the practicing bar in the state. In 2014, Super Lawyers magazine named Dirk one of the Top 50 business lawyers in the state of Michigan. He is a past recipient of the National Association of Professional Allstate Agents President's Award. Dirk can be reached at dbeamer@wrightbeamer.com or visit his website at www.wrightbeamer.com/.

Considerations for Insurance Agents Doing Business in a Hard Market

Is it Better to Weather the Storm as an Independent Agent?

Doug Coombs, SIAA

In the dynamic landscape of the insurance industry, the ability to navigate and thrive in a hard market is a crucial skill for independent and captive insurance agents. As the market becomes more challenging, with increased competition, shrinking carrier appetites, and economic uncertainties, establishing a resilient and successful independent agency might be an attractive option for exclusive agents feeling the squeeze in the current environment. It will require strategic planning and foresight. Let's review some of the key considerations for insurance agents in navigating a hard market, along with some thoughts about whether the challenges are more easily managed as an exclusive or independent agent.

Understanding the Hard Market

A hard market is characterized by reduced capacity, increased premiums, and more stringent underwriting standards. This shift can be triggered by various factors such as economic downturns, catastrophic events, or changes in regulatory requirements. Insurance agents must recognize the signs of a hard market and adapt their strategies accordingly. Let's face it, if you don't realize we're in a hard market at this point, insurance may not be your optimal vocation. This article asks: is it easier to adapt as an independent agent rather than an exclusive agent?

Before venturing into independence, conduct a comprehensive analysis of the market. Understand the current trends, competitive landscape, and regulatory environment. Identify niche areas or underserved segments where your expertise can provide a competitive advantage. This analysis will serve as the foundation for your business plan and help you tailor your services to meet the specific needs of your target market. Additionally, make sure there are carriers writing the market segments in which you will likely specialize. The good news here is that, as an independent agent, access to multiple carriers can be a key to success, while not an option for exclusive agents.

In a hard market, being a one-trick pony can be risky. Diversifying your product and service offerings can provide a cushion against the impact of fluctuations in any particular sector. Consider expanding into complementary lines of insurance or introducing specialized coverage options that align with emerging market demands. This approach not only enhances your value proposition but also positions your insurance agency as a versatile and adaptable player in the market. This is another key to success that is easier to execute with multiple carriers in your arsenal, which would be an advantage for an independent agent.

Underwriting becomes more stringent, making it essential for independent agents to build strong relationships with underwriters. Cultivating open communication and trust can make the underwriting process smoother, improving the chances of securing favorable terms for your clients. Regularly update underwriters on your agency's performance, market insights, and risk management strategies to strengthen your partnerships. This is an area that is likely easier for exclusive agents, as typically there are fewer underwriters who need to be engaged when dealing with a single carrier.

Business Planning

Successful insurance agencies are built on a foundation of planning and vision. When navigating a hard market, a well-thought-out business plan becomes even more critical.

Clearly define what sets your agency apart from the competition. Develop a unique value proposition that highlights your agency's strengths, expertise, and commitment to client satisfaction. This differentiation is crucial in attracting and retaining clients in a market where choices may be limited. This is likely easier to accomplish as an independent agent since choices may be limited, but choices are still possible.

In a hard market, efficiency is important to stay competitive. Invest in advanced technologies and innovative tools that streamline your operations, enhance customer experiences, and enable data-driven decision-making. Embracing Insurtech solutions can give your insurance agency a competitive edge, allowing you to adapt to market changes swiftly. This major element to success is likely more easily accomplished as an exclusive agent, however, the carrier is probably making the choice in this case, not the agent.

Building a team of skilled professionals is critical to the success of any insurance agency. Identify and recruit individuals with expertise in the areas where your agency aims to excel. Provide ongoing training and professional development opportunities to ensure your team stays abreast of industry trends and regulatory changes. A well-equipped and motivated team is a tremendous asset during challenging market conditions. This key to success rests on the shoulders of the agency owner—independent or exclusive.

Risk Management Strategies

Effective risk management is the backbone of a successful insurance agency, particularly in a hard market where risk factors are amplified.

Conduct comprehensive risk assessments for clients to understand their unique risk profile. Tailor insurance solutions that address their specific needs and exposures. Proactive risk management not only protects your clients but also positions your agency as a trusted advisor during times of uncertainty. This should be done at an initial meeting, and then heading toward renewal periods, at a minimum. For exclusive agents, this could be more challenging since they are tied to a single carrier. Risk assessments should definitely be completed for high-value existing clients, and then work in assessments for additional clients as possible.

A data-driven approach enhances your decision-making capabilities and positions your independent agency to respond swiftly to changing market dynamics, which is critical when navigating a hard market. An independent agent can decide which systems and what data to focus on, while exclusive agents likely have access to more data, but may not be able to prioritize its importance or use. For both independent and exclusive agents, data enables owners to make better, quicker, and more impactful decisions, while providing a more accurate picture of their clients' risk situations

In a hard market, regulatory changes can have a significant impact on the insurance landscape. More pointedly, rate increase filings by insurance carriers are likely to grow. Establishing a robust compliance management system safeguards your agency against potential legal risks, and although your clients likely take this for granted, it is important that you make it a reality. This probably requires a more focused effort on the part of independent agents, who do not have dedicated resources maintaining close relationships to regulators and compliance contacts.

Conclusion

Navigating a hard market as either an independent or captive insurance agent requires a combination of strategic planning, adaptability, and a commitment to excellence. By thoroughly understanding the market, diversifying offerings, building strong relationships with clients and underwriters, and implementing effective risk management strategies, you can position your agency for success in even the most challenging conditions. An independent agent likely has more options and flexibility when it comes to determining how to address these issues, while an exclusive agent probably has access to a more formalized approach.

Whether you are an independent or an exclusive agent, embrace change, stay informed, keep your clients informed, and continuously refine your strategies to ensure the long-term success of your insurance agency.

Doug Coombs is the Executive Vice President and Chief Marketing Officer of SIAA (Strategic Insurance Agency Alliance, Inc.). He can be reached at dougc@siaa.net. SIAA is a national alliance of independent insurance agency members generating hundreds of millions in new premium business annually. SIAA is dedicated to the creation, growth, retention, and evolution of the local independent agency. To learn more about SIAA, visit siaa.com.

Tips From a CPA

Ed Gallatin

The following is a compilation of previously published tips from CPA Ed Gallatin.

The Mutual Fund Tax Trap

Too often taxpayers receive tax surprises at year-end due to actions taken by mutual funds they own. What can add insult to injury is when the unsuspecting taxpayer, who recently purchased the shares in a mutual fund, is taxed on their recent investment. How does this happen and what can you do about it?

Tax surprises

Towards the end of each year, many mutual funds pay a dividend to the holders on record as of a set date. The fund might also distribute funds deemed as capital gains based upon buying and selling activity that takes place in the fund throughout the year. This can create many problems:

- **Taxable paybacks.** If you purchase shares in a mutual fund just before a distribution of dividends, part of your purchase includes the dividends that are effectively paid right back to you. Not only will the asset value of your recently purchased shares in the mutual fund go down after the distribution, but you will owe tax on a distribution that is effectively your own money!
- **Kiddie tax surprise.** Many taxpayers purchase mutual funds in their children's names to take advantage of their lower-tax rates. By keeping their child's unearned income below $2,100 the tax is low or non-existent. A surprise dividend or capital gain could expose much of this unearned income to higher tax rates.
- **The $3,000 loss strategy.** Each year, you may take a net of up to $3,000 in investment losses. Your losses can offset high rates of income tax with correct tax planning. But first, these losses need to offset capital gains. If you receive a surprise capital gain, you could be reducing the effectiveness of this tax strategy.

What to do

Here are some ideas to help reduce this mutual fund tax surprise:

- **Limit year-end activity.** Plan your mutual fund moves with this year-end surprise in mind. Consider reviewing and rebalancing your funds at the beginning of the year to avoid fund purchases just prior to dividend distributions.
- **Research your mutual funds.** If you wish to avoid a year-end surprise, do a little research on your mutual funds to anticipate what will happen with the fund. Check out the historic trends of your funds to determine which are most likely to issue a surprise Form 1099 DIV or Form 1099 B (capital gain/loss).
- **Use the knowledge to your benefit.** If you like a fund and it has a practice of creating taxable events each year, consider investing in these funds within a retirement account. That way the tax implications can be part of your retirement planning.

No one likes a surprise at tax time. The best course of action regarding your mutual funds is to consult with an expert who can help you navigate the options that are best for you.

Understanding Your Tax Profile

Tax season can be a daunting time for many insurance agents. With myriad deductions, credits, and tax regulations to navigate, it's crucial to be well-prepared to ensure you're making the most of your income and minimizing your tax liability. In this comprehensive guide, we will provide valuable insights and tips to assist insurance agents in preparing their income taxes while focusing on year-end tax savings strategies.

Before diving into the specifics of tax preparation and year-end strategies, it's essential to understand your unique tax profile as an insurance agent. Your income may come from various sources, such as commissions, bonuses, and investment income, each of which can have different tax implications. Here are some key elements to consider:

Income Sources: Identify all sources of income, including commissions, agency fees, and any side ventures or investments. Different types of income may have varying tax treatments.

Deductions: Keep track of deductible expenses related to your business, such as office rent, marketing expenses, professional memberships, and vehicle costs. These deductions can help lower your taxable income.

Record Keeping: Maintain organized records of your financial transactions, including income and expenses. Proper record-keeping will make tax preparation more manageable and help you maximize deductions.

Year-End Tax Savings Hints

1. Maximize Retirement Contributions

One effective way to reduce your taxable income is to maximize your contributions to retirement accounts such as a Simplified Employee Pension (SEP) IRA or a Solo 401(k). These contributions are tax-deductible and can significantly lower your tax liability. For the 2023 tax year, the contribution limit for a SEP IRA is 25% of your net earnings from self-employment or up to $61,000, whichever is less.

2. Consider Health Savings Accounts (HSAs)

If you have a high-deductible health insurance plan, consider contributing to an HSA. HSA contributions are tax-deductible, and the funds can be used tax-free for qualified medical expenses. This not only reduces your taxable income but also provides a tax-advantaged way to save for healthcare expenses.

3. Take Advantage of Business Deductions

As an insurance agent, you may have various deductible business expenses, such as marketing, office supplies, travel, and professional development. Be sure to track these expenses throughout the year and claim them on your tax return to lower your taxable income.

4. Timing is Key

Consider the timing of your income and expenses. Delaying the receipt of commissions or accelerating deductible expenses into the current tax year can help manage your tax liability. However, consult with a tax professional to ensure you comply with tax regulations.

5. Tax Credits

Explore tax credits that may be available to you, such as the Small Business Health Care Tax Credit if you provide health insurance to your employees. Additionally, the Work Opportunity Tax Credit may apply if you hire individuals from certain target groups.

6. Seek Professional Guidance

Tax laws and regulations can be complex and subject to change. Consulting with a tax professional who specializes in working with insurance agents can help you navigate the intricacies of your tax situation and identify additional opportunities for savings.

Tax Preparation Tips

When it comes to preparing your income tax return, here are some tips to keep in mind:

1. Choose the Right Tax Software or Professional

Decide whether you'll prepare your taxes using tax preparation software or hire a tax professional. Tax software can be cost-effective and user-friendly, while a tax professional can provide expertise and ensure compliance with tax laws.

2. Organize Your Documents

Gather all the necessary tax documents, including W-2s, 1099s, and receipts for deductible expenses. Organizing your documents in advance will streamline the tax preparation process.

3. Stay Informed

Stay informed about changes in tax laws and regulations that may affect insurance agents. Tax laws can change frequently, so being up-to-date is essential to making informed decisions.

4. Review Your Return

Before submitting your tax return, review it carefully to check for errors or omissions. Mistakes can lead to delays in processing or potential audits.

5. File Electronically

Filing your tax return electronically is faster and more secure than mailing a paper return. It also allows for quicker processing and the option to receive your refund via direct deposit.

Navigating income taxes as an insurance agent may seem overwhelming, but with careful planning and the right strategies, you can optimize your tax situation while minimizing your tax liability. Remember to understand your unique tax profile, take advantage of year-end tax-saving hints, and follow best practices for tax preparation. Seek professional guidance when needed and stay informed about tax law changes to ensure you're making the most of your financial resources. By taking these steps, you can achieve greater financial stability and peace of mind during tax season.

Audit-Proof Your Deductions

The IRS is being very public about increasing the review of tax returns. The best defense for you is to be prepared before it happens. Here are some suggestions:

The One-Two Punch

To prove your deduction, most auditors look for two key documents: receipts and proof of payment.

1. Receipts. This is the first of the key documents you must have to validate a deduction. The receipt should clearly show the company or entity, the date, the value of the activity and a clear description of the activity. In the case of donations, the receipt should also have a statement that confirms you received no benefit in return for your donation. It should also state that you are not retaining part ownership of the donation.

2. Proof of payment. The second key document to defend your deduction is proof of payment. You will need a canceled check, a bank statement or a credit card receipt and related statement.

Contemporaneous is Key

Your proof of payment and receipts should generally match the date of the activity. The IRS is quick to dismiss receipts that are obtained after the fact. A good rule of thumb is to ensure receipts and proof of payment are received at the time of the activity. If not, at least make sure you have receipts and payment proof within the tax year the deduction is taken.

Other Proof is Often Required

In addition to the above, there are certain deductions that require additional documentation. Here are the most common;

1. Mileage logs. You will need to show properly-maintained mileage logs for business miles, charitable miles and any medical mile deductions.

2. Business records. You will need financial statements for any business-related activity with supporting documentation.

3. Residency. If you live in multiple states or multiple countries, you may have to prove where you lived during the year. In addition, to receive the capital gain exclusion for a home sale, you will need to prove residency for two of the last five years. So keep records that show your physical presence to support your tax filings.

4. Non-reimbursement. If you claim any education credits, you will need to show that you actually spent money for qualified expenses at qualified institutions. You will also need to show that your claimed expenses were not reimbursed through scholarships or grants.

Defending your tax return during an audit can seem daunting. Fortunately, with some thoughtful planning, an audit can readily turn into a NO CHANGE audit.

Tax Efficient Retirement Requires Planning

Putting off distributions and holding assets in your retirement accounts as long as possible may seem like a good idea, but waiting too long can cause a major tax problem. When you reach age 73, the trigger requiring minimum distributions (RMDs) from qualified retirement accounts is initiated, potentially causing unwanted tax obligations.

RMDs Explained

Required minimum distributions is a formula applied to traditional IRAs, SEP IRAs, SIMPLE IRAs, 401(k), 403(b) and other defined contribution plans that calculates how much you must withdraw from your retirement accounts each year. If you fail to take out the minimum distributions, amounts not distributed on a timely basis can be subject to a 25% penalty (or 10% if the problem is corrected within two years).

ALERT: Prior to 2023, the RMD penalty was a whopping 50%!

Thankfully, there are other beneficial rule changes that impact required minimum distributions:

No distributions required while you are still working. You may now delay withdrawing funds from employer plans like a 401(k), past age 73 as long as you are still working and are not a 5%-or-greater owner of the company.

RMD rules are different for Roth accounts. Roth IRAs are not subject to the RMD rules while you are still living. And beginning in 2024, Roth 401(k) and Roth 403(b) minimum withdrawals are not required.

The RMD rules ensure the deferred tax benefit for certain retirement accounts does not extend indefinitely into the future. In other words, the IRS wants their cut by applying income taxes to your tax-deferred savings account balances. The amount you must take out each year is based upon your age, your spouse's age, and your filing status.

The Tax Planning Opportunity

If you wait to start taking money out of your retirement accounts, the balance in your accounts may be very high when you reach age 73. These higher balances mean a higher annual taxable withdrawal amount. If your required retirement plan distribution is large enough, it may apply a higher marginal tax rate on your withdrawals, and trigger taxes on your Social Security benefits. Depending on your income and filing status, up to 85 percent of your Social Security benefit can be subject to income tax.

The key is to be tax efficient in your withdrawals every year, and long before the required minimum distribution rules take away your planning flexibility.

Some tips

- **Plan withdrawals.** Once you hit age 59½, you may withdraw money from qualified, tax-deferred retirement accounts without experiencing an early withdrawal penalty. To reduce future tax risk on your Social Security benefits, manage annual disbursements from your retirement account(s) to be more tax efficient when you reach age 73.
- **Start receiving Social Security.** You may begin full Social Security benefits after reaching the minimum retirement age. But remember, your benefit amount can increase if your start date for receiving Social Security benefits is delayed until age 70. Consider this as part of your plan to be tax efficient.
- **See an advisor.** There are many moving parts in planning for retirement. These include Social Security benefits, pension plans, savings, and retirement accounts. Ask for help to create the proper plan for you and your family. One element of the plan should include being tax efficient to avoid the tax torpedo.

H. Edward Gallatin MBA, CPA, CTRS is a distinguished professional with an extensive academic background and a profound commitment to his community. Graduating from Indiana State University in 1980 with a Bachelor of Science degree in Political Science, and subsequently earning a Bachelor of Science in Accounting in 1996, followed by a Master of Business Administration in 1998, Mr. Gallatin has demonstrated a strong foundation of knowledge and expertise.

As a lifelong resident of the Wabash Valley, Mr. Gallatin not only imparts his wisdom as an educator, teaching Accounting and Finance at Indiana State University, but also plays an active role in various community endeavors. He is readily available as a guest speaker on topics related to Personal Finance and Tax Strategies. Operating under the banner of H Edward Gallatin CPA, his firm is dedicated to serving the diverse needs of individuals and small businesses within the Wabash Valley. Situated at 18 S. 5th Street, Terre Haute, Indiana, his practice exemplifies a deep commitment to nurturing entrepreneurial aspirations by providing invaluable guidance in business initiation, organization, and financial planning.

Furthermore, when it comes to addressing IRS-related issues, Mr. Gallatin offers a resolute solution. His local presence ensures personalized, confidential assistance that stands in stark contrast to the impersonal, often unfulfilled promises of national firms. With a distinguished certification as a Certified Tax Resolution Specialist (CTRS), Mr. Gallatin possesses the requisite qualifications and expertise to tackle a wide spectrum of tax challenges.

To connect with H. Edward Gallatin for professional assistance or inquiries, please feel free to reach out via email at hgallatin@aol.com or by phone at 812.229.0427. For comprehensive information regarding his services, kindly visit www.heg-taxrelief.com. Your path to financial success begins here.

Why Not?

Richard Pope

I'll bet that 99.9% of all the people in the world have gone through a decision-making process of some kind and used those exact same words—in all different languages—WHY NOT? Every day we are faced with decisions and struggle with the Why vs the Why Not. So—WHY does this happen?

Most decisions are made without data to back them up. Most decisions are the result of guesswork—yes, there are educated guesses that are more accurate than other types of guesses. Decisions made by those with years of experience are more likely to be right than wrong, but that can be iffy as well. In my line of work, we encourage our candidates to make fact-based decisions. We know that it's important to get the facts first and then make an "informed decision."

So, when you hear the words "why," your response should be "why not". That turns the negative into a positive and sheds a whole new light on the subject. When you first considered joining up with Allstate, did you ask yourself—"Why should I do this?" or did you ask yourself, "Why not do this?" My guess is that you had to think about it, sleep on it, talk to family members and talk to other Allstate Agency Owners before you made your final decision. Based on your history with Allstate, I'll bet you are glad that you joined them and are happy with the results of that decision. My business works exactly the same way.

My question to you, is Why Not consider franchise business ownership? You could be perfectly happy where you are now, but you might be thinking about building generational wealth, adding another income stream, expanding your holdings, getting something going on the side (aka, a side hustle) that your spouse or kids might be able to get into. Perhaps you are considering retirement options – something light to keep you busy and generate retirement income. Franchise business ownership offers a myriad of opportunities, and I would be happy to discuss the possibilities with you – WHY NOT?

WHY NOT is a positive, optimistic question. It is a call to action:

WHY NOT get married?
WHY NOT buy that house?
WHY NOT buy that insurance policy?
WHY NOT invest in a side hustle?
WHY NOT invest in a franchise business? We all have options and choices in life. Why Not listen to us and make decisions based on reason and logic. Perhaps it is the perfect decision or, perhaps it is simply not right for me, but you never know until you do the research and check it out.

In my world of franchise business consulting, I want people that I work with to be fully informed. I am amazed by the number of people who have lived sheltered lives and do not know what is going on around them. Many think that the only franchise out there is a McDonald's or a Taco Bell. They are surprised and overwhelmed when they find that almost everything out there has been franchised in one way or another. There are currently around 4,000 franchises on the market in the United States. Yes, there is a lot of duplication here but there is also a lot of differentiation. In franchising, it is important to find the right fit. One size does not fit all—or, in this case, what's right for your neighbor or your best friend is not necessarily right for you. I'm sure that this same rule applies in the insurance business as well.

While it takes a skilled insurance agent to get the details and understand the insurance coverage needed by the client, it also requires a skilled franchise consultant to help a candidate understand and explore the world of franchising. Not all franchises have a drive through window. Some come with a bucket of paint and a brush while some repair automobiles and others will repair your roof.

Automotive Franchises – General shops; specialty shops – transmissions, muffler, tires, detailing, rentals, etc.

Beauty Franchises – Tanning, nail salons, hair salons, weight loss, cosmetics, etc.

Business Services – Medical billing, paralegal services, payroll, taxes, business management, consulting, pre-employment screening, and much more.

Children Related – Tutoring, fitness, photography, games, and more.

Cleaning and Maintenance – Commercial and home cleaning, carpet, rental, air duct and HVAC systems, etc.

Computer and Internet – Technical services, computer games

Education Franchises – Business coaching, tutoring for children, science programs, and more.

Financial Services – Credit repair, financing, tax preparation, and more.

Food & Drink Franchises – Pizza shops, juice bars, coffee shops, restaurants, fast food, and more.

Health & Fitness – Nutrition, diet centers, fitness classes, senior fitness, drug testing, tanning centers, and more.

Home Related – Handyman, furniture repair, lawn care, security, remodeling, insulation, roofing, painting, pest control, etc.

Miscellaneous – Vending, laundry and dry cleaning, transportation, wedding, and event planning, etc.

Pet Services – Pet food, pet supplies, pet care, and more.

Photo and Video – Children's photography, team photography, trophies, DVD rental kiosks, video stores, etc.

Printing and Packing – Shipping, imprinting, and copies.

Retail Franchises – Party stores, apparel, convenience stores, electronics stores, hardware, eye care stores, pharmacies, sports stores, telecommunications, and much more.

Senior Services – Assisted living, senior care, walk-in medical clinics, and more.

Sports and Recreation – Sportswear, nutrition, fitness centers, children's fitness, massage and spas, campgrounds, etc.

Travel Franchises – Cruise planning, hotel reservations, transportation, etc.

Does this sound interesting to you? Then WHY NOT look into it? I can help you with that and it won't cost you a penny for my expert advice. What have you got to lose except a little time?

Richard Pope is a career franchise business consultant who has been active in franchising for over 35 years and has helped thousands of people find their way through the process including his son and his daughter. Richard has worked at the highest levels of franchising for several corporate franchising giants and has traveled the world installing franchises. Richard is now self-employed and is affiliated with FranChoice, a franchise referral group. He would love to hear from you. Richard can be reached at rpope@franchoice.com or www.franchoice.com/RPope.

"To me, freedom is so much more valuable than money. Freedom... it's ***everything***."

John Flores has been a captive agent as well as an independent agent with a large agency aggregator, but it wasn't until he joined PGI that he was able to unlock his full potential. Not only did his earnings grow, but so did his amount of freedom and ability to spend time with his family. Don't make the leap alone, make it with Premier.

Your Journey Starts Here

PGI Agency Owners have been climbing the National Top 100 Property & Casualty Agency list. We’re not stopping until we reach the summit.

Meet the NAPAA Board of Directors

We are thrilled to present the esteemed individuals who make up the National Association of Professional Allstate Agents (NAPAA) Board of Directors. Comprised of a diverse and accomplished group of professionals, our board is committed to representing and advocating for the interests of Allstate agents nationwide.

Each member brings a wealth of experience, expertise, and passion to their role, contributing to the growth and success of our organization. As we introduce these dedicated leaders, we invite you to learn more about the inspiring individuals who guide NAPAA toward new heights.

Together, we are shaping the future of NAPAA and working tirelessly to empower and support Allstate agents across the country. Thank you for your continued trust and support as we navigate this exciting journey together.

PRESIDENT

Claudia Gamache (IL Active Agent)
Director 2015-2016
Secretary 2016-2018
Vice President 2018-2021
President 2021–Present

I retired in January of 2023 as an agent for Allstate Insurance, after having been an active agent from 2004 to 2022.

I have my broker's license and plan to continue my insurance education. I am looking for a new opportunity that continues my history of sharing my knowledge with employees, customers, family, and friends.

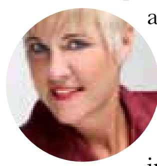
I am looking at the opportunity to develop my creative side. More free time to learn and develop is important. Over the past years, I have served on various insurance and community Board of Directors. I am currently the President of the National Association of Professional Allstate Agents. I have a CPCU, ARM and AMIM designation. My experience includes Management at Branch, Regional and National levels.

My experience has been primarily in Property and Casualty, but I also have Life Insurance experience and passed the 6 & 63 exams. I have been on the Company and Agency side of the business. Some of my more interesting experiences have been working with the E&S market and the development of a PEO.

EXECUTIVE VICE PRESIDENT

Lezlee Liljenberg
(TX Retired Agent June 2021)
Director 2011-2018
Secretary 2020-2021
Executive Vice President 2021–Present

Lezlee Liljenberg began her career with Allstate as a scratch agency in June 2004. On a fast path for growth, she purchased an



agency of 1600 policies in January of 2007, doubling her agency size and adding the responsibility of a satellite office. Lezlee lives her life giving back to others and believes that loyalty and trust are the foundation to mutual respect and success for everyone. Her motto is "Knowledge is Power" and she consistently pursues her own personal growth. She also encourages her staff, and those around her, to learn all they can in order to live the best life possible. God is her guide and she gives her credit of success and happiness to Him. Lezlee is a regular contributor to the *Exclusivefocus* magazine and the creator of the "Ask Lezlee" column in that publication.

TREASURER

Michael Curley (NY Active Agent)
Director 2021
Treasurer 2022-present

Michael Curley has been an Allstate agency owner in Queens, New York City since July 2005. Mike was recently elected to

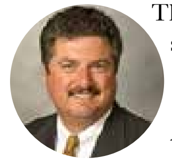
his second term on the Board of Directors. He enjoys being an Allstate Agent because he enjoys serving people and being self-employed.

Prior to being an Allstate Agent, he was an active New York State Licensed Funeral Director. His office is in Queens Village, NY, and he has been a native New Yorker his whole life. He even grew up in Queens, New York. Mike graduated from American Academy McAllister Institute in December 1993, from Valley Forge Military College in December 1985, and Duquesne University in 1988.

SECRETARY

Michael Garofalo (CT Active Agent)
Director 2011-2021
Secretary 2021–Present

Garafalo purchased a declining Greenwich, CT, Allstate agency back in 2010.



Through hard work and new staff, they were able to turn the agency around and make Honor Ring, Chairman's Award, and Inner Circle Elite.

Prior to joining Allstate in August of 1981, Michael was a series 7 and 63 licensed broker selling stocks, bonds, and mutual funds for clients with retirement and college funding goals. Over time, he has worked as a wholesaler with the Pilgrim Group, with Kemper Financial selling 401k plans and Kemper Funds, GE Capital Company, and Axa/ Equitable group where he helped start the bank wholesaling channel. Personally, Michael has served on the Little League Board in his town for five years, on the executive committee for two years working as a players' agent, and on the local Babe Ruth board for five years (where he helped raise money for all children to play baseball/softball who wanted to but could not afford to). He loves to travel to the beach with his family and plays golf whenever he has the chance.

Garafalo joined NAPAA in 2011 and has been an active member ever since. He looks forward to helping NAPAA and its members grow their businesses and hopefully have a better working relationship with Allstate Corporation.

Director

Debe Campos-Fleenor
(AZ Retired Agent, July 2020)
Treasurer 2008-2009
Executive Vice President 2009-2017
President 2017-2021
Director 2021–Present

Debe Campos-Fleenor began her affiliation with Allstate in 2004 as an LSP, opening her own "scratch" agency in

2006. Debe joined NAPAA shortly after that and has served as both Executive Vice President and Treasurer. She is active in many groups and organizations, including the Allstate Foundation programs for domestic violence and teen safe driving. Debe has been awarded the Allstate Helping Hands

Award several times and has made significant contributions to the Allstate Giving Hands campaign. She was nominated for Woman of Influence in 2008.

Debe was an agent until 2018 and is a regular contributor to the Exclusive*focus* magazine. An expert at locating marketing items available from the company, her presentations at NAPAA live events are always a big hit.

DIRECTOR

Ray Manfredi (VA Active Agent)

Director 2020

Ray Manfredi, FSCP, LUTCF, MBA, PhD, is a Licensed Insurance Agent and Trusted Advisor since 1988, specializing in Estate Planning and Property & Casualty. He is often asked to teach the regional staff members at other agencies the Insurance Review and Customer Service / Retention techniques he is known for in the industry.

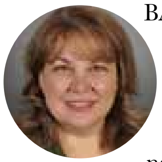
He has been married to Catherine since 1987 and is the proud father of two children, Thomas and Noelle, both of whom are active in the family agency. Ray is also an author of several insurance industry training manuals and master networker. When not working in his agencies, Ray advocates for children with special needs, serving on several foundations and community boards. He is a volunteer police officer and an ordained minister, remnants of his earlier life as a USAF K9 Handler and a child actor turned stand-up actor/writer. He holds several professional designations, as well as a master's in business administration and a Doctorate in Metaphysics. You can reach Ray directly after hours via his personal cell (912) 223-3367, or through email at ManfrediInsuranceGroup@gmail.com.

DIRECTOR

Melissa Johnson Crowdus
(KY Active Agent)

Director 2021

Melissa Johnson Crowdus is passionate about serving others; thus, she fell in love with the insurance industry. She has been an Allstate agency owner for 9 years in Eastern Kentucky and has recently served on the NAPAA Advisory Board. She has a BA in Management with an additional focus in Economics.



Prior to engaging in our industry, Melissa was a Senior Manager within a large national oil corporation successfully managing multiple divisions for over 15 years. Her background is very diversified as she successfully developed departments such as Marketing, Customer Service, Gas Pricing, Fleet Sales, plus Corporate Affairs/Legal deptments.

As an advocate for people with mental health concerns, she has served on various committees in Louisville and Frankfort, KY, and assisted with state funding for mental wellness. Melissa's motto in life has been "do the right thing" which has led her to become a member of NAPAA (advocating for agents).

DIRECTOR

Javier E. Najera (TX Active Agent)

Director 2022

Javier E. Najera is a native of El Paso, TX, and a longtime resident of Arlington, TX, where he attended UT-Arlington from 1992 to 1994. In 1994, he became a licensed insurance agent and was a general agent for a small funeral home in Fort Worth, upon which he enrolled in the Dallas Institute of Funeral Service, graduating in 1997. While there, he earned the Bill Pierce Award and served as president of his class. That was the beginning of a 20-year career in funeral service as a funeral director, embalmer and crematory operator.

In 2015, Javier had the opportunity to become an Allstate agent in Arlington. The goal and desire was to serve customers, which has always been at the heart of his work. He was drawn to become an Allstate agent because it gave him an opportunity to be a small business owner. And, as a longtime Allstate customer (since 1992), he wanted to follow in the footsteps of his former Allstate agent, who is a perennial conference winner and is now a member of the Allstate Hall of Fame. Javier's agency is committed to helping Arlington residents and Texans all over the state with their immediate and long-term insurance needs.

Javier and his wife have two daughters and two Shi Tzus, Snowball and Milo. A very active member of the Arlington community, Javier has held numerous positions including member of the Latino Advisory Council at the Greater Arlington Chamber of Commerce, the current mayor's Latino Advisory Committee, Director for the Arlington Margarita Society, booster club and dad club board member and president for various clubs from Pope, Shackelford, and Lamar schools, and various citizen's committees with Arlington ISD, including a member of the current broadcast team for Lamar High School football.

Javier continues to keep his funeral practice active, as his agency permits. He is an independent contractor in this capacity with various funeral homes in the state of Texas.

DIRECTOR

Krish Parlikad (NC Active Agent)

Director 2022

Venkatakrishnan (Krish) Parlikad is a Mechanical Engineer by qualification, and he also has a bachelor's degree in law from India. He migrated to the USA in 2012 to be with his children. Having been a successful entrepreneur in India for more than 40 years, he wanted to start something of his own at the age of 67 and ended up becoming an Allstate Agent in 2018.

Krish spent his life in India among the progressives and liberals and was always fighting for the rights of the oppressed. This drew him nearer to NAPAA, and he became a member in 2018.

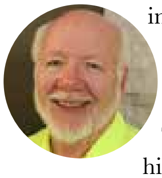
Krish is committed to the welfare of the Allstate agents and the staff. On a wider scale, he is more interested in safeguarding the interest of the average consumers who are his clients.

He is ably helped in his business by his efficient wife Raji. He has two children Uma, the elder daughter is a qualified Neurologist at Chapel Hill, NC, and his son Mahesh is a leading attorney in NYC.

EXECUTIVE DIRECTOR

Ted Paris

Executive Director 2017–Present



Ted began his 30-year career in insurance at Farmers Insurance. There, in his 18 years as a district manager, he personally recruited and trained over 50 scratch agencies. When Ted left Farmers in 2005, his district was the largest in the Indianapolis area and the third largest in the state of Indiana. He continued his insurance career at Allstate, where he purchased three agencies in west-central Indiana. While at Allstate, Ted served on the North Central Regional Advisory Board and earned numerous awards including the Chairman's Award, the Leader's Club Award, the National Conference Award and many Honor Rings.

Ted was an Allstate agent starting in 2005 until he sold and retired in 2017. He has been the Executive Director for NAPAA since 2017. He can be contacted at ted.paris@napaausa.org.

To Grow or Not to Grow. That's the Question.

Melandie Otto

If your agency has been in expansion mode—or you've been considering taking steps to grow your group—today's economic climate might make you think twice about going bigger.

Three Things to Consider

1. Insurance Premiums Continue To Rise.

This is an objective fact, but you can look at it subjectively as either a roadblock or an opportunity. Although consumers sometimes associate rising rates with their individual agent or agency, the reality is that rates are controlled by the carriers—clients know this, but they may feel a need to take out their frustration on you anyway. It's similar to customers at a fast food restaurant being frustrated with the cashier because the milkshake machine is broken again.

To avoid client attrition—and to increase new client opportunities—this is the time to level up customer relationship skills throughout your agency for every interaction. No matter what role they fill, make sure that all staff members are coached on how to:

- **Deliver empathy** ("I get it. My rates have gone up too.")
- **Convey the value of long-term relationships** ("I hope we've demonstrated that you can count on us, and we will continue to be here for you.")
- **Offer a solution** ("Let's look your current policies and see if there are areas where we could make some changes to reduce your overall insurance costs while still maintaining the essential coverage you need.")
- **Increase client value** ("If you have policies with other companies, we can take a look at those to see if there are ways we can help you save money there.")
- **Ask for a referral** ("We know it's a difficult time for everyone as insurance rates continue to rise. If you have friends or family members who are feeling frustrated, we'd be happy to look at their current coverage to see if it still fits their needs and budget.")

2. Leveraging Your Agency

Leveraging your agency during a time of higher interest rates can be a scary proposition. This is a legitimate concern. And while interest rates for loans are higher, that doesn't mean that expansion is completely off the table.

If your agency is financially stable, your analytics and projections of growth are realistic, and your lender deems you to be creditworthy, this could be a good time to take a step forward. Investing in your agency when others are pulling back can give you an edge—especially if you're able to attract prospects who are dissatisfied with increasing premiums and the customer service they're receiving from their current agency's staff.

3. Anticipate Future Growth

Anticipate future growth with a strong lender relationship. Every agency has a unique set of circumstances, and each agency owner has their own risk tolerance level. Even if it doesn't feel like it's the right time to expand your agency—in terms of more staff, additional locations, technology upgrades, or other growth-focused investments—you can still prepare for future expansion starting today.

One of the first things you'll want to do is determine the vision for your agency's future. In close collaboration with your partners—or key staff members if you're the sole owner of your agency—it's essential to articulate your short- and long-term goals.

This will include overall revenue goals, geographic footprint for your agency, the lines of insurance you'll focus on, staffing needs including career development, acquisition(s), and ultimately, your exit plan. Your exit may be in the form of retirement at a specific age or financial milestone, selling your share of the agency to a partner or finding an outside buyer.

Even if your pursuit of these goals is three, five, or ten years down the road, now is a great time to begin building a relationship with a reputable and astute lender. The actions listed below include links to supplemental content:

- **Get your financial house in order.** As an agency owner, you should conduct an annual assessment of your assets and liabilities, financial statements, commission summaries and other essential information regarding your agency's fiscal strength.
- **Assess and improve your credit score.** Although you're probably already aware of what impacts your personal and business credit scores, it's smart to revisit how everyday decisions affect your long-term financial opportunities.
- **Anticipate the requirements for a business loan.** In addition to the documentation you'll need to gather, it's absolutely essential that you build a relationship with a lender. Their understanding of the current lending environment and insights into anticipated industry trends is an invaluable asset.

The Bottom Line

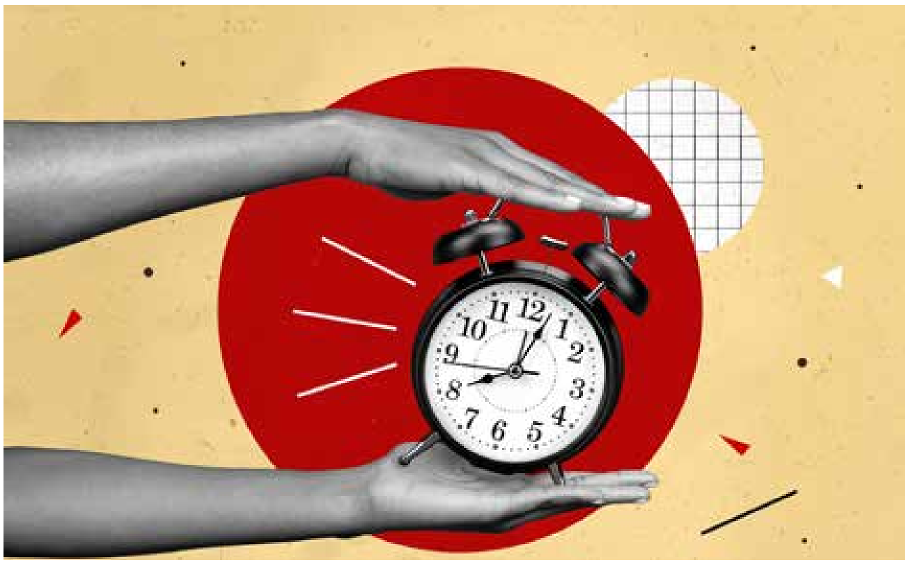
In the insurance world, your primary job is to help your clients prepare for unexpected life events such as an accident, fire, disability, death or other difficult situation. But as an agency owner, you can prepare for future opportunities by looking forward and anticipating the rewards of a strategic agency growth plan.


Be the agent
of your own
future

A Business Guide to Better Time Management

How business owners and managers can use technology to find more hours in the day

Provided by Paychex



Cutting Down on Manual Tasks to Get More Done

An hour of emails here, some phone calls there, and plenty of time spent on administrative work — these tasks are part of the everyday flow in most organizations. In fact, today's workers report that near-constant distractions make them significantly less productive and negatively affect their performance.

One solution to this classic problem is to automate the manual tasks that eat up so much time. Time and attendance technology can help by taking the manual effort out of employee time tracking, payroll processing, scheduling, and more.

Use the following information to find tasks you can automate.

Payroll

Doing payroll is demanding work. Just keeping up with regulatory and tax changes is a major task: One in five small businesses spend more than six hours each month managing payroll taxes, and if they have five or more employees, that figure climbs to one in three. A manual approach is also fraught with the peril of mistakes. Rule changes can lead to costly errors or require you to spend hours researching how tax adjustments will impact your business.

When your payroll is automated, the filing and reporting of this important task are handled for you. As rules and regulations evolve, a quality payroll provider will keep you apprised of changes and help you manage the details so you can focus on your business.

Automated payroll also helps streamline your efforts to pay staff correctly and on time, whether you stay in a steady state or scale quickly.

Scheduling and Time Tracking

Time and attendance software gives you a clear picture of each employee's reported hours and/or time off. Scheduling functionality helps make sure that your operations are fully staffed while avoiding costly overtime.

Automating time and attendance can also streamline internal communication. Employees report their hours into one system and can clock in or out from their mobile devices, ensuring that their time tracking is as accurate as possible. You can share schedules easily and, if needed, let your staff swap shifts to arrange coverage among themselves with no involvement from you. Biometric time clocks are also an increasingly common feature, helping ensure that your staff reports are accurate.

Save Time and Improve Payroll Accuracy with the Latest Technology

Our mobile HR, payroll and benefits technology and service solutions support remote and on-site workers. With access to Paychex Flex, admins and employees can access pay and HR information no matter where you are. These solutions give employees the options of making direct deposit changes on their own, viewing pay stubs and W2s and mobile time-tracking options. Clients can run payroll and automate time-and attendance tracking, and streamline HR requests to simplify administrative tasks.

Online timekeeping

Automate time and attendance processes with Paychex Flex® Time or Paychex Flex Time Essentials, online solutions integrated with payroll and other Paychex Flex services.

InVision Iris Time Clock

Fully integrated with Paychex Flex, and quick and easy to use, our InVision® Iris Time Clock with iris recognition technology is more accurate than any other type of biometric time clock.

Time clock

Reduce time theft, tighten security, and increase efficiency with Paychex TrueShift-TM, our economical and easy-to-use time clock, integrated with Paychex Flex.

More mobility

Give your employees the ability to punch in and out on their mobile device with Paychex Time, our easy-to-use smartphone app.

Rising Workloads: The New Normal?

The scope has increased for HR professionals, and not only is the workload bigger – it's more complex. The 2022 Paychex Pulse of HR Survey[1] found some of the most time-consuming tasks HR professionals juggle for their organization:

• Researching and trying to keep up with the latest federal, state, and local regulations.

• Developing and implementing return-to- office policies.

• Devising workplace health and safety guidelines.

How Integrated Software Can Help Your Bottom Line

In short, HR leaders are leaning on HR tools and technology in larger numbers than ever before to effectively manage their ever-growing day-to-day tactical responsibilities. They're also using it to ensure that employees are heard, empowered, and engaged so they can focus on — and succeed in achieving — their ultimate HR and business goals.

HR Software/Technology Impact on HR Objectives:

38% - Increased employee productivity

37% - Improved ability to manage HR processes such as payroll, benefits administration, and other processes

37% - Improved engagement

36% - Improved ability to train and build skills

35% - Improved ability to attract/hire

HR Software/Technology Contribution to Attaining Business Objectives:

50% - Boosted company efficiency

45% - Improved customer service

40% - Increase profitability

40% - Improved competitiveness

39% - Increased sales

Paychex, Inc. is a provider of integrated human capital management solutions for human resources, payroll, benefits, and insurance services. By combining innovative software-as-a-service technology and mobility platform with dedicated, personal service, Paychex empowers business owners to focus on the growth and management of their business. Backed by 50 years of industry expertise, Paychex serves more than 730,000 payroll clients as of May 31, 2022, in the U.S. and Europe, and pays one out of every 12 American private sector employees.

The Journey to a Revolutionary Hiring System

Craig Pretzinger

Hiring sucks. There. I said it. But what if it didn't have to? What if there was a way to transform it from a soul-sucking chore into a semi-automated growth engine for your agency? My journey to transforming the hiring process started back in 2017. My agency was like a rollercoaster, riding the highs and lows due to various factors like team dynamics, planning issues, and inconsistent execution. It was clear that a significant change was needed, beginning with a fundamental shift in leadership and strategy.

That's when I met Jason Feltman, a high-achieving agent from California. Our discussions were rich and varied, often speculating about what the most successful agents were doing differently. Our first major breakthrough came from combining our strengths. My team had excellent closing skills but lacked enough sales, while Jason's team had an abundance of quotes but needed to improve their closing rates.

This led us to re-engineer our sales scripts and strategies, specifically tailored to live transfer prospects. Our collaboration soon blossomed into a comprehensive sales system. We further refined this system through insights gained from our podcast, engaging with top agents and entrepreneurs to key in on different perspectives, providing us with the knowledge and experience that to the development of our unique sales mechanism, the telefunnels™, which is how we ran our offenses.

By 2019, the positive impact of these changes was undeniable. Both our agencies were scaling up, showing significant growth. Despite the challenges of 2020, including the pandemic, my agency managed to achieve a staggering $307k in December. Success, however, often brings its own set of challenges. In our case, it led to a degree of complacency, particularly in our hiring process, paving the way for a disaster ahead.

The disaster? My top sales manager left unexpectedly, taking the entire sales team with him. The aftermath was devastating, not only professionally but also personally, resulting in the cancellation of a much-anticipated family vacation, casting me as the family villain, and igniting a burning desire to make sure this never happened again. It was this energy that gave birth to the following hiring framework:

Step 1: Talent Acquisition – They're Like Leads

The first step involved a critical analysis of our existing hiring process. We identified the key issue—a lack of sufficient candidates. We realized that candidates were akin to leads, and interviews were like our sales quotes. This epiphany led us to apply our sales funnel principles to our hiring process.

We completely revamped our job descriptions, focusing on highlighting the unique aspects of our system. This included an abundance of leads, competitive pay, and comprehensive support. Our goal was to make us look like the only place any LSP would want to work at, versus the other agency with no leads, no dialing specialists, no system, no opportunity. This revamped approach aimed to attract a large pool of high-quality applicants and was successful in doing so. When your agency follows suit by modelling this step, you'll see how well it serves you for recruiting!

Step 2: Talent Activation – One Too Many

With a significant increase in candidates, we adopted a funnel-like approach to manage the influx. Group interviews became our primary method, allowing us to efficiently sift through candidates and identify those who were most aligned with our vision and objectives. We run group calls every week—and great news: because of Zoom, you can do these online! You can run these yourself, have a well-qualified staff member run it as a weekly task, or you can outsource to the many great companies who find talent. The gravest concern is on the agencies who are not running a combination of an aggressive sales system along with a consistent hiring system—it's these agencies, frozen in permanent "I need to wait it out" mode, that will be squeezed out of the industry. You'll avoid being one of the fallen by investing in resources for your current and potential LSPs and by adding traffic in the form of leads and candidates. This coupled with finding, and adhering to, a system that works is the formula for any agent's success moving forward.

Step 3: Talent Conversion – Selling the Dream

Your next phase focuses on converting applicants into committed team members. We achieve this by fulfilling those promises we've already made. We have an important need to create trust. Earning their trust is the foundation to their loyalty—something that any agent whose experienced seasons of both high and low turnover can tell you is priceless.

Our outcome from the one-on-one is three-fold: poke holes in their story, make them uncomfortable, and wow them all at once! This needs to be done masterfully for it to work well, and requires a well-constructed outline (or script) and some practice to really nail down. As you run more interviews, you'll get better and better at becoming a detective: you begin to pick up on nonverbal cues, expressions, and other unspoken tip-offs that can help tell more than the words they actually share.

We designed these steps with an understanding that the stakes are high for us—we're in a position where hiring has to happen, but we're still a little gun shy because of our checkered history. In my past, one bad apple has ruined my culture, destroyed morale, and derailed my entire operation. I am careful to protect my team, shower them in abundance, and focus on making the office a great place for them to work. Their journey with your agency begins even before they're hired. When you can ignite their belief in your system and demonstrate to them what their future could be, you have a winner. And the best part? In the last step I'll show you how they can pay for themselves.

Step 4: Talent Optimization – Maximizing ROI on Hires

Your final step is fostering the transformation of these new hires into revenue-generating members of your team. We completely overhauled our onboarding process, transforming it into a structured and inspiring introduction to our agency. This phase was about empowering new hires with the tools and knowledge necessary to excel from the outset. In the old days, there was not really any formal training. New hires entered into chaos and eventually ended up "shadowing" someone, taking on all their habits and methods. We literally baked chaos into their job description!

So again, we looked to the opposite, which was structure and consistency. We built out a 90-day war plan that we use to bring them up to speed faster and easier than before, and with way better results, way sooner. Flipping the script on how and when we trained them was crucial. We saw how much of a momentum killer it was for a salesperson to NOT be engaged in activity, and we immediately changed our flow: script, calling, practicing, and system understanding. This guaranteed faster results and a $30k month in less than 90 days.

Wrap-Up

To the Allstate agency owner reading this, it's essential to recognize that success starts with assembling the right team. This begins with an effective and strategic hiring system, balanced out by an effective and proven offense for attracting that hire to your agency and getting them quick sales once they're on the team. By embracing these steps and adapting them to your unique context, you can witness the change that we had. The path to the top is undoubtedly filled with challenges, but with the right strategies, mindset, and team, there are no limits to what you can achieve. The question is, what will you do?

I invite you to join us on this journey of continuous growth and excellence. For more insights and strategies, subscribe to the Insurance Dudes Podcast on your preferred platform. Let's embark on this path together, transforming challenges into opportunities for growth and success.

Craig Pretzinger is an agent with multiple locations and over $10 million in premium on the books. He is co-creator of The Insurance Dudes Podcast, one of the top 100 Marketing podcasts in America, with over 500 episodes published. The Insurance Dudes' mission is to help insurance agency owners create a predictable, consistent, and profitable agency sales machine. Learn more by heading to live.teledudes.com, or check out the podcast or YouTube channel.

Ready for Takeoff

Troy Korsgaden

A strong business plan enables your business to take flight.

I fly a lot for my business, traveling across the globe for days and weeks at a time. Nine times out of ten, the flight is uneventful, with everything going according to plan.

Recently, there was an emergency during one of my flights. A man had a heart attack 30 minutes before we were scheduled to land. This could have created havoc among the crew and passengers, but the captain oversaw everything flawlessly. Everyone was calm and quiet, and the pilot walked everyone through what to do step-by-step. He and his crew were successful because they had a rock-solid plan that prepared them to take action in many different situations.

What if the pilot and crew had no plan at all? What would have happened? Or, what if they had a plan but took no action? Without action, a plan is just a wish.

You need the same kind of comprehensive business plan for your organization—one that not only ensures a safe "flight," but also enables you to take your business to greater heights, even when you encounter turbulence and unexpected emergencies.

Get Everyone on Board Before Takeoff

Think for a moment about that pilot and the plan that he executed right before my eyes. He didn't write the plan by himself, and you shouldn't either—unless you are a business of one (and even then, it is good to get feedback from people you trust and respect).

Before you put pen to paper, gather your key stakeholders, including representatives from every department—marketing, service, sales, etc.—as well as business principals and leaders. This is important for two reasons. First, to get buy-in, your business plan must reflect every department. Second, it will ensure the plan is comprehensive, and individual and team goals align with your organizational goals.

Determine Your Flight Plan

After you gather your stakeholders, do a retrospective on what happened in the previous year and then look at the state of the business today. What worked or didn't work? Where did you succeed and what unexpected challenges did you encounter? What changes took place in the past year that might require you to rethink strategies?

You must examine where you have been and where you are today before you can determine the best way to get to where you want to go. Think about it—would you get on a plane with a pilot who did not know the condition of the plane or the best route for arriving safely at the destination? I know I wouldn't.

Next, work as a team to define your business-level goals. Then develop goals for each department and each team member. These goals should be aligned from top to bottom and bottom to top. Your business goals cascade down through the organization, driving activities. And activities cascade up through the organization, driving results. And, of course, all goals must be specific and measurable.

Every goal must have related strategies and activities. Remember, without action, a plan is only a wish. You must also identify how you will measure and monitor the success of your plan. Establish key performance indicators at every level, from individual activities (calls made, daily appointments, etc.) to organizational results (production, retention, etc.).

Elements of a Strong Business Plan

When crafting your organization's business plan, you must address the critical elements that drive growth. These are the five strategic focus areas:

Organizational structure and staffing. What organizational structure is in your three-to-five-year vision, and what steps will you take this year to move toward it? Assess your current team and determine where there are gaps. Who needs additional development? What roles should be filled with new team members?

Business development. How will you generate leads? What opportunities are there within your current book of business? How many appointments are needed each day and across which lines of business to achieve your goals? For consistent growth, I recommend you schedule 10 agency appointments every day.

Client retention. What will you do to deepen client relationships and stay top of mind? How will you ensure client satisfaction—even better, how will you surprise and delight your clients with unrivaled service? Client experience is the true differentiator today. Examine the client journey and identify opportunities to remove frustration, eliminate bottlenecks, and provide even greater levels of service.

Operational alignment. Operational alignment occurs when people and processes are aligned with your purpose. Streamline and standardize processes wherever possible. Inconsistency in how processes are executed is one of the most common challenges I encounter in organizations I work with. Identify critical workflows and document them. Provide templates, talk paths, and training for team members to ensure everyone is communicating the same information to clients.

Culture and team engagement. Do you have a leadership framework in place that engages your team in growing the business? Is your culture so strong that your team is excited to refer their family and friends? Studies have shown that culture and the work environment are key drivers of performance, productivity, and retention. Be intentional in how you build yours.

When Should You Plan?

It is important to plan at the same time every year. In our profession, October is the standard planning month. By planning for the new year in the fall, you have time to assess where you have been, where you are today, and where you want to go. Define and refine your plan together with your stakeholders on an annual basis. Get buy-in and have your team identify specific goals and activities to match the plan. Then, finalize it in time for takeoff. We start executing our plan in the middle of December so that we are in flight by the first of the year.

If you start planning too late, you will be playing catch-up all year, constantly dealing with flight delays and cancellations. That is why on-time annual planning is key.

Prepare for the Unexpected

You know what they say about the best-laid plans of mice and men—despite the best of plans, things can and often do go wrong.

For a pilot, it can be severe weather, mechanical failure, or, as I witnessed, a medical emergency. In insurance and financial services, these potential emergencies or times of turbulence are called the "parade of horribles." This can include increased rates, capacity issues, a key team member taking a new job, and phones or laptops dying. The list goes on and on.

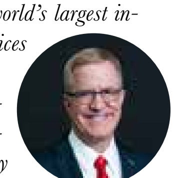
To cultivate your parade of horribles, ask what-if questions. For example, I had a plan for what to do if I couldn't meet with clients in person. And even though I could never have predicted the COVID-19 pandemic, I was able to continue working when things shut down.

Always think through the worst-case scenario. I have a plan for what happens to my business if I die. Planning for success means having emergency and contingency plans for as many scenarios as possible, even the most uncomfortable ones.

Make an Appointment with Yourself to Start Planning

I've been planning for my whole business career. My first plan was one page and my most recent plan was 150 pages! Over the years, my planning skills have improved. And yours will too. It doesn't matter how new you are to business planning; the key is to get started. Schedule time on your calendar every week to work on your business plan—whether you are building it, reviewing it, or revising it. Your business plan is your path to success.

You can set your business up to take flight and grow according to plan or you can wing it and hope for the best. It's your choice.



Troy Korsgaden is a highly sought-after insurance carrier consultant. He is the principal of Korsgaden International, a company specializing in global marketing, distribution, agency building, and technology strategies for many of the world's largest insurance carriers and financial services companies.

As a consultant, speaker, and author of 11 books, Korsgaden's mission is to help the insurance industry and its representatives wake up to the radical transformation taking place in the industry. He helps those in the industry learn how to better communicate with consumers so that consumers develop a higher appreciation for the value of insurance products.

In his career, which spans over three decades, Korsgaden has consulted and coached hundreds of thousands of executives, agents, brokers, and team members. A widely respected expert on the seamless distribution ecosystem, Korsgaden trains corporate insurance and financial services leaders on customer service, change management, technology, and transformational work, among many other key topics.

Five Unexpected Costs of Turnover

Amy C. Waninger, CPCU, CIDM, AIM, AIC, AINS, AIDA, CDE, CDP

A recent Gartner survey reveals that 91% of HR leaders are concerned about employee turnover in the immediate future (source). They're right to be worried. Depending on your industry, between a quarter and a third of your employees are looking for a new job right now. CEOs and CFOs know that this level of turnover both limits growth and undercuts profits. In fact, turnover costs your company more than you probably realize.

1. Empty Seats Don't Deliver

You don't have to be in the widget business to see how an empty seat can affect productivity. Client project delays can damage relationships and reputations. Late delivery of internal projects can have ripple effects on other departments, product quality, or market share. For public-facing roles, an open position may limit your capacity to sell, serve, or (in the case of hospitals) save lives. When the open seat belongs to a management or leadership role, teams may suffer from a lack of direction or a sense of disconnection from the company's mission.

With overall unemployment under 4 percent ("full employment" is considered to be 5.0 to 5.2 percent), it's clear that the competition for talent is heating up. This is especially true in our clients' industries, where unemployment is even lower:

Healthcare (2.7 percent)

Tech sector (2 percent)

Insurance industry (1.7 percent), and financial services broadly (1.8 percent)

What this means for hiring managers is that it's going to take longer and cost more to replace an employee who leaves.

Even after you hire a replacement, the new employee needs time to get up to speed. Learning the company culture, setting up their laptop, meeting new team members, adapting to new processes, completing employment forms. These things take time. I've worked in companies where it took two weeks just to get access to all the internal software I needed to do my job, not to mention learning to use the software! That's just the start. People who transferred from another department may need to learn new skills or procedures before they're completely up to speed. Someone who did the same job at another company may need time to absorb the context of the company or even the industry. Don't expect to fill your empty seat on Monday and be running at full capacity by Friday. It just doesn't work that way.

2. Recruiting Costs Money and Time

When a role needs to be filled, someone has to find candidates for the job. Recruiters don't work for free, nor should they! It's not an insignificant amount of time to write the posting, review résumés, screen candidates, schedule interviews, follow up, negotiate offers, verify references, and (in some cases) conduct background checks. Booths at job fairs, position listings on job boards, and ads on job sites all cost real dollars. Applicant tracking systems also cost money.

Hiring managers typically dread undertaking a selection process, and for good reason. They need time to develop selection criteria, assemble and onboard a selection committee, conduct interviews, compare candidates, and make final decisions. Multiply this effort by the rounds of interviews required, and the number of candidates involved. Hiring managers typically also manage the onboarding process (to the extent one exists), helping new hires obtain tax forms, login credentials, and needed training. Then there are dozens of introductions to be made and hundreds of unanticipated questions to be answered.

3. "Greener Grass Syndrome" is Contagious

Employees usually leave for a reason. Maybe they were bored or felt unappreciated in their role. Perhaps the new company offered them double their current salary. Or their boss from three jobs ago called with an opportunity that spoke to their exact ambitions. Whatever the reason, something about the new opportunity appealed to them more than staying put did.

The Bad News

They probably won't tell you the truth about why they're leaving. Employees typically don't want to burn bridges with former employers. They may be evasive about "pursuing new opportunities" when the reality is much more concrete. You won't hear about the lack of development opportunities at the current company, or that they don't see a clear career path for themselves. They may not tell you that they're tired of the way a certain colleague derides them in meetings or takes credit for their work.

The Worse News

They probably did tell their colleagues exactly why. For example, if Pam learned that she was making 25 percent less than her peer Jim, you can bet that every woman in your department has heard about it. If Rohit was offered a big promotion to move to a competitor, his colleagues are probably wondering what opportunities they're missing out on. The more egregious the reason, the more likely it's being talked about, and the less they're going to want to talk about it to you, their manager.

I call this "Greener Grass Syndrome," and it is highly contagious. It infects the imagination of the departing employee long before they give their notice or pack up their desk. It also has the potential to spread to others on the team. Colleagues see their former peer thriving in a new role. They begin to think, "Maybe I should get my resume together. Am I really happy here? What's next for me?"

Contagion can reach catastrophic levels when a popular manager leaves. Why? Good managers tend to take great people with them. They might wait a little while to get their footing in a new environment. They might wait out a non-compete clause. But eventually, they will call, saying, "Hey, it's great over here. Why don't you come?" And the thing is, because now they're gone, they probably know every single sticking point that an employee has at their current location. They know exactly which buttons to push to get them to move to a competitor.

Let's be clear: the grass isn't always greener at a new company or in a new role. But when one of our peers moves on to a new pasture, it's hard for us not to want more opportunities for ourselves.

4. Burden Falls on the Team That Remains

Your team has probably noticed the work doesn't stop just because someone left. What happens while you're back-filling that role? The work spreads out among the team. So now instead of eight widgets a day, each remaining team member needs to produce ten widgets a day to try to keep pace. The hours get longer; the work gets more intense.

Add to this burden that the people who remain are also sometimes responsible for finding and onboarding a replacement. So now on top of all the work that they already had, and the additional work that they're getting to try to keep pace because their peer has gone, you're also asking them on top of that to help with the selection process for a new colleague. And, let's be honest, you've probably not trained them on that. Let's be honest. Whether they're expressing frustration to you or not, they are probably experiencing it.

Multiply this frustration times the number of LinkedIn posts they're seeing from their former colleague, who's "excited to be starting a new journey." He's making more money, feels more appreciated, and doesn't have to deal with whatever drove him away in the first place.

A few more colleagues leave, and people start to wonder, "What does everybody else know that I don't?" Once this starts, it can take on a snowball effect that can make be very difficult to recover from.

5. Reputation Among Job Seekers

Think about it. If you're a hiring manager, you've probably reviewed a résumé or work history of someone you considered a "job hopper." You start to wonder, don't you, what is it about this person that makes them not stick with a job? How often did they change positions? Was it upward mobility, are they never satisfied, do they not pick well, or are they difficult to work with? We tend to fill in the gaps with worst-case scenarios.

What we may not realize, though, is applicants have the same concerns about us and our companies. especially when unemployment is this low, especially when there are more jobs than people available to fill the spots, especially when wages are going up. When culture is shifting, when worker expectations are changing. Job seekers see the same position posted for a long time. Or posted several times over a few years. "What's wrong with that place?" they may wonder.

In Summary

In the current talent environment, the less turnover you have, the better. The more you can do to prevent the turnover in the first place, the less it's going to cost you.

For example, a lot of clients say to me, "We really want to do a better job of recruiting, especially diverse talent. We see that this is a problem in our organizations." My first question to them is always "How are you ensuring that you keep the diverse talent you have on staff right now?" If more talent is going out than is coming in, you might as well be putting your recruiting dollars in a paper shredder.

Ninety percent of executives and HR leaders worry about turnover right now, and for good reason. There's no time to waste in the current labor crisis. How will you keep your employees and keep them engaged?

Amy C. Waninger is the CEO of Lead at Any Level, where she helps companies that promote from within keep their employees and keep them engaged. Waninger worked in the insurance industry for more than a decade and is the author of eight books on inclusive leadership. Learn more at www.LeadAtAnyLevel.com.

3 Key Questions When Considering Going Independent

Ben Griffioen

Captive agents are generally exceptional professionals. Having spoken with thousands over the last decade, I've found immense fulfillment in discussing insurance and business with them. Many captives excel at selling value over price, focusing on sales coverage and claims service instead of merely adjusting coverage or relying on favorable rates.

My family has a history with captive companies. My Dad was a Farmers agent for twenty years. In the early 90s, he won the national agent of the year award. He worked tirelessly for years before seriously considering switching to independent.

As an owner of Firefly, where I assist captives in starting independent agencies, it's my responsibility to understand what motivates agents to consider independence and how I can be of assistance.

Historically, your stories have closely mirrored my dad's.

However, the narrative is evolving. In the past, captive companies fought hard to retain their agency force, considering it their primary distribution channel. Nowadays, there are indications that they are becoming more comfortable going direct and collaborating primarily with their higher-producing agencies.

This shift has prompted many agents to ask, "Is this the same company I partnered with at the beginning of my career?" and wonder, "What's the next step? What's my Plan B?"

Amidst this changing landscape, you've likely, at the very least, considered going independent and undertaken some research to explore the possibilities.

In this article, I aim to provide insights into three crucial aspects of transitioning to independence. I hope you find it valuable.

How hard is it to get carriers?

As of November 2023, acquiring carriers is undeniably challenging. However, I've spoken to agents who mistakenly believe it's impossible. This is simply not true. Even in the midst of the toughest market in my career, we're helping agents successfully transition to independence.

There are factors that will determine how difficult it will be, and what carriers may be available. Here are three big ones:

First, what is your target market?

If you have a history of writing significant profitable premium in commercial lines, you'll have a higher likelihood of getting the carriers you need. Commercial is still more profitable and stable than personal lines, so carriers will entertain an appointment.

If you're writing a lot of monoline state minimum business, you'll only get carriers who specialize in monoline auto. Package carriers have restricted their underwriting, and monoline business will scare them away.

Do you work with mortgage brokers and write a lot of homes bundled with auto? Then you've got a great shot at getting some standard/preferred carriers.

Second, what state are you in?

The reality is, there are certain states that are less profitable than others. Some have regulations that make it tough to be profitable, while others have natural catastrophes and weather conditions that will cause numerous claims.

In August 2023, Triple I stated that "the industry's combined ratio is expected to end 2023 at 102.2%, almost matching the 2022 result of 102.4%."

2022 was a historically terrible year for profit. After all the rate increases, tightened underwriting, and slowed business, insurance companies overall are still struggling.

That means when you've got a state that is known for hurricanes or hail, carriers are naturally going to be more hesitant to grow there. And one way to slow down growth is to work with fewer agents. For better or for worse, the state you are in will impact the number of carriers willing to appoint you.

Case in point: my company, Firefly, operates in 34 states. If an agent does commercial, we'll consider the agent in any of our states. Otherwise, we are focusing on growing in states with historically lower loss ratios.

Third, how profitable are you?

If you have reports showing that you've

been profitable (54.9% or lower loss ratio) year-over-year, then that is the single most important data you can show a carrier to get an appointment. It shows that you understand and follow underwriting appetites while helping your clients get the coverage they need. Put simply—you're a contributor to the carrier's success. You help keep rates consistent, which also helps other agents succeed.

Your answers to these three questions will serve as a solid indication of what sort of carriers you could potentially get, and how many.

How many carriers should I get to be successful?

The answer here is pretty simple: get as many as you can that you can naturally keep happy. Get carriers that help you write your typical client profile, and you'll find success.

It hurts to say "no" to a client that wants to buy a policy from you. It happens to all of us. The more carriers you have, the less likely it is that you'll have to tell someone no, or worse, put a client with a carrier where they aren't a fit for each other.

You shouldn't aim for a certain number of carriers. As a captive agent, you've proven that you can find success with one carrier! Many independent agents get 3-5 carriers direct, and then work with a broker to get access to many others that they occasionally use.

Firefly agents typically get a dozen or more carriers they can quote and bind, and no agent has ever complained to me that we have too many carriers.

You should get as many carriers as you can that you can keep happy. Success is possible with a small number of carriers. If done correctly, more carriers will lead to greater success and less stress than you feel with fewer carriers.

Should I partner with a network?

Maybe. I'm writing this in November 2023. Right now, I would say working with a network is necessary for most agents to get off the ground. With carriers restricting agent appointments, it's hard to get your foot in the door without one.

Some agents can do it, especially if you can positively check the boxes on the three questions above (1. You have a solid target market you can get in front of 2. You live in a profitable state, and 3. You have data proving your profitability).

If you don't check all three boxes, you'll have an uphill climb getting appointed with carriers. Networks can help make the climb substantially easier.

With that said, you need to be judicious about who you work with. There is a natural tendency to lump all networks together as they all offer the same core service: carriers.

But the ongoing commission splits, upfront fees, monthly fees, separation fees, carrier non-solicits, client non-solicits, time stipulations, exclusivity, training, software, and more are incredibly different based on who you work with.

That's not to say that one outlet is better than another. Just be intentional about who you work with, so you don't end up making a jump and having regrets due to insufficient research.

Conclusion

With the way the industry is changing and how captive companies are treating agents, there is a good chance you have at least considered the independent side of the business.

It is possible to go independent, even in this climate. If you're struggling to picture how it can be done, feel free to contact me. I'd love to hear what you're considering and try to point you in the right direction.

Ben Griffioen has helped hundreds of agents and producers make the jump to owning their own independent agencies, and he loves watching them grow. The agents he has worked with are growing their new business premium by more than $2.5M total each month. (Even in the hard market climate of 2023.) He is one of the owners of Firefly Agency, an agency network that pays 90% of all commission on new business and renewals starting day one. He also started and runs "Insurance Boost", a private Facebook group with almost 2,000 members, which focuses on starting and scaling independent insurance agencies.

Beyond Policies and Premiums: Cultivating a Culture of Success

Tonya DeVane

A thriving work environment is essential for the smooth operation of any insurance agency. You need your agency to run like a well-oiled machine. Ironically, the best way to make that happen is to ensure each team member feels like more than just a cog or gear. The highest performing employees feel engaged with their work and empowered to do more.

Imagine a scenario where your employees are in "the zone." They are fully engaged, and their motivation drives them to achieve outstanding results. Producers are closing big deals, your customer success team's retention numbers are through the roof, and all operations are running smoothly.

Why is everything running so well? Because your performers are happy. This win-win situation brings immense advantages not only for your employees but also for the business. By offering challenging projects, promoting autonomy, and providing the necessary resources and support, you can inspire your team to take ownership of their roles.

Let's explore five strategies for cultivating a workplace where success and satisfaction go hand in hand.

Fortifying the Foundation: Take the time to communicate openly with your team. Share your expectations, vision, and goals, ensuring that everyone is on the same page. Encourage transparency and honesty, fostering an atmosphere where employees feel comfortable expressing their thoughts and ideas. By creating a foundation of trust, you pave the way for collaboration and mutual support.

To strengthen that foundation and withstand the powerful winds of disengagement, utilize the adage, "actions speak louder than words," as your solid building block. Demonstrate that you are right there in the trenches with your team by stepping in where needed, helping out, and understanding each job's challenges. Allow them to witness firsthand the embodiment of essential values such as respect, integrity, and professionalism. When you establish the right tone, you rouse your employees to follow your lead, thereby fostering a culture of excellence.

Syncing Signals: Communication, especially through email and text, often leads to misinterpretation as we project our own tone onto the messages we read.

Communication style is one of the components I speak about most frequently with my behavioral assessment clients. Exploring this trait helps them understand how their employees share information and, more importantly, how they prefer to be communicated with. This understanding creates a safe space where ideas can flow freely, and every individual's voice is heard.

Fostering a place where individuals feel heard and understood is vital for encouraging the uninhibited flow of ideas and nurturing openness and innovation. By utilizing the insights from a personality assessment, you empower your team to express themselves more effectively. This leads to better communication, stronger relationships, and ultimately, improved productivity.

Empowering Excellence: Encourage your team members to lean into their full potential by providing comprehensive training, mentorship, and coaching opportunities. Recognize their strengths and align their responsibilities accordingly. By nurturing their growth, you create a workforce that is motivated and skilled. Incorporating a personality assessment offers deeper insights into individual preferences and styles, enabling you to tailor training and development programs to their specific needs.

It is important to recognize the power of granting autonomy and trust to your employees. When you provide them with the green light to take ownership of their work, and make decisions, you empower them to excel. Strive to be a mentor and coach, guiding your employees through challenges and offering reassurance as they venture into new territories. By actively investing time, energy, and sometimes money into them, you can cultivate a culture of "we got this." It will not only benefit them but also contribute to the overall success of the business.

Juggling Joy: Support work-life balance by offering alternative work arrangements and implementing wellness initiatives. Provide options for flexible working hours and remote work to accommodate personal commitments while fulfilling job responsibilities. Encourage regular breaks and introduce wellness programs such as challenges or other classes that feed their mind, body, and soul.

Emphasize the importance of mental health and encourage employees to take vacation time. Consider implementing employee assistance programs that provide resources for stress management and financial counseling. By prioritizing the well-being of your employees, you create an environment that promotes a sense of appreciation and encouragement, resulting in heightened satisfaction and productivity.

Applauding Awesomeness: Who doesn't cherish recognition of a remarkable job every now and then? Employee appreciation doesn't need to be dramatic; you don't need to shout it from the rooftops (in fact, some people would very much prefer that you didn't). Lower key approaches can be just as effective.

Implement formal and informal recognition programs to acknowledge exceptional performance and contributions within your agency. This can encompass various elements, such as monthly or quarterly awards, peer-to-peer recognition platforms, or a prominent "Wall of Fame" where outstanding achievements are showcased. Take the opportunity to celebrate significant milestones, such as work anniversaries or successful project completions.

Recognizing outstanding performance helps to reinforce behaviors and encourages a continued commitment to excellence. By taking time to acknowledge and appreciate your team for their contributions, you show that you value and care about them.

Creating a dynamic culture requires a multifaceted approach. Effective communication, empowering employees through mentoring, and promoting flexibility contribute to a place people want to work. Recognition programs and continuous feedback fosters motivation and satisfaction. By fortifying the foundation and leading by example, you establish the groundwork for excellence.

Implementing these strategies cultivates an exceptional workplace where employees are engaged, motivated, and satisfied. By incorporating personality assessments, you gain valuable insights into individual preferences, enabling you to customize your strategies accordingly. Remember, a flourishing work environment is a win-win situation for both your team and your agency, driving overall success and satisfaction.

Tonya DeVane is VP of Customer Success & Product Optimization at The Omnia Group. She works with clients to provide a deeper understanding of how to use Omnia's 8 columns to make informed hiring decisions, engage staff, and meet business goals. For more information, contact www.OmniaGroup.com, info@omniagroup.com, or 800.525.7117.

It's Illegal to Fire an Employee Who Refuses to Come to the Office

National Labor Relations Board Admonishes Elon Musk for Asking Workers to Show Up

Gene Marks

Note: this article was previously published at https://www.washingtontimes.com/

The National Labor Relations Board (NLRB), filled to the brim with President Biden's appointees, has been busy these past few years.

Frustrated by Congress' failure to pass a coronavirus aid bill in early 2021, which would have increased the national minimum wage to $15 an hour, changed worker classifications, and given unions greater powers to organize, the board has taken matters into its own hands by expanding its activities to support workers' rights.

Pushing its authority to the limit, the board has made it easier for unions to organize on company premises, allowed the formation of "micro-units" for smaller groups to unionize at a company, and pushed through a union's ability to hold votes quicker by using the less reliable card method to count votes. The board has supported and even rallied unionization movements at dozens of larger companies, including Starbucks and Amazon.

The board has also issued rules that disallow severance payments based on contingencies and has stepped up to publicly voice support for the Department of Labor's pending rule to classify more independent contractors as employees in order to help unions increase their membership.

Wow, that's a lot! But wait, there's more. That's because, as busy as the anti-business board has been, it's apparently not busy enough. So why not get involved in the contentious work-from-home debate too?

That's what the NLRB is doing. Can you guess where the board stands on that? Spoiler alert: Not on the side of businesses. The board says that remote workers who refuse to come to the office cannot be fired for doing so. All they have to do is complain on social media. If they lose their job, an employer can be accused of "retaliatory actions."

That's what's happening with Elon Musk at X. According to a report in The Wall Street Journal, the NLRB—clearly not a supporter of Mr. Musk's efforts to run a profitable business—last week charged Mr. Musk with violating the National Labor Relations Act because he warned his work-from-home employees, "If you can physically make it to an office and you don't show up, resignation accepted."

Apparently one software engineer refused to comply and complained (ironically) on X, and Mr. Musk was accused of taking retaliatory action when he did what he said he was going to do and terminated her employment.

Does this seem crazy to you? It seems crazy to me. The board is going after Elon Musk because he wanted his employee—who was capable of coming to the office—to come to the office. When the employee didn't comply and she complained online, her termination was deemed a "violation." Wow.

Already under the Biden administration and in the many blue states that support it, employers are forced to compensate workers for sick time and—in some states—for any time off. They're being held responsible for the behavior of their employees both on and off their premises thanks to a new rule proposed by the Equal Employment Opportunity Commission. They're being forced to pay higher minimum wages and provide mandated benefits if they want to do business with the government.

In California, fast-food franchisees must now pay wages as dictated by a group of appointed politicians.

And businesses can no longer use noncompete clauses to protect themselves from when an employee leaves to work for a competitor.

Now, business owners who require employees to return to the office could face scrutiny by the NLRB if an employee refuses, complains and is fired.

The work-from-home issue is a major dilemma for my clients. While most have arrived at a compromise hybrid model that allows employees to work partially in the office and partially from their homes (and don't get me started on those that choose to "work" from home on Mondays and Fridays), I have more than a few clients who are adamant that their employees come to the office, citing improved morale, socialization, mentoring, and sharing of ideas as primary reasons.

Unfortunately, the board's recent stand interferes with how these business owners choose to run their businesses. Employees can now happily refuse to leave their furry slippers and scented candles behind, post a comment about the unfairness of it all and, if fired, sue their former employer for taking "retaliatory" action.

It's important to ensure that workers are safe and not threatened while doing their jobs. But business owners also have a right to freely run their own businesses as they choose without the government interfering. That includes determining their compensation and workplace policies.

Most states have "at-will" employment laws, which give both employers and employees the right to terminate their relationship as they see fit. Putting aside harassment or discrimination, if an employer chooses to terminate an employee for not coming to work because it affects their performance and the profitability of the company — as Mr. Musk has done — then the employer should have every right to do so without being stopped by a pro-union, pro-worker arm of the current administration.

Unfortunately, this is the environment that exists today. Will that mindset change after 2024? Let's hope so.

Gene Marks runs The Marks Group PC, a financial and technology consulting firm near Philadelphia.

Agencies for Sale

ARIZONA

Flagstaff

The Halstead Agency
928-380-6357
chbd36@gmail.com
Asking Price: Negotiable
PIF 3000; Premium $3.58 million
60+year award-winning established agency. Longstanding loss ratios below 40%, high retention rates, and cross-sales. Beautiful and inexpensive office location in a vibrant downtown location. Rare and very unique opportunity to own a thriving business in a highly desirable mountain town. Mild seasons and natural beauty make for extensive outdoor living, with activities like skiing, hiking, biking, and dining. The town boasts a diverse population, a major university, and a vibrant arts community.

Scottsdale

Frank and Barb Schubert Insurance & Financial Services, LLC
720-902-5200
GChitwood@G-Forceac.com
Asking Price: $3,200,000
PIF 6720; Premium $12.5 million
AZ is Growing – Top Producing Agency Opportunity now available – don't wait, cash flow is amazing! This established $12,500,000 premium agency is located in highly sought after Scottsdale. The agency owner has built an amazing business, will be retiring and is looking for the right successor to take over the reins and continue growing. The agency has been a multiple year Trip & Bonus Qualifier, with a fully trained staff of 8, plus an in-house financial planner, all ready for the transition. The Scottsdale metro area is an easy place to own a business, has an inviting community feel, highly rated public schools, and easy access to all the amenities the Valley has to offer. The Scottsdale area has a median home price of $750,000 and an average income of approximately $180,000. Families represent 65% of the community, and nearly 55% of residents own their homes. Search no more, you have found that turnkey opportunity that helps balance work and family!

CALIFORNIA

Carmichael

Alain Ionescu
916-752-7706
alainul01@yahoo.com
Asking Price: Negotiable
PIF 2700; Premium $3.3 million
Organically grown agency since 2000, only Allstate agency in Carmichael CA, multiple awards, 47% loss ratio, 89% retention. An elite agent with an average of $ 350,000 commission over the last 2 years, agent ready to retire. Furniture and computers are included in the selling price, turn-key operation, and the agent is ready to stay on board for training.

COLORADO

Commerce City

Petrov Insurance Corp
720-902-5200
GChitwood@G-Forceac.com
Asking Price: $625,000
PIF 1420; Premium $3.1 million
Established award-winning agency located in Reunion, Colorado, a growing community just 15 miles northeast of Denver. It has a small-town feel with excellent public schools and focuses on small business owners while offering amenities and easy access to larger cities. With the University of Colorado in Boulder and the Rocky Mountains to the west, Denver International Airport to the east, Cheyenne, Wyoming to the north, and Denver to the south, it's the perfect central location to live and work!

Denver

The Mathes Agency
720-902-5200
GChitwood@G-Forceac.com
Asking Price: $680,000
PIF 1523; Premium $3.2 million
Are you looking for a turn-key business opportunity with excellent growth potential, located in the highly desired state of Colorado? This established, $3,200,000 premium agency is located in Denver, Colorado. The agency owner has built an amazing business, will be retiring and looking for the right successor to take over the reins and continue growing. Denver is an easy place to own a business, has a sense of community, and a great feel. Denver has a median home price of $750,000 with an average income of approximately $144,000. Families represent 60% of the community, and nearly 72% of residents own their homes. Proximity to both Denver International Airport and a short drive to the mountains creates an ideal location to live and work. Now is the time for you to find that work and family balance!

Fort Collins

Newendyke Insurance Agency, LLC
720-902-5200
GChitwood@G-Forceac.com
Asking Price: $495,000
PIF 1350; Premium $2.65 million
This established $2,650,000 premium agency is located in Fort Collins, CO, a growing community just 50 miles north of Denver. Fort Collins is part of the "Gateway to the Rockies", has a small town feel with excellent public schools, and focuses on small business owners while offering the amenities and easy access to larger communities. With Denver International Airport about an hour to the southeast, University of Colorado in Boulder to the southwest, Cheyenne, Wyoming to the north and Denver to the south – it's the perfect central location to live and work!

Johnstown

JK Meksch Financial Services, Inc
720-902-5200
GChitwood@G-Forceac.com
Asking Price: $640,000
PIF 1435; Premium $2.8 million
This established award-winning agency is located in Johnstown, CO, a growing community just 30 miles north of Denver. Johnstown is part of the "Gateway to the Rockies" and has a small-town feel that focuses on small business owners while offering the amenities and easy access to larger cities. Within 45 minutes to Denver International Airport to the east and Estes Park / Rocky Mountain National Park to the west, 30 minutes to Colorado State University in Fort Collins to the north and Denver to the south – it's the perfect central location to live and work! With median home prices around $580,000, now is the time for you to find that work and family balance you've been hearing about!

Littleton

George Sechrist Insurance Agency
720-779-1500
GChitwood@G-Forceac.com
Asking Price: $716,000
PIF 1233; Premium $3 million
This established, 25+ year agency is located in south Jefferson County, CO, a growing suburb of Denver. The agency owner is looking to retire and is looking for the right buyer to take over. With a 92% retention rate, this opportunity is primed for further growth! South Jefferson County has a small-town feel with excellent private school and home school options and focuses on small business owners while offering the amenities of larger nearby cities. With Denver International Airport about 45 minutes to the northeast, Colorado Springs about 60 minutes to the south and the mountains a short drive to the west, it's the perfect central location to live and work!

FLORIDA

Apopka

Allstate Agency
407-913-8522
malcolmzx7@gmail.com
Asking Price: $850,000
PIF 1534; Premium $3.95 million
After 17 years of dedicated service, I have decided to embark on a new chapter in my life, Retirement!! We are seeking a new owner to carry on our legacy of trust and reliability, ensuring that families and businesses continue to receive the protection and peace of mind they have come to know and deserve. Please call or email via the contact info above. Please leave a message if I don't answer. I will call you back.

GEORGIA

SE Metro Atlanta Area

678-223-7397
nicole@sammconsulting.com
Asking Price: $770,000
PIF 1726; Premium: $3.48 million
$3.4M book of business in SE Metro Atlanta. This is a seasoned book of business. Overhead is low, cash flows well. Call today for NDA and additional information at 678-223-7397.

SE Metro Atlanta Area

SE Metro Atlanta Agency
678-223-7397
nicole@sammconsulting.com
Asking Price: $425,000
PIF 932; Premium $2.03 million
$2M Book of business in NE Metro Atlanta. This is a seasoned book of business. This is the perfect size to merge. Call today for NDA and additional information at 678-223-7397.

SW Georgia

678-223-7397
nicole@sammconsulting.com
Asking Price: $1,250,000
PIF 2524; Premium $5.2 million
$5.2M Allstate BOB in South West, GA. This is a seasoned book, with experienced staff. Call SAMM today for NDA and more info.

HAWAII

Mililani

Manuel Buenconsejo: Allstate Insurance
720-902-5200
GChitwood@G-Forceac.com
Asking Price: $755,000
PIF 3000; Premium $3.5 million
Excellent Growth Potential in Mililani, Hawaii. Are you looking for a turn-key business opportunity with excellent growth potential, located in the highly desired state of Hawaii? This established, $3,500,000 premium, agency is located in Mililani, Hawaii. The agency owner has built an amazing business, will be retiring and looking for the right successor to take over the reins and continue growing. Mililani is an easy place to own a business, has a small town feel with a sense of community, and great views to match the island vibe. Mililani has a median home price of $780,000. Families represent 63% of the community, and nearly 70% of residents own their homes. Look no further for a location with access to the beach/ocean, highly rated schools, hiking in the nearby mountains, convenient travel in and out of the local airport. Mililani is an ideal location to live and work. Now is the time for you to find that work and family balance!

Agencies for Sale

ILLINOIS

Aurora (Western Suburbs of Chicago)
Harvey A Goodwin
630-404-7077
harveyg414@aol.com
Asking Price: 2x TPP
PIF 1858; Premium $2.65 million
36-year agent ready to move on when the opportunity arises. Either take over (rent $500 all-inclusive) or merge with our other agent. 37.44% LR, 89.31% RR, TPP (termination payment plan)

INDIANA

Evansville, South Bend, Carmel
The Tod Wilson Agencies
812-457-0089
todwilson11@gmail.com
Asking Price: Between 2x-3x annual comp
PIF 8200; Premium $9.8 million
Evansville: $5.1 million, 4,400 PIF, 90% retention
South Bend: $3 million, 2,600 PIF, 91% retention
Carmel: $1.7 million, 1,200 PIF, 88% retention
Each is sold separately.

MARYLAND

Savage
Fred Hazeltine
443-758-8534
fredhazeltine@gmail.com
Asking Price: $249,000
PIF 21377; Premium $1,268,559
Agency available in Savage Md., just north of Laurel.
Pro level agency with a nb percentage of 6.7%. 25 years in business, high customer satisfaction, current loss ratio 39% retention 88.1. Best to contact by email.

MISSISSIPPI

SAMM Business Marketing
Hinds County, MS
855-306-8627
nicole@sammconsulting.com
Asking Price: $1,100,000
PIF 1699; Premium $4.3 million
4.3M Allstate BOB in Hinds County, GA. This is a seasoned book of business Call SAMM today for NDA and more info.

MISSOURI

Bamhart
The Blechle Agency, Inc
720-902-5200
GChitwood@G-Forceac.com
Asking Price: $275,000
PIF 840; Premium $1.5 million
This established $1,500,000 premium agency is located in Barnhart, MO, a growing suburb just 20 miles south of St. Louis Missouri's Gateway Arch. Barnhart has a small-town feel with several small surrounding municipalities located in the 7th largest county in MO, with excellent public schools and a focus on small business owners, while offering the amenities and easy access to major interstate highways. Larger communities, St. Louis Airport, and Busch Stadium are all within a 30-minute drive to the north and historical towns to the east and south – it's the perfect central location to live and work!

COLUMBIA

Wobig Insurance Group
573-999-3893
lynnwobig@gmail.com
Asking Price: $negotiable
PIF 1694; Premium $2,300,000
Long-time agent retiring. Excellent location in the downtown area with great parking!

Nixa
Hall Insurance Professionals, LLC
720-902-5200
GChitwood@G-Forceac.com
Asking Price: $250,000
PIF 700; Premium $1.2 million
Located in Nixa, MO, a growing suburb south of Springfield. This established $1,200,000 premium agency is located in Nixa, MO, a growing suburb just 15 miles south of Springfield. Nixa has a small-town feel, with excellent public schools and a focus on small business owners, while offering great amenities and easy access to Branson and the Springfield Airport, all within 30 minutes – it's the perfect central location to live and work!

MONTANA

Kallspell
Northern Rockies Insurance Agency, LLC
720-902-5200
GChitwood@G-Forceac.com
Asking Price: $945,000
PIF 2620; Premium: $4 million
This established, $4,000,000 premium, agency is located in Flathead County, MT, the fastest growing county in Montana. The agency owner has built an amazing business, will be retiring and looking for the right successor to take over the reins and continue growing. Flathead County is an easy place to own a business, has a sense of community, and a great feel. The median home price is $615,000, families represent 63% of the community, and nearly 70% of residents own their homes. Look no further for a location with skiing at Whitefish Mountain, highly rated schools, hiking in Glacier National Park, convenient travel in and out of the Kalispell Airport, and relaxing by the lake in the Village of Bigfork. Flathead County is an ideal location to live and work. Now is the time for you to find that work and family balance!

NEW YORK

Staten Island
Lana Pikman Agency
646-644-0606
Lanapi0606@gmail.com
Asking Price: $150,000
PIF 338; Premium $786,000
Retention 96.64%
Annual revenues $78,686

SUFFERN

Dean Gentile Agency LLC
845.642.3637
deangentile@allstate.com
Asking Price: $1,150,000
PIF 2900; Premium: $4.4 million + Commercial Book + Ivantage Book – Allstate Approved Carriers Premier agency fantastic book of business for sale in Rockland County, NY. Brand new remodeled office and new furniture in 2017. Bundle 67%. Retention 92.41%. Loss Ratio 45%. 2016 – Honor Ring Winner. 2017 – Honor Ring & National Conference Winner. 2018 – Honor Ring Winner. 2019 – On Pace Achieved Production Credit.

OHIO

Youngtown
Rocco Nolfi Agency
330-729-5657
rocconolfi2@allstate.com
Asking Price: $900,000
PIF 1176; Premium $3,564,574

PENNSYLVANIA

Pittsburgh
SAMM Business Marketing
855-306-8627
nicole@sammconsulting.com
Asking Price: $385,000
PIF 1546; Premium $2,100,000
This is the perfect size to merge. Add $2M in premium to your existing book. This agency offers great retention, loss ratio and PBR. Contact us today for NDA and additional info at 855-306-8627.

SOUTH CAROLINA

Boiling Springs
Ken Patel Insurance Agency, LLC
720-902-5200
Chitwood@G-Forceac.com
Asking Price: $410,000
PIF 1000; Premium $1.9 million
This established $1,900,000 premium agency is located in Boiling Springs, SC, a growing city just outside of Charlotte, NC. Boiling Springs has a small town feel that attracts families due to their excellent public schools and a focus on small business owners, while offering the amenities and easy access to larger communities. Charlotte, NC is about 60 minutes away, you can get to the mountains in about 45 minutes and over to Spartanburg within a few minutes as well. With a median home price of $300,000 – it's the perfect central location to live and work!

Agencies for Sale | Agencies for Sale | Agencies for Sale | Agencies for Sale

TEXAS

Schertz
Wade A Davis Insurance Agency, LLC
720-902-5200
Chitwood@G-Forceac.com
Asking Price: $750,000
PIF 1792; Premium: $3.2 million
Premium PRO Agency for Sale In Highly Sought San Antonio Suburb. This established $2,950,000 premium PRO agency is located in the highly sought-after Schertz, TX, a suburb of San Antonio, TX. The agency owner has built an amazing business, will be retiring, and is looking for the right successor to take over the reins and continue growing. Schertz is an easy place to own a business, has an inviting community feel, highly rated public schools, and easy access to all the amenities of a larger city. The Schertz area has a median home price of $360,000 and an average income of approximately $101,000. Families represent 70% of the community, and nearly 80% of residents own their homes. Search no more, you have found that turnkey opportunity with Austin only 60 miles to the north, the Camal and Guadalupe Rivers to the east, and San Antonio 20 miles to the south. Now is the time to balance your work and family life!

VIRGINIA

Richmond
SAMM Business Marketing
855-306-8627
nicole@sammconsulting.com
Asking Price: $300,000
PIF 1232; Premium $1,750,800
Great size to merge. Add $1.75M in premium to your existing book. This agency offers great retention and loss ratio. Contact us today for NDA and additional info at 855-306-8627.

WISCONSIN

Madison
Koss Ins & Fin'l Svcs
608-244-8855
bobkoss@allstate.com
Asking Price: $700,000
PIF 3,260; Premium $3.4 million
I'm a hub participant which means you can continue this occupancy or relocate. Retention is over 91%, Loss ratio is 42%. Bundle is 84%.

NAPAA Leadership

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NAPAA can be reached at:
110 Horizon Drive, Suite 210
Raleigh, NC 27615
919-573-5025
919-459-2075 (fax)
www.napaausa.org/contact-napaa/

Exclusive*focus*

National Association of
Professional Allstate Agents, Inc.

NAPAA's Mission Statement

NAPAA is dedicated to the success of Allstate Exclusive Agency Owners and to advance the independence and entrepreneurial spirit of our members.

NAPAA's Goals

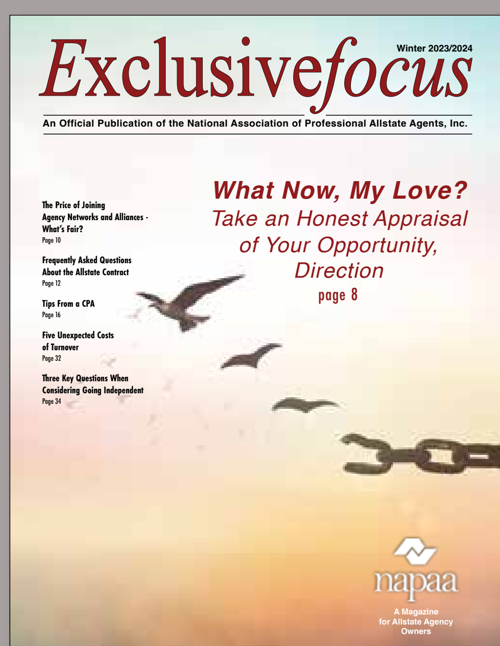
Our goals are subject to alteration, influenced by a constantly changing environment and the needs and wishes of our members.

NAPAA encourages its members to actively participate in the process of defining and refining our Mission, Goals and Positions.

Our General Goals:

- To provide an organization specifically tailored to benefit Allstate Exclusive Agents
- Monitor legislative and legal issues pertinent to Agents and their clients
- Provide reliable communications on all issues that affect Agents and the ability to call upon our members to act
- Provide Agents with a distinct voice on issues that affect them, continually exploring options and solutions
- Make tools and resources available for members in an effort to increase agency value and success.

For more information, please visit
www.napaaUSA.org



Winter 2023/2024
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- *Are you exhausted trying to write the business "they" want you to write?*
- *Are you just tired of working for someone else?*

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