**Agent Informer**

*News stories of interest to Allstate Agency Owners published by the National Association of Professional Allstate Agents, Inc.* This complimentary issue of Agent Informer is designed to acquaint you with our e-mail publications. The content of this newsletter is gathered from past issues DirectExpress, a weekly newsletter for NAPAA members. By becoming a NAPAA member, you will receive breaking news on a weekly basis and be eligible for many other member benefits. Please join NAPAA and support the only organization that is dedicated to advancing the interests of our Allstate agent members. To learn more about NAPAA click here.

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**September 25, 2014**

**News from NAPAA**

**Agents offered early Pension Payout**

*September 17, 2014, NAPAA Headquarters*

Select agents have been offered an early payout of pension benefits that have been frozen for nearly fifteen years.

According to a postcard that was received by many agents and former agents on Saturday, Allstate will be offering the early payout to all vested former employee agents with a lump sum payout of $120,000 or less, and who would otherwise be eligible for their pension from 2016 to 2020.

A package was scheduled to be mailed to those affected former employee agents on September 15, detailing the individual options.

For the most part, participants in the pension plan with five years as an employee are vested. The benefit was "frozen" at the time their employment ended, which for thousands of agents was in 2000.

An article with more details about the former employee benefit was published in the Spring 2013 issue of Exclusivefocus magazine. Agents who have not provided actual Social Security earnings records should read this article: [Former Employee Agents Pension Info](http://resources.hewitt.com/allstate).

Former employees can access information about retirement benefits at the Your Benefits Resources™ website at [http://resources.hewitt.com/allstate](http://resources.hewitt.com/allstate)

*Click here to comment:* [ExecutiveDirector@napaaUSA.org](mailto:ExecutiveDirector@napaaUSA.org)
News from NAPAA
October 1 is Deadline to renew E&O coverage from CalSurance
September 10, 2014, NAPAA Headquarters

The open enrollment period for 2014 Errors & Omissions Insurance is underway. All Allstate agents (Except NY) must renew E&O coverage from CalSurance by October 1, 2014.

Coverage must be purchased via the online enrollment process. Agents who fail to renew online by October 1, 2014 will be automatically renewed, then charged for the full premium plus a 25% processing fee via commission deduction.

Once again, agents across the country face a double digit premium rate increase.

The majority of agents will pay premiums which have increased by 15% over last year. The following states, IN, MI, MT, OH, and TN, were segmented to a new rating tier with a 25% hike in premium. New Jersey agents rates were raised nearly 25%, as that state was moved from tier II to tier I rating territory.

In the past, CalSurance has cited increase in claims frequency and severity, as well as the declining size of the agency force as factors contributing to the increase.

Massive hikes in premium for the last three years have not been surprising, given the monumental increase in the number of claims now transferred to CalSurance by Allstate. Many times, Allstate pays a claim, then files with CalSurance as if the agents policy were some type of subrogation mechanism. Agents have questioned, and fought this practice with more regularity, and have sometimes been successful in blocking the payment by CalSurance where no error or omission existed.
5 Quotes From Billionaire Mark Cuban That Will Inspire You To Work Your Ass Off

September 9, 2014, By Amy Dickey, Elitedaily.com (Excerpt)

Mark Cuban is oddly inspiring, not only due to the amount of money he has been able to accumulate, or the fact that he owns the Dallas Mavericks, but also for his insight.

Each quote below encompasses how the man continues to brilliantly enhance his image and empire while also reminding us that hard work and determination do actually pay off.

1. "Work like there is someone working 24 hours a day to take it away from you."

Life is temporary. Work is temporary. One day, you will be incredibly successful at whatever you choose to do with your life. While that day may be difficult to imagine right now, start fighting for your future.

You may not have a job, internship or college major about which you are crazy, but with everything you do, maintain the mindset that what you have could end or be taken away from you at any time. There will always be someone who is willing to work harder than you, so you should always give your best effort.

This mentality will keep you on your toes and will ultimately help you grow.

2. "It's not in the dreaming, it's in the doing."

Growing up, we are repeatedly told to dream big, to never stop dreaming and to believe in our dreams. However, we are not told enough that dreams are accomplished by taking action.

Dreams are merely thoughts; the doing is more powerful than the dreaming. The doing is what changes the world and impacts people in unforeseen ways.

Dream of being a physical therapist; apply to physical therapy school and go from there. Dream of being a politician; get involved in local campaigns and work your way up. Dream of being a writer; apply to Elite Daily and start writing.

We have more control over the "doing" than we give ourselves credit. If you spend all of your time dreaming, you will never grant yourself the opportunity to see what you are truly capable of accomplishing.

3. "Doesn't matter if the glass is half-empty or half-full. All that matters is that you are the one pouring the water."

No matter how troublesome life can become, you are in control of your emotions, decisions and outlooks on situations. Try not to dwell on how empty or full your life, or the lives of others, might be. Believing that you have control over how much water is poured into the glass of life is a powerful skill.

How you react to not getting the perfect internship, a friend's betrayal or a loved one's death can make the glass seem pretty empty; however, you get to decide how much water is poured.
4. "Wherever I see people doing something the way it's always been done, the way it's 'supposed' to be done, following the same old trends, well, that's just a big red flag to me to go look somewhere else."

Life can get repetitive, consistent and complacent. Falling into a life or workplace of complacency is dangerous. Seek opportunities and take risks that are out of your comfort zone. Work for a company that is constantly changing, growing and evolving.

Surround yourself with people who are bold and do not follow paths already created. Do not be afraid to look at opportunities in life that are different, offbeat or even a little weird.

We are trained to interpret "different" as a negative, when in reality, different jobs and opportunities often provide for the greatest potential for us to thrive as individuals. Life is too short for us to live in fear of being different. Be whom you want to be and don't worry about the haters.

5. "Every no gets me closer to a yes."

The word "no" leads many of us to see it as a failure. "No" comes in different forms: the test you just failed, the interview that didn't lead to a job and the person who tells you "you can't." We look at that "no" often enough to never go near it again.

"No" does not mean defeat, however. It is an opportunity to get closer to the "yes" for which you are searching. Do not let the "no's" of life impact your goals.

"No's" are part of your story, and if you keep working hard, they will lead to many "yeses," which often turn out to be better than the opportunities for which the "no's" would have provided.

Click here to read the full article online: http://elitedaily.com/life

From the Exclusivefocus Magazine archives

The Changing Face of NAPAA
Exclusivefocus Summer 2014, By Jim Fish, President

Each year, the month of May is particularly stressful for your association's leadership. That's because May is when we hold elections for our board of directors. Each year, the election begins May 1st and ends at midnight on May 30th. As you might imagine, waiting for the outcome is often a trying experience for those vying for seats on the board. This year was no different.

Now that the election is over, it is time to move the association forward. My view is that NAPAA cannot afford to dwell on the past; it must instead focus on the present and the future. With that in mind, I plan to create a national advisory council consisting of active Allstate agents from each region who will meet periodically to provide input and ideas for the board to consider as we assess strategies for the future.

Click here to read the full article online: The Changing Face of NAPAA

Click here to comment: ExecutiveDirector@napaaUSA.org
From the NAPAA Suggestion Box

September, 2014

I am a current EA who hopes to retire in five years, I wish this site had suggestion box to advise other Agents the do's and don'ts in selling their agency. What worked and what did not, the thought of relying on a field sales leader is frightening. Just asking questions starts the tongues wagging. I would like to know what to expect. Please do not use my name. Thank you for your consideration.

Thanks for writing. Part of the problem with publishing buying and selling information is that the company changes the rules so frequently that an article on that subject may be out of date before it hits the press. What works this week could be out of date within a month.

We do have some information on the members section of the website. We have several sample forms and documents there as well. It appears that you have not previously logged in, so I think you will find the information will help you get started with the planning process. To log-in, simply use your email address and click the "I forgot my password" link to receive your PW by email. If you have trouble logging in, please call and we will reset the password for you.

One of the great advantages of membership is that you can call NAPAA anytime to discuss your individual situation and find out what we are seeing as current trends for the best sales outcomes. I suggest you give us a call before you open this conversation with your manager.

Click here to comment: ExecutiveDirector@napaaUSA.org

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Federal Appeals Court Certifies Class Action Against Allstate Insurance Company in Wage Case That Could Exceed $200 Million Dollars

September 3, 2014, Marketwatch.com (Excerpt)

In a stunning defeat for Allstate Insurance Company, the Ninth Circuit Court of Appeals ruled in a 16 page ruling that a class action lawsuit involving 800 Allstate employees in California who alleged that Allstate had a practice or unofficial policy of requiring its claim adjusters to work unpaid off-the-clock overtime in violation of California law may move forward.

"The potential recovery in this case is expected to be in the hundreds of millions for wage theft by Allstate," said plaintiffs' attorney R. Rex Parris. "Casualty adjuster Jack Jimenez brought the suit in 2010 on behalf of any claims adjuster working for the insurer in the state of California since Sept. 29, 2006. The complaint alleges that Allstate's managers are required to stay within an annual budget that includes overtime compensation, and that the performance evaluations and bonuses paid to managers are dependent on how closely they conform to the budget. This would mean that a manager would have a disincentive to approve and report overtime, the class claims," added plaintiffs' attorney Alexander R. Wheeler with the R. Rex Parris law firm.

The class action alleges that Allstate sees repeated requests for overtime as a performance issue to be addressed with individual workers - including "suggestions" on how a claims adjuster can be better trained on efficiency and alternative methods of getting the work done that do not require overtime. Managers would often see workers performing off-the-clock work outside of their scheduled shifts but not inquire if overtime was requested, the workers say.

"The plaintiffs contend Allstate's allegedly illegal conduct has been widespread and consistent.

The class action suit alleges that Allstate had not paid overtime to current and former California-based claims adjusters in violation of California Labor Code and had not paid adjusters for missed meal breaks and that Allstate had not timely paid wages upon termination in violation of the California Labor Code. In addition the lawsuit alleges that Allstate engaged in unfair competition in violation of California Business and Professions Code," said Wheeler.

Calling Allstate's policy on off-the-clock work a "pervasive problem," plaintiffs' attorney Alexander R. Wheeler said that since only managers could record overtime hours, the insurer's policy prevented overtime from being paid. "The Ninth Circuit Court of Appeals saw behind Allstate's written policies," Wheeler said. "The facts uncovered an unofficial policy to violate the written policy." A decade ago, the R. Rex Parris Law Firm represented a class of Allstate claims adjusters, which led to the insurer's 2005 reclassification of the adjusters from salaried employees exempt from the 40-hour workweek and resulting overtime rules, to hourly, nonexempt workers.

Click here to read the full article online: http://www.marketwatch.com/story/

Click here to comment: ExecutiveDirector@napaaUSA.org

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How to attract young talent? Ask teacher
Insurance educators sound off about insurance recruitment -- and how we need to raise our GPA.
September 16, 2014, By Laura Mazzuca Toops, PropertyCasualty360.com (Excerpt)

Last week I was invited to speak to a group of insurance executives at a gathering hosted by WaterStreet, a company that provides policy and claims systems and services to property insurers. The topic was “Talent as Differentiator,” or the evergreen issue of recruitment and retention.

I've researched and written many words on what independent agents and brokers are doing to address this pressing concern, but the WaterStreet audience was a little out of my wheelhouse.

Most headed up smaller, regional insurers that are using WaterStreet's services in part because they don't have the resources that many large insurers have to attract young employees.

To put things in perspective from a big-picture point of view, I turned to two sources who were in a very unique position to comment on the subject: insurance educators. I was lucky enough to get the ear of Jody Queen-Hubert, director of the Ellen Thrower Center for Apprenticeship & Career Services at St. John's University, School of Risk Management, Insurance & Actuarial Science in New York; and David C. Marlett, PhD, CPCU, professor of insurance in the Walker College of Business at Appalachian State University in Boone, N.C.

These educators are in daily contact with young people seeking a career path in the insurance industry, as well as recruiters hiring for insurance openings. They're in a unique position to know what's really going on in the front lines of education and recruitment. Not surprisingly, both of them said that our industry has a long way to go when it comes to attracting young talent.

"Based on what we hear from recruiters, there is a serious demographic problem. Insurers realize that they are losing a great deal of experienced talent in the next decade and the pipeline isn't sufficient to replace," Marlett says.
And although some insurers, especially the big multinationals, are doing a good job filling the pipeline, the industry's overall success here is "mixed," he notes.

Insurers need to "pay competitively, show that they are using current technology, and make their presence known on college campuses to counter the perception that insurance means Geico or Progressive," Queen-Hubert says.

The problem goes back to that old chestnut: public perception is that a career in insurance is boring. Unfortunately, that "boring" reputation is sometimes warranted. "Students interview or intern and see people they can't relate to," Queen-Hubert says. "Employers in suburban locations may face an even greater lack of young people; they are attracted to living and working in urban locations after college and prior to becoming 'adults.'"

The industry lacks employee and management diversity, which can turn off recruits, Marlett echoes. "We also face a challenge in attracting diversity," he says of insurance academia.

Ironically, the "insurance is boring" canard can be met with this startling statistic for Appalachian University risk management grads: 90% job placement within three months of graduation, Marlett says. (If that doesn't make insurance seem less boring, I don't know what will!)

Many insurers also lag in offering young workers clear guidelines and help in advancing through the corporate culture. "Students are going where the opportunities are most attractive and the ability to develop their career path is present," Queen-Hubert says. "The idea of a job that has no future ability to move up is a turn-off. Students like the idea of a training program that is rotational so they can see what the best fit is for their interests and abilities."

Foresighted insurers hire/support a student internship between their junior and senior year, then apply rotational training so the new employee can learn about areas such as marketing, underwriting, and claims, Marlett says. "It is also important that the students at least visit the home office. This lets the student see the different career options and then make an education decision on what best fits their goals."

Finally, the industry must be consistent in the messaging it sends to young workers. "I try to emphasize that the essence of insurance is helping someone recover from a bad event," Marlett says. "If insurance professionals do their job correctly, the insured will be able to recover and move forward. This makes a more sustainable society."

Click here to read the full article online: http://www.propertycasualty360.com

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cparkhurst@ovationpayroll.com
The Allstate Corporation has been a major winner for investors over the past few years. Even if that continues, though, are shares worth holding at their current valuation?

**What The Bulls See...**

Put simply, Allstate bulls see the company as a giant ATM machine, perhaps because it has been just that. Over the past half-decade, shares have risen from around $15 to more than $61 currently, with a dividend yield near 2 percent to boot. The strong technical picture is a big factor for the market's current comfort level as well.

**What The Bears See...**

The bearish camp points to an overbought stock that is getting very close to major horizontal line resistance created by its all-time highs from 2007.

This point, however, has very little onto which the bears can grasp from a fundamental basis.

Only a massive slew of storms -- or other natural disasters -- might dampen the fundamental picture for Allstate, and in reality, the company may simply need to raise premiums by a slight margin to compensate for any losses.

**What's The Chart Telling Us?**

Most technicians say Allstate could be due for a healthy pullback, or at the very least, a consolidation phase. They note that a nice entry point for aspiring bulls would be on a pullback in price to the $51.20 horizontal line support.

By then, the overbought condition would be worked off fully and strong historical support would provide a nice backstop for long positions. Those looking to sell Allstate will do so at their own peril, according to technicians.

**Overall...**

Allstate truly defines a "buy the dip" stock situation. Pullbacks in this fundamentally sound, inexpensive, yet overbought stock should be treated as buying opportunities. Only the most adventurous souls need play on the short side in this stock.

Click here to read the full article online: [http://www.benzinga.com/trading-ideas/technicals](http://www.benzinga.com/trading-ideas/technicals)
The self-driving car seems like a terrible driver’s dream: no steering wheel to control, no trouble parallel parking, no concerns about having a couple of beers on the way home from work. But the removal of fallible human drivers might create havoc for auto insurers.

Human error accounts for 90 percent of road accidents, according to the International Organization for Road Accident Prevention, and our collective failure rate helps the auto insurance industry rake in a cool $157 billion in premiums each year. So if self-driving cars eliminate all those driver mistakes, the business of insuring vehicles will necessarily change as well.

A recent study by RAND Corp. predicted increased liability for auto manufacturers while personal liability plummets. "If a vehicle and a human share driving responsibility, the insurance issues could become more complicated," the study noted. The RAND authors had a sober message for insurers: If automated vehicles succeed in reducing the risk of crashes, the industry could see a "significant reduction in insurance premiums."

The average cost of auto insurance in the U.S. is $1,020, according to AAA, giving the industry a lot to lose.

In writing driverless insurance policies, underwriters will likely focus on the make and model of a car instead of a driver’s accident history or how often he drives. There may also be the introduction of "black boxes," data recorders akin to those found in airplanes that can track car data and decipher what really happened seconds before a crash.

Another possibility: an uptick in no-fault insurance, where an insurer covers the damage regardless of who's to blame. This type of insurance has fallen out of favor in recent years as the cost of medical claims has increased, despite the expectation of lower litigation costs.

While it's too early to tell which way auto insurance will go, there’s another cost for car owners that may go up. With fewer accidents keeping the nation well supplied with mechanics, repairing that fender bender may cost you more.

Click here to read the full article online: [http://www.businessweek.com](http://www.businessweek.com)

*Click here to comment:* ExecutiveDirector@napaaUSA.org
Geico punches the gas in Illinois

*September 08, 2014, By Steve Daniels, ChicagoBusiness.com (Excerpt)*

Geico put the pedal to the metal on auto insurance sales in Illinois last year.

The Washington-based insurer, which last year overtook Northbrook's Allstate Corp. as the second-largest auto insurance company in the land after more than a decade of torrid growth, boosted its auto premiums in Illinois by 17 percent, to $324.9 million from $276.6 million in 2012. The figures come from the Illinois Department of Insurance's recently updated annual market share report.

Geico is now the No. 4 auto insurer in Illinois, surpassing Mayfield Village, Ohio-based Progressive Corp., which edged Geico for No. 4 in 2012. Bloomington-based Country Financial - a big downstate player - is No. 3 in Illinois.

The other big winner of 2013 was the state's dominant insurer - Bloomington-based State Farm Insurance Cos. State Farm's auto premiums rose 5 percent, to $1.87 billion from $1.78 billion the year before. That lifted State Farm's market share to 31 percent from 30.3 percent.

State Farm said competitive pricing helped account for its 2013 performance.

"We attribute this market share increase to in-state rate changes and an increase in policies throughout the state," a State Farm spokeswoman emailed.

A repeat performance in 2014 may be difficult, since State Farm hiked Illinois auto rates by 3 to 4 percent late last year. The impact of those changes will be felt this year.

Meanwhile, as has been the case for a number of years, Allstate saw its Illinois market share slide in 2013, to 10.3 percent from 10.7 percent the year before. Auto premiums fell slightly to $621.5 million from $625.2 million.

Allstate raised Illinois rates by 2.5 percent to 3.5 percent in January.

An Allstate spokeswoman didn't respond to a request for comment.

**ESURANCE GROWING**

Esurance, the online auto insurer Allstate purchased for $1 billion in late 2011 to better compete with online rivals Geico and Progressive, grew impressively in Illinois last year as well. But it remains a small player here.
Esurance's premiums rose 24 percent to $37.4 million, good for a 0.6 percent market share. That was up slightly from 0.5 percent in 2012.

Allstate executives have warned investors that Esurance's growth rate nationally is likely to slow as it hikes prices in response to high claims costs.

In Illinois, Esurance boosted rates by 2.7 percent in January.

An Esurance spokesman didn't respond to a request for comment.

And Geico? The online insurer, which promises it can save consumers 15 percent or more on car insurance, raised rates in Illinois twice in five months - by more than 3 percent in November 2013 and then another 2 to 3 percent in March 2014.

Click here to read the full article online: http://www.chicagobusiness.com/

Click here to comment: ExecutiveDirector@napaaUSA.org

The National Association of Professional Allstate Agents, Inc. is a nonprofit professional trade association representing Allstate agency owners. NAPAA provides its members with weekly communications on issues affecting agency owners and their customers. NAPAA further serves its members by acting on their behalf and speaking with an unfettered voice on a wide range of issues. Our operations, including our publications, website and office expenses are funded by membership dues.

We hope you will unite with your fellow agents who are working to strengthen their voice through NAPAA. Membership is confidential. For more information visit www.napaaUSA.org

Membership dues may be paid annually ($375), or monthly ($31) by EFT automatic draft from your checking account. Dues are tax deductible as an ordinary business expense.

Note on letters: The opinions expressed in letters are not necessarily those of NAPAA. Letters should be brief and are subject to editing. We will publish letters anonymously; however, we will not accept letters sent anonymously.

The views expressed by NAPAA, or any of its positions relative to its activities and those of its members’ actions on behalf of this organization, are expressly those of NAPAA, and do not reflect the views or opinions of Allstate Insurance Company, or any of its affiliates.

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