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"Morality (*) and Responsibility"

Event

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September 3, 1974

BULLETIN NO. 189

TO: All State General Agents
All General Agents

SUBJECT: Morality (*) and RESPONSIBILITY

Regardless of one's political leanings, if there was one disappointment in the revelations from the Nixon tapes it was the lack of reference to the public good, or to what appropriate moral behavior would require. While of course there isn't any one among us who is a saint, there needs to be among all of civilized people a commitment to morality, responsibility and relationships.

What is a relationship? Well, obviously, it depends upon a point of reference. For example, a father and a son, a husband and a wife, or a company and a state general agent, a state general agent and a general agent, a general agent and an agent. It is to the latter examples that this message is intended.

The most important requisite in a relationship is the ability of those involved to be able to depend upon one another and, within reasonable constraints, to be able to anticipate what each can expect. Let's take the relationship of the state general agent of the company. He has a right to expect that the company will process his business properly. When the company takes too long to issue policies, which is presently the case, then the state general agent has the obligation to insist on a better performance, and the right to expect improvement. He has the right to know the philosophy of the company, and in this area, in my opinion, American Income fulfills its obligation a hundred percent. What is important is whether he thinks so.

Meaningful relationships can exist only so long as all of the parties have sensitivity vis-a-vis the other. What causes the most serious ruptures in relationships is when one party thinks he is fulfilling his obligations a hundred percent and the other doesn't. The strength of our relationship, it seems to me, is that we are candid with one another - as long as we are, the parties are aware of how each feels about the fulfilling of their mutual responsibilities.

One of the things giving me concern is that there are too many of you who are not fulfilling your primary obligation, which is to provide hot union leads for American Income agents. While certainly we encourage, and I have no regret about so doing, credit union business, nurses, direct cancer operations, etc., the thrust of our recruiting is that we are a union company dealing with America's union families.

Now every agent with American Income has a right to expect that you will provide him with 25 hot leads when he starts, and to replenish his NG's and SOLD leads each week so that he always has 25 places to go: that is your obligation and if you don't want to undertake it so far as the responsibility toward the agent is concerned, then don't hire him; just as the company should not recruit you as a state general agent and bill itself as the company serving America's union families, unless it is willing to spend the kind of money that we do in employing a Hank Brown - doing all of the things that we do with the American union movement.

(*)

M O R A L I T Y:

the quality or fact of conforming to or deriving from right ideals of human conduct; uprightness of behavior.

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Beginning Saturday, September 14, when we get your lead reports, we want those reports to involve UNION LEADS ONLY. Inasmuch as the general agents are getting a copy of this Bulletin, they are being advised on their Saturday morning calls to you to report on UNION LEADS ONLY. Everything else will be a plus; such as, credit unions, nurses, etc. I don't want to hear from any of you that it is too much trouble, etc., because that is simply, in my view, a means of escaping responsibility. Men that accomplish, and are DOING, relish accountability.

If you sense from what you have read up to this point that I am concerned that some of you do not have a sufficient number of public relations men, or are not doing a job of providing union leads for your agents, then you have anticipated my intention, which is to motivate you to living up to the fact that you are a union agency representing a union company whose purpose it is to sell supplemental coverage to union members.

I see the responsibility of a state general agent to, first, set the moral tone for all who are associated with him; second, to provide inspiration; to visit in each of his offices at least once a month; to provide a sufficient number of union leads so that each man always has 25 leads on hand; to operate within the structure we have now outlined for the world to see; to utilize the training materials; and, to articulate the proper image of American Income; to wit, that we are a NATIONAL institution.

I am going to be talking to you, for example, about a national radio program, which will feature American Income as a NATIONAL company serving America's union families. We are considering this program over the Mutual Broadcasting system. It is going to be on a cooperative basis whereby the Company will pay one-half the cost, and you will pay one-half the cost. Your charge will be apportioned on the basis of the number of union members you have; it will be far less expensive than most of you think. For the large agencies it will probably run four to five hundred a month, for the smaller ones about a hundred to a hundred fifty a month.

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Now for the general agent. You have an obligation first, of course, to yourself, then to your agent and to your state general agent. Your primary obligation to your state general agent is to give him \$75 of annualized premium for every lead he gives you. With costs rising as they are, a general agency operation that doesn't produce this much business per lead is unprofitable. The first requisite in a relationship of this nature is PROFITABILITY. As long as you are producing \$75 per lead then you have every right to keep the pressure on that state general agent to keep them pouring in.

Second, you must be very reliable with your state general agent. You are supposed to call him every Saturday morning and give him a report: on your production, of course, how many union leads you have on hand, and other pertinent information. You must never be late in making your call - remember, we all need to be able to rely on one another.

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Third, you must run your recruiting ad every other week. You recruit the men. It is up to your state general agent to have leads for all the full-time men you have.

Fourth, the MONDAY MORNING MEETING is probably the single most essential ingredient in coalescing your sales force and having the proper esprit de corps. The most successful general agents are those that create a "family" spirit - where the general agent gets together with all of his agents every Saturday night. When was the last time you had your agents over to your house?

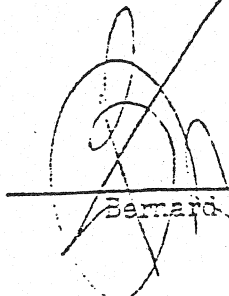
Fifth, the single most important thing is in the training of new agents. As you know, we have a setup now where the new agent can have \$100 the first week. He listens to all of the training tapes and writes a one-page summary of each tape. DO NOT ASK FOR A HUNDRED DOLLARS FOR ANY AGENT: UNLESS THE REQUEST IS ACCOMPANIED BY THESE ONE-PAGE SUMMARIES ON EACH TAPE. We're talking about the moral tone: If you let him cheat or copy from someone's summary then your own relationship with that individual will be such that he thinks you countenance cheating.

We have given you the best training material that any company can provide; I think you are all in agreement on this when you consider the AGENT'S TRAINING MANUAL, the TRAINING TAPES, and the GENERAL AGENTS' TRAINING SCHOOL that all of you have been invited to attend.

There are so many "most important" things for general agents, but I guess if I had to pick the most important one of the "most important" one it would be requiring that every agent memorize the PEP Presentation word for word, and that at each MONDAY MORNING MEETING I would have two PEP Presentations given by two different agents. Show them that you mean business.

While, as we have indicated, the state general agent's responsibility is to provide you with union leads, you must always be helpful in this area by making as many union contacts as you can. Besides that, there's money in it for you!

I had these thoughts early this morning and I wanted to share them with all of the state general agents and the general agents of American Income. If you disagree, let me hear from you.


Bernard Rapoport

cc: Executive Planning Committee