

Speech to State General Agents

Dallas, TX

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American Income acts as a kind of business family. Mr. Rapoport began this relationship with his commitment to “have concern for the lowest person in the agent commission schedule.” As leaders of this family, the State General Agents have to make sacrifices to meet objectives that benefit the family as a whole. This process has made American Income the “most successful life insurance venture in insurance history.” Rapoport’s speech shows the SGA’s of how each component of this family depends on one another, from the Chairman of the Board to the new agent.

The interdependence in the American Income family trickles through all the levels of management. Rapoport readily admits that the company needs productive leaders, like the SGA’s who are on quota, more than they need the company. He says, “The company has to recognize this and continually improve its marketing, continually provide you with information that will enable you to expand exponentially your growth pattern.” Rapoport uses a conservative example of the potential for SGA earnings. After lapses, the net amount an SGA can make from a General Agent sale is \$67.50 or \$112.50 if the sale is directly from the agent to the SGA. Rapoport calls these numbers “the magic of the SGA opportunity” and states that no other company offers “comparable opportunity for making money.” Rapoport wants their help in making this magic happen for the Managing General Agents.

Although the company constantly strives to improve its marketing, products, and information, territory is the most valuable asset the company offers the State General Agents. Quotas are necessary to regulate the fair distribution of territory. Just as a family delegates responsibilities based upon each member's ability, so does American Income divide up its territories. If an SGA is not on quota, he or she can either step down to take an MGA position or give up territory.

Every family has a set of rules to follow. Rapoport has referred to the quota rule for SGA's. He asks the State General Agents to implement their own set of standards or rules for their agencies. He warns them not to be a tyrant of the household with standards so rigid that everyone fails. Rather, the SGA's should set guidelines that help the agents grow. For instance, the referral system is an incredible opportunity for the General Agents and MGA's. State General Agents can encourage them to use this system by setting standards. On the other hand, SGA's should not hang onto lazy agents that might threaten the SGA's quota. If an agent repeatedly breaks the rules, then the SGA may have to let him go. Rapoport says that he judges an SGA based upon the kind of salesperson he or she develops.

State General Agents have to embody several different leadership qualities. For instance, Rapoport says, "Leadership is letting those who look to you for leadership know what to expect." An effective SGA has to have predictability with vision. For example, the current rate of production is 20 sales a month. Rapoport challenges the SGA's to raise the standard to two sales a day for four days a week with a net of 32 sales a month. This type of challenge will qualify all agents who meet the minimum standard for the WGB bonus. The quality of commissions will go up and the retention of agents will be

near 100 percent. The SGA is predictable in that he is constantly raising standards and trying to increase opportunity for the agents. His vision is achieving this in small increments. A great State General Agent manages his or her own finances well, while looking out for the interests of the agents. When new agents join the American Income family, the SGA's should view each of them as a possible \$72,000 increase in production. The SGA will have to nurture and educate agents to reach their potential. With the right amount of predictability and vision, State General Agents can make all of their agents a success.

Rapoport says that like any family, "We fight, we argue, but what binds us together is stronger than that which separates us." As long as they respect each other's essential role in the company, the family structure will remain intact. Rapoport believes he has an obligation to pass on his business heritage to all of the American Income family. Rapoport says that he sees them with picks and shovels out in the field working and he wants to give them power tools that can make the work much easier. As a family, they can learn from each other and help each other mature and grow.