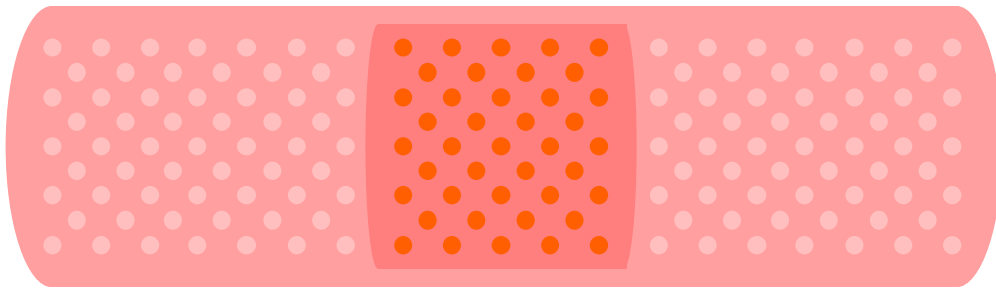


## ***The DARG Survival Kit***



***AVAILABLE TO THE FARMERS AGENCY FORCE  
THROUGH UFAA MEMBERSHIP***

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## **What is the DARG Program?**

The DARG program stands for Deteriorating Agency Rehabilitation Guidelines. That's a mouthful, so the management company shortened it to "DARG" when the program was started a couple of years ago. Most Regions used it to identify the lowest producing agents. It had been widely utilized for the last couple of years, died down for a while, but recently we have noticed its comeback.

This booklet contains our opinion but by no means can guarantee your success or failure. It's only a guideline for information that can help you make intelligent decisions. The more you know about the DARG program, the easier it will be to make the appropriate decisions.

The DARG Program is a way of monitoring your production. We all know sales count is important to the management company. The more sales count the better. The less sales count, look out for the DARG program. Once you have been identified for the program (based on your production), you will be sent a form letter pointing out the various low points of your agency. The letter is basically the same for every agent, giving the agent an opportunity to address the "deficiencies" in their agency. The agent will be expected to demonstrate significant improvement over the following six months. Some District Managers are really thoughtful and they will talk to you in person, warning you that you will soon be receiving "The" letter. Most District Managers just surprise you.

If your sales count is consistently under 40 per month, (although that number is arbitrary), you will probably receive the happy news that you have been added to the DARG program. Please understand, the District Managers are also subject to this program. There are plenty of DM's on the program, so don't take it personally. If there is no response from you, then letter Number two comes. This one is scarier. It comes with the DMM's endorsement. You will be given six months to get your numbers up or else. Yikes! Do they mean business? Sorry to report, yes they do. We have seen hundreds of agents go on this program and not survive it. We have also seen agents work through it and come out fine. So don't panic yet.

If you do nothing (not the best choice), you can expect to receive a 90 day termination notice. It won't for sure happen, but it happens more often than not. The people who wrote this program were very clever. To a disinterested third party (jury) it appears the company is really trying to help the agent. It seems like they are doing everything possible to help the agent do his job. After all, who wouldn't expect an agent to produce insurance sales?

## **How do I know I am on the program?**

That's an easy one, your DM will tell you. If in doubt, ask. Just say, "Am I on the DARG program?" Your first reaction is one of hurt feelings. You will have hurt feelings because, more than likely, you were recruited with the phrases ("Promises") like: "You will have to work hard for at least five years, then once you get your agency to the level you want, you can kick back and enjoy the renewals." "You have the opportunity to be as big or as small as you want." "You are an independent businessman" (didn't use the term business person back then). And you are wondering, "Why are they picking on me?" Maybe you have been profitable, maybe not, it doesn't matter. Maybe you have very few complaints, maybe not, it doesn't matter. Maybe you are 70 years old, maybe not, it doesn't matter. What matters is your sales count is below a certain level.

Next, you will get angry. Very angry. You suddenly realize, "What am I going to do?" You will visualize strangling the DM. "How dare they go back on their word.", you'll think to yourself. "I'll sue the S.O.B's.", you will say to your spouse. Please realize you will get mad, it's normal. This information is designed so you will understand what happens, although we certainly don't agree with it.

Generally speaking, the older agents (older in years and tenure) have the biggest chance of going on this program. Why, because they were recruited long ago. Back in the olden days if you survived the first 10 years, you were left alone. If you were profitable and honest, you were a hero. Sales count didn't matter that much. Well, not anymore. If you are an agent with less than 40 sales count, even though you have been an agent for a while, get prepared. The invitation to join DARG will probably come sooner or later. Get ready now, so you don't have to go through it.

## **What are my options?**

The first option is to ignore the letter. We wouldn't recommend it. The courts have been favorable to the management company in this area. Ignoring the problem doesn't make it go away. It only produces letter number 2. You will probably create too much anxiety and stress on your body to have the unresolved matter hanging over you.

The next option is to fight. You can fight the management company. Great idea if you have a lot of money. Of course, if you made a lot of money selling insurance for Farmers, you probably had over 40 sales count. There are agents now fighting the management company with lawsuits. The management company will still voluntarily separate you with the 90 day notice and you will have to fight them in court with cash. This is an option, but be realistic, after your terminated, do you have enough money to live on and build a lawsuit on? Think about it. Several agents have filed suits against the management company for age discrimination, breach of contract (oral or implied contract), unfair trade, etc. You can contact either UFAA attorney Jon Heim (415-789-9644) or Major Langer (562-426-6155) to discuss the merits of your case if you choose this option.

The third option is to give up and quit. Self explanatory.

The fourth option is to respond with like kind. Of all of the options, this one has the highest success rate. When you receive letter #1, respond right away. Sit down and go through your agency. Is it what you want it to be? Are you making enough money to put up with the BS? Are you in the business or out? These are a few of the questions you should ask yourself. If you want to protect your agency, then respond. Show some effort. Within days, respond to the first letter. Address each topic your DM brought up. Many agents have had legitimate reasons for low production. Several sample letters are attached. Pick one you are comfortable with and go with it or make up your own. The important thing to do is respond professionally, in writing, as soon as possible.

Next, take some time to form a game plan. Ask yourself where you want to be. Figure out how to get there and do it. Letter #1 from the DM will usually include his offer to "assist you in improving your deficiencies." Don't acknowledge you have deficiencies, just say you want to know what is the acceptable standard the management company wants. Ask for that in writing. Be prepared to start selling. Here is where I could tell you to take a magic pill and the problem will go away, but realistically speaking, you will have to bring your sales count up to satisfy the management company. The good news is any improvement seems to do the trick. If your sales count was 450 last year, and now its 500, it's improvement and that seems to work. Of course, adding life insurance is like icing on the cake, they love that. If your count was really bad, you might have to break down and sell a few life cases to save yourself.

## **How do I stay off the program?**

You can accomplish this by being proactive. Be a professional agent at whatever level you feel comfortable with. Do the best job you can. Run your business with pride and show you mean business. Try and keep the lines of communication open. Make a business plan and monitor it to see if it is working. Don't be a sitting target. Proper planning prevents poor performance. Each day you will get better or worse, it's up to you. One DMM I talked with said, "If I put a mirror to their face and they can steam it up, the management company will keep them, just as long as they are showing an effort." Remember your income and future depend on your own efforts.

## Agency Plan Sample Letter

1/2/98

Mr. District Manager  
District Manager, Farmers Ins. Group of Companies  
0000 Manager Circle  
His City, U.S.A. 12345

Dear Mr. District Manager:

In response to your letter of December 25, 1997, I will do everything I can to maintain and increase my PIF within the limitations of my age, health, and available time. It is impossible to establish a timetable and/or predict any quantitative growth (or decline) in my PIF without pertinent information supplied by you.

- How will FIG 's premium structure compare to the competitions in the territory that my office is located in?
- Will additional FIG agents be competing with me?
- What limitations on product availability and underwriting restrictions will I experience in the upcoming year?
- How much marketing and service support will be furnished by FIG in the upcoming year?
- How much of my time will be occupied on additional "work loads" transferred to me by FIG in the upcoming year?
- Will these new work programs be "user-friendly" and "error-free" when implemented on the agency force?
- When will the existing computer problems be corrected?
- Will the problems with transmission line overload be remedied or will I experience additional delays while attempting data input?
- Please furnish me with average production count for agents my age in the territory surrounding my office, and operating under identical rules and guidelines.

Your cooperation in responding to my questions will furnish me with the necessary information to complete my future business plan. Without this critical information, a realistic plan is impossible to create. I am looking forward to your written responses to my questions.

In closing, please be advised that the pressure you are placing on me is affecting my health and wellbeing.

Sincerely,

Insurance Agent  
9999 Agent Ave  
Your City, USA

c.c. Division Agency Manager

July 10, 1998

Johnny Dogood Agency  
1235 Oak St.  
Nice City, Ok 74105

To: John Doe, District Manager  
666 Devil Street  
Nice City, Ok. 74105

Ref: Your letter dated Jan. 29, 1998

Dear District Manager,

Thank you for your recent correspondence regarding my agency. I appreciated your offer of assistance to develop a professional Farmers Agency. At this time, I would respectfully request your assistance in helping me to achieve the desired business results you are looking for. What specifically do I need to do? Is there a specific number of sales count I need to achieve each month? What do you consider "acceptable business results"?

During my tenure with Farmers Insurance, I have always tried to be honest, fair, and cooperative. Please advise me at your earliest convenience how to identify the problem areas and let's develop a mutually acceptable corrective plan to rehabilitate my agency.

I look forward to talking with you soon.

Sincerely,

Johnny Dogood