

United Farmers Agents Association

9785 Mackenzie, Ste 104 St. Louis, MOI 63123

Phone 800-275-8668 Fax 314-631-7963

1. Write your letter of resignation to the State Executive. Copies can be sent to the DMM and DM but it is not necessary. Your Agent Appointment Agreement (AAA) says either party may terminate the agreement on three months written notice or immediately by mutual consent. For practical purpose, a minimum of 30 days notice of resignation should be given and 60 days is even better. If less than three months notice is given, you should request written acknowledgement and acceptance of your notice by a specific date.
2. In your letter, state the day you are resigning. Normally, it is best to choose the last day of the month as your termination date. This avoids additional charges for the computer, E&O, telephone listing, bonds, ect. If you choose a day other than the last day of the month or you are terminated on other than the last day of the month, you will receive a folio for that entire month. However, before you receive your first contract value payment the Company will deduct the service commissions advanced to you for those days following your date of termination and the last day of the month. They apparently prorate the service commissions rather than calculate them based on the actual policy renewal dates.
3. In your letter, clearly state you will not relinquish your files, or your telephone number(s) until you receive your first contract value payment. Under the terms of your Agent Appointment Agreement (1984 and later edition) your first contract value payment is due upon termination. (See the last paragraph under the heading "Underwriting contract value bonus" in Section G) If you do not condition the release of your files and phone number(s), upon receipt of your first contract value payment, you will normally wait three to six weeks after your date of resignation or termination for the check to arrive
4. If you have an account in the FIG Credit Union and you do not have a contract value loan, you may want to consider taking a loan against your contract value before submitting your letter of resignation. Normally you can borrow up to one half of your contract value at a favorable interest rate. Farmers will pay off your contract value loan and deduct that amount from your contract value before you receive your first payment. For example, if your contract value is \$90,000 and you have a \$45,000 contract value loan against it, your first Contract Value check will be \$15,000. In your letter, clearly state that you want proof the credit union loan has been paid off prior to relinquishing your files.
5. Two weeks from the day of your letter, contact the Accounting Manager at your BS Center. Tell him/her that you are retiring and discuss the process of getting your check in a timely manner. This person has the ability to be your friend and help you to get the Contract Value Check.

6. In planning your retirement or departure from Farmers review the last 12 months of your "Statement of Operation" to see which month or months your Contract Value was the highest. That month(s) would normally be the best month to retire. Remember, only policies that have renewed count towards Contract Value. You will still receive New Business commissions on business you write in the last six months but the policies will not be included in your Contract Value. Some agents have been known to write new business in a friend's name so the friend can later (after your termination) capture the rest of the household. You will not receive a new business commission check for approximately 90 days following your resignation. That money will be held to offset any charge backs for New Business or Renewals that you were paid, but lapsed in the 30 or 60 days following your termination date.
7. The Company generally requests your telephone number, which they have the right to under the AAA. The AAA refers to telephone numbers, but as a general rule they only ask for the number that appears on the New Business and Renewals. They also have the right to request your interest in your leased or rented office location (this would not apply if you own the building) although this is seldom done. However, if your phone number or interest in your office location is requested make sure you first obtain, in writing, the Company's agreement to assume responsibility for any monies you are obligated to pay for telephone (white and yellow page ads) listing for that number and any lease or rental payments or related charges remaining in your lease or rental agreement.
8. If, after resignation or termination, you are planning to stay in the insurance business you need to arrange for E&O coverage because coverage under the Farmers Group plan underwritten by Fireman's Fund ceases the day of your resignation or termination.