

Allstate Agents Group Approves Union Affiliation

Property Casualty 360

Members of the National Association of Professional Allstate Agents approved to affiliate with the Office and Professional Employees International Union by an overwhelming majority in an effort to have more say over the future of their agencies. OPEIU, a member of the AFL-CIO, says 94 percent of the 1,200 NAPAA members, voting by secret ballot, approved the affiliation. “Our members have sent a message and we hear them loud and clear,” says Jim Fish, NAPAA executive director in a statement. “Now we will work closely with OPEIU to finalize an affiliation that establishes NAPAA as a guild.” He says the vote is the first step toward ensuring that Allstate agents are treated as “true independent contractors instead of employees.” “Currently, agents are subjected to unachievable quotas, the specter of reduced compensation and an ever-present threat of contract termination,” says Fish. “Many companies today are circumventing IRS precepts regarding employee status and are now classifying these same people as independent contractors. This practice has to stop.” Adds OPEIU International President Michael Goodwin, “This is a matter of defending the interests of ill-treated small business owners, and NAPAA members have recognized that OPEIU is the right organization to help them achieve the benefits and protections they deserve.” “With the insurance industry being highly regulated at the state level, NAPAA will soon be able to offer legislative access and legal support to questionable compliance issues, faced by both agents and customers alike,” he adds. Becoming a part of the OPEIU is still subject to approval by the NAPAA board. For its part, Allstate dismissed the vote, saying that it represents only a minor number of its agent force. “This group’s indication that it will seek a vote from its members to affiliate with the OPEIU would seem to be an internal issue for them,” says a statement from Allstate. “Their members include only a small number of Allstate’s current agency owners.” The acrimony between the agents and Allstate was reignited earlier this year when the company said it would reduce agent’s commissions but increase their variable, performance based commissions. The company says it also plans to review its agency relationships with an eye toward aggregating agency’s into larger shops and reduce the size of its small agencies. The company’s chief executive says agents are supportive of its strategy.

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