

A Communication from the National Association of State Farm Agents, Inc. • Join NASFA online at www.nasfa.com

Law Suit Update

Judge Kravitz has unexpectedly re-assigned *NASFA Vs. State Farm* to Judge Braman. Although Judge Braman is retired and lives in Florida, he accepts cases from other judges to help them reduce their case loads. Noting that he has a very full docket of about 400 active cases, Judge Kravitz said it would be some time before he would be able to rule on our summary judgment motions that have been before him since August.

None of NASFA's attorneys have expressed any concern about this re-assignment. In fact, they believe that since Judge Braman has a very small docket of cases, he may be able to devote the time necessary to finally bring our case to a conclusion. It appears that Judge Braman will attempt to rule on all pending motions for summary judgment before the end of May. If a trial is needed, the judge has suggested that it be scheduled for July. Mediation should take place in June. We will keep you informed of any other changes.

AUI Survey Results

As promised, here are the results from our recent AUI survey. Since almost 90 percent of all State Farm agents had an opportunity to respond and we received responses from 485 agents, we believe that the results that we are reporting are statistically accurate within a margin of error of plus or minus five points. Here are the numbers.

Total responses	485	Total AUIs run by all 485 agents	10,525
Average number of AUIs per agent	22	Total number of AUIs approved for mutual	3,262
Percentage of AUIs approved for mutual	31%		

Here is how the survey results break down both by type of community and minority population:

Community	AUIs Approved	Respondents	Minority population	AUIs Approved	Respondents
Urban	31.5%	144	0 - 10%	35.2%	117
Suburban	31.6%	71	10 - 25%	33.3%	143
Small town	30.5%	107	25 - 50%	28.1%	113
Large town	30.5%	133	Over 50%	27.8%	44

Notes and Comments:

1. Although we did not ask agents how many sales they made, enough agents volunteered this information that we can state that only about 10 percent of all AUIs submitted actually turned into sales.
2. The 31 percent of all AUIs being approved for mutual is accurate to within plus or minus 5 points, the smaller numbers within each sub group are probably no more accurate than plus or minus 10 points due to the small number of responses for each individual category.
3. Although the company has indicated that the AUI formula has been liberalized so that approximately 60 percent of all AUIs submitted will qualify for mutual, the results of this survey indicate that number is overstated. Of course, it would be best if management published the results of recent AUI activity in each zone, broken down by rating territory. Then we would all know what the numbers are.
4. It appears that if management remains committed to increasing auto sales, it will still need to make significant changes to the AUI formula so more applicants will qualify for mutual, reduce overall auto rates so more sales can be closed, and increase the funds available for co-op advertising so more AUIs are actually submitted.

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