



2019 Legislative Session

Aaron Cocking, MAFMIC President/CEO



2019 will be a very different year in the Minnesota legislature than we have seen the past 8 years. For the first time in state history, Republicans will control the Senate without also controlling the House. The huge gains made by House Democrats to secure the majority, coupled with the election of Tim Walz to the governor's office will put a number of left-leaning proposals at the forefront of this year's policy discussions. While the Senate will remain under the control of the GOP by a single vote, Senate Majority Leader Paul Gazelka will have his hands full keeping his caucus together. Governor-Elect Walz has already come out in favor of raising the gas tax and campaigned on supporting a Medicare-for-all proposal which has been estimated to cost the state \$17 billion a year. Keep in mind that the last two-year state budget was roughly \$46 billion. Many people around the capitol, of both parties, are optimistic that Walz will be more engaged and aware of what is happening than Dayton has been the last eight years. Many are hopeful that the horse trading and negotiations that have typically occurred in the last month of session to try and finish their work will return, and the state will get a better outcome as a result. On the insurance front, the MAFMIC Board of Directors has adopted our 2019 legislative agenda. It includes the following priorities which are focused on your policyholders and your company:

- 1) Keep anything harmful from becoming law which would adversely impact the policyholders we serve.
- 2) Keep anything harmful from becoming law which would adversely impact the ability of our companies to continue to operate in the manner in which we have for over 100 years.
- 3) Oppose any legislation which will further limit our ability to underwrite in ways that our companies see fit to best serve their policyholders.
- 4) Oppose any legislation that will significantly increase the cost of our companies doing business in Minnesota.
- 5) Pass a distracted driving bill which will materially curb the use of handheld devices while people are driving.
- 6) Support funding of the Commerce Department that allows them to hire competent people internally to deliver the services our industry requires.
- 7) Support tort reform legislation.
- 8) Oppose tort expansion legislation

With such a large freshman class of legislators, the capitol visit at the convention will be a great opportunity to make our presence known to new and veteran legislators alike. I hope you are able to make it. As always, I will keep you up to date this session with my Friday email update. If you wish to be added to the list, please email me.

INSIDE THIS ISSUE

Board Meeting synopsis	2	Legal article ~ "Spoliation"	9
Committee Members	3	Technology Corner - Junk Mail	10
Member Profile	4	Announcements	11
Short Course Highlights	5-7	Calendar of Events & Obituaries	12

December 2018 Board Meeting Synopsis *Greg Parent, Secretary-Treasurer*

The MAFMIC Board of Directors held their final quarterly meeting of the year on December 13 at the MAFMIC office in St. Joseph. In addition to the financial and management reports, district updates, and committee reports, the board took action on several items requiring approval.

District 5 re-elected Jen Visser to continue as their director for another four-year term beginning in February 2019. Nick Hager was elected to take over for Jan Helling as the new District 6 director in February 2019 when Jan's four-year term expires.

Immediate Past Chairman Gary Swearingen provided an update on the nominations for the Vice-Chairman and Secretary-Treasurer positions for 2019. Kevin Strandberg has been nominated for Vice-Chairman and once again Greg Parent for Secretary-Treasurer. The board also discussed the recipient of the Robert C. Seipp Service Award. There were three nominations, and Bert Tellers was selected to receive the Robert C. Seipp Service Award which will be presented at the convention in February.

Office Manager/Event Coordinator Dani Hennen reported that MAFMIC was now signed through 2024 with the Radisson Blu Hotel at the Mall of America for our annual convention.

The board approved a new Associate Member application for e2Value effective January 1, 2019. The board also reviewed membership dues for 2019. The 2019 MAFMIC Budget was presented by President/CEO Aaron Cocking. The board approved the budget. Aaron Cocking also presented a proposal from the Government Affairs Committee to approve the 2019 Legislative Agenda. The board approved this request.

President/CEO Aaron Cocking presented a review of the current MAFMIC Employee Handbook. The board approved several editorial corrections and updates to various sections in the manual. Aaron will report back to the board at their February meeting regarding two sections in the manual detailing a proposed Paid Time Off (PTO) Policy for vacation and sick leave and the current cell phone use at work section.

The next scheduled board meeting is the annual financial review meeting held at the MAFMIC Convention on February 10, 2019. Please contact your district director, an association officer or the MAFMIC staff if you have any items of concern that you would like to discuss.

Greg Parent
MAFMIC Secretary-Treasurer

The Future is NOW!



PDSpectrum®, our cloud-based policy processing system is now available in Minnesota!

Minnesota Mutuals using *PDSpectrum®* are enjoying the ease of use and accuracy of this modern platform. User feedback has been extremely positive and we are exceeding customer expectations.

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Jan Helling,	District 6, Madelia-Lake Crystal
Vicki Hongerholt,	District 7, Mound Prairie Mutual
Todd Bussuyt,	Statewide, North Star Mutual



Happy
Valentine's
Day

Please join our MAFMIC Chairman, Mikel Nelson and his wife, Julie for the 2019 Chairman's Reception. Mikel & Julie invite you to proudly wear your company



Thank You To Our Sponsors



*"Julie and I look forward to meeting with as many of you as we can.
 Thank you all for your great help and support this past year. It has been an honor to serve as the Chairman of a great association made up of excellent people and strong companies.
 WHY NOT US??"*

*Mikel Nelson
 MAFMIC Chairman
 2018-2019*

Member Profile ~ King Town Farmers Mutual

King Town Farmers' Mutual was incorporated in 1897 by a group of area farmers in King Township in Polk county. They wanted to help their neighbor at a time of catastrophic loss by fire. This was their way of assisting their neighbors & friends in a time of great need.

At inception of the company, fire and lightning perils were primary, however, additional perils have been added over the years, so the additional lines perils are applied following the MN State Statutes of Chapter 67A.

Our staff includes; an office assistance and an office manager, along with ten independent agencies that we work with.

Our mission statement should be: SERVICE, SERVICE, SERVICE. Outstanding service at a reasonable price.

Our five year goal is to continue as a strong company financially and also be considered as a primary source of choice for agency force when considering placement of coverages on behalf of their insured.

Our company's biggest challenge would probably be the 'ease of doing business' when considering working with the younger generation that will eventually be filling our 'seasoned' positions that are held within our company. This would relate to technology and competition.

The ways we are involved in the community would be that we are supportive of local community events, fundraisers, and charitable events.

If we had to describe our company in one word it would be; one of our advertising slogans we use: "An old reliable company", so I guess you could say – RELIABLE!



Diane Boucher



King Town Mutual



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Highlights from Short Course ~ November 2018



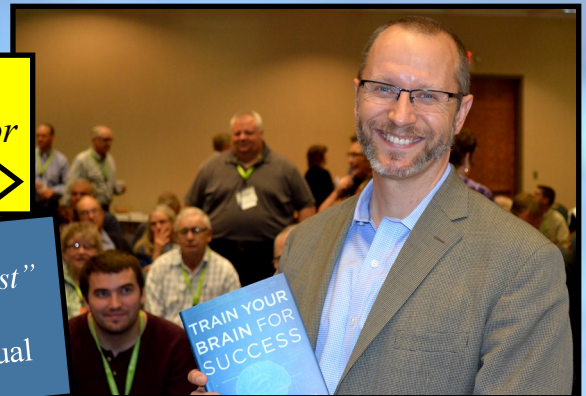
Directors Session ~
*"Emerging Operation
 Issues"*
 Ted Doughman, NAMIC



Managers Session ~
*Lake Nokomis-Upper
 Human Resources -
 Melinda Gau, Attorney
 "Hiring for the Mutual
 and Agency"*



Roger Seip
*Train you Brain for
 Success.*



Operations Session
"ACV vs Replacement Cost"
 Ben Jacobs,
 Fairmont Farmers Mutual



Operations Session
*"How to make the most of
 today's technology in the
 insurance world."*
 Aaron Madison, IMT



Managers Session ~
*"Claims Handling and the
 Fair Claims Practice Act"*

**"Workplace Safety / Active
 Shooter Preparedness"**
 Mike Christianson

Keynote Speaker - Kevin Brown
"The HERO Effect™"



"Understanding the WRDS Inspection Program"
 Speakers: Vivek Kanakia & Debbie Wagner



Highlights from Short Course ~ Exhibitors



Highlights from Short Course ~ November 2018



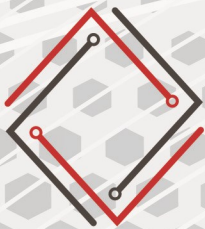
Highlights from Short Course ~ November 2018



**Save the Date for the
2019 Short Course:
November 20-21, 2019
Marriott Northwest,
Brooklyn Park**



Winners of the Bean Bag Contest
Aaron Cocking MAFMIC CEO/President,
presented trophies to
John Derickson & Kerry Knakmuhs
from Redwood County Mutual



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Policy Search
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Submitted By:

John Neal, Attorney,

Willenbring, Dahl, Wocken & Zimmermann, PLLC

Spoliation, in its simplest form, is the destruction of evidence. Why is this important to insurance companies? If a loss scene is spoiled, it could affect your claim denial, a criminal prosecution for fraud or arson, or your ability to recover through subrogation. Worse yet, spoliation can constitute an obstruction of justice. *See Federate Mut. Ins. Co. v. Litchfield Precision Components, Inc.*, 456 N.W.2d 434 (Minn. 1990) (citing *Black's Law Dictionary* 1257 (5th ed. 1979)). And, it could lead to a cause of action or a claim of negligence against you or your agents if you altered or "spoiled" the evidence. The spoliation or destruction of evidence need not be intentional for sanctions to result. Case law is advancing in the area of spoliation and those affected should be mindful of its ramifications.

One court has described spoliation as the "failure to preserve property for another's use as evidence in pending or future litigation." *Id.* (citing *County of Solano Owens v. Delancy*, 264 Cal.Rptr. 721, 724 n.4 (Cal. Ct. App. 1989)). The National Fire Protection Association (NFPA) 921, Guide for Fire and Explosion Investigations, defines spoliation as the "[l]oss, destruction, or material alteration of an object or document that is evidence or potential evidence in a legal proceeding by one who has the responsibility for its preservation."

To remedy spoliation, our Minnesota Supreme Court has declared that trial courts are "vested with considerable inherent authority" to address and sanction conduct that creates destruction or spoliation of evidence. *Patton v. Newmar Corp.*, 538 N.W.2d 116, 118 (Minn. 1995). One of the main questions is whether, and to what extent, a potential party is prejudiced as a result of the alleged spoliation. *Id.* at 119. If prejudice results, the trial court has the discretion to remedy the spoliation by imposing an appropriate sanction to deter future conduct or remedy the prejudice in the pending situation. *Id.* This could include dismissal of the case.

Worse yet, spoliation could lead to a negligence claim against the person who spoiled or altered the evidence. While Minnesota has yet to recognize an independent cause of action for spoliation, our Supreme Court has stated that "an action for negligent spoliation could be stated under existing negligence law without creating a new tort." *Federated Mut. Ins. Co.*, 456 N.W.2d at 436.

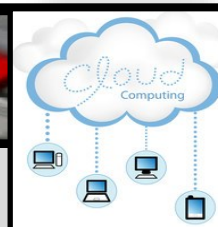
In conclusion, spoliation is the first thing that your fire investigators, adjusters, and anyone else handling a claim for you should consider on their way to any loss scene. You should have protocols or standard operating procedures in place to address this. And, you should seek legal advice before any actions are taken at the scene. It is important to understand what spoliation is not only for your protection, but also to ensure other third-parties with access to the scene do not alter evidence that could impact your case.

Identifying potential parties and those affected by the loss is a necessary first step before taking any action at the scene. Setting a scene exam and placing those parties on notice through a properly drafted letter prior to any alteration of the scene is paramount. Once at the scene exam, setting scene protocols that everyone signs off on is an additional step to consider.

Every case is different, requiring an assessment of possible solutions to prevent spoliation. Understanding and preventing spoliation should be the first thing to consider at any loss scene.

By James Doke
Priority Data

TECH CORNER



Phones, Emails and Texting: The more you use it the more junk you get!

Junk email has been a problem ever since email became part of everyday life. The problem only seemed to get worse once smartphones were introduced to the market, which allowed us to access email, calls, and messages anytime and anywhere.

Fortunately, there are ways to combat the issue.

When online networks, shopping, and other items we now take for granted, started showing up online in the late 90s, we were willing to handout our email address to anyone. Little did we know 20 years later, the amount of times that address has been sold, distributed, and marketed to.

One of the simplest and most over looked ways to help prevent junk mail and spam is to regulate how you provide and use your email address and phone number. Do you sign up for a lot of rewards programs or opt in for the latest and greatest online service? If so, then you may have a higher chance of being bombarded by junk email and messages. The reason for this is simply marketing; everyone wants to push their product or service to as many people as possible using both legitimate and illegal methods. Sometimes not opting in for text updates or skipping an offer that requires your email may help in the long run.

Another easy solution is to utilize your email filter from your provider. Gmail, Outlook, and others often include an email filter with their service, which you can customize to your needs. An email filter will automatically select email from reputable marketers or saved addresses and place them in your inbox while keeping the spam and junk in your dedicated *Junk Email* folder.

When it comes to stopping unwanted calls and text messages, it starts to get a bit tricky. Most smartphones have internal methods for blocking numbers or providers can usually do it through an add-on service, however, determined telemarketers have also kept up with technology, finding ways to mask their number making it appear you are being called from another source. There is also the option of registering your number with the national *Do Not Call* registry service to get out of telemarketing calls.

As technology continues to improve and simplify everyday communication, there will be those who use communication technology to try to get our attention.

Below are links to a few articles that cover additional methods for avoiding spam, and unwanted calls and texts:

Five Ways to Stop Spam: <https://www.pcworld.com/article/3072435/data-center-cloud/5-ways-to-stop-spam-from-invading-your-email.html>

How to block and report unwanted calls and texts:
<https://www.nytimes.com/2018/08/15/smarter-living/how-to-block-spam-calls-texts.html>

Federal Trade Commission's Guidelines for reporting spam, calls, and messages:
<https://www.consumer.ftc.gov/articles/0262-stopping-unsolicited-mail-phone-calls-and-email>

Financial Statements

It is also time again to collect company financial statements.

PLEASE send them to:
PO Box 880, St. Joseph, MN 56374

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Annual Meeting



Please advise the MAFMIC office of
your annual meetings.
The date, time & location.

We would like to include the annual
meeting on the website calendar.

Your help is very much appreciated!

**Choir Members needed for the
2019 Convention**



Contact:
Brenda Derickson
blderickson@gmail.com
(507) 221-0172

Dues must be paid in full in order for
a member to vote during the Annual
Meeting at the MAFMIC
Convention, February 10-12, 2019

Please submit your Membership Dues to:

MAFMIC
P.O. Box 880
St. Joseph, MN 56374



IN SYMPATHY



Anthony "Tony" Kniefel, 84, passed away on Nov. 15, 2018 in Owatonna. Tony was born on Sept. 30, 1934 to Anton & Ethel Kniefel. Following his high school graduation he married Darlene Rysavy on Oct. 15, 1955 in Owatonna where they raised four children. Tony farmed and raised livestock for many years. **After farming he was manager of Owatonna Mutual and ran Kniefel Insurance Agency. He served on the mutual board up until his retirement in 2018.** His memberships included, Medford/Deerfield Knights of Columbus, American Legion, Eagles, Elks, where he was past trustee and served as chairman of the Medford school board. He is survived by his children, Roxanne, Mark, Dawn and John. Several grandchildren and great grandchildren. Tony was preceded in death by his wife, Darlene "Dolly"; his parents, two brothers and two sisters.

SUN	MON	TUE	WED	THUR	FRI	SAT
5	6	7	8	9	10	11
12	13	14	15	16	17	18
19	20	21	22	23	24	25
26	27	28	29	30	31	

Calendar of Events

- Feb 10-12** MAFMIC Convention
Radisson Blu, Bloomington
- Mar 26-28** Spring Agents:
Mankato 26th
St. Cloud 27th
Detroit Lakes 28th
- May 7-8** Managers Workshop
Grand View Lodge, Nisswa
- May 21-22** NAMIC Farm Mutual Forum
Bloomington, MN
- July 10** Manager & Director Seminar
Location TBD
- July 11** MAFMIC Golf Outing
Little Crow Golf Resort, Spicer, MN



MAFMIC wishes to express its sincerest condolences to family and friends of Tony



*See you next month at
the Radisson Blu
for our 2019
MAFMIC Convention!
February 10-12th*

Glexco
Insurance



"I think you misunderstood. The million dollar umbrella policy only covers you for claims involving an umbrella."