



# Mutual LINK

## “Answering the Call”



The year 2022 has been anything but boring thus far. Financial and political debates (some call them discussions) will always be front and center on our minds and especially if there is a legislative body in session. However, the change of seasons has greeted many in the MAFMIC community with a new concern that it is, in fact, officially storm season! Significant weather events are nothing new to Minnesota. But one thing is for certain. Large storms generate a huge opportunity for the mutual industry to shine its brightest. It is an opportunity to show we are a community. We know our neighbor-clients. We know the reputable locally-owned contractors and suppliers. We're connected which allows us to quickly triage and discern which losses need attention first while communicating to all stakeholders

the advice they need to move forward after a large loss. Collectively, our members are very financially sound allowing us to can act quickly in fulfilling our financial commitments once a triggered peril has caused hardship. For certain, claims are adjusted one at a time and larger events always bring a number of delays for sorted reasons. What we can and should employ is our ability to offer consistent, transparent, and professional delivery on every promise.

Our June board meeting was held in Duluth and I can collectively say we had a blast on our e-bike tour of the city. The June board meeting includes a review of our association's annual audit and I can report that our financial position is very stable despite the impact of the pandemic's impact on holding some in-person events. Adam and I just completed numerous mutual visits in southeast Minnesota and look forward to several more in the northeast portion of the state yet this fall. We both appreciated the input and ideas in making this association a valued partner in your organization's success.

Thank you to the many attending the recently held MAFMIC Manager's Workshop. The summer will bring an additional host of MAFMIC related events which are all featured in this issue of the Mutual Link. Much effort goes into providing these in-person membership events, and, as always, your feedback on discussion ideas is encouraged.

*Larry Johnson*  
MAFMIC Chairman 2022-2023



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# e2Value Inc.

Todd Rissel, CEO

## The Company:

e2Value, Inc. (“e2Value” or the “Company”) has the only web-engineered valuation systems for the insurance and banking industries and has since 2000. The e2Value process improved the inaccurate and ineffective manual system that existed to value the replacement cost of residential property. The Company pioneered successful on-line valuations based on its proprietary Expert Valuation System (EVS™). EVS™ provides fast, accurate and accessible valuations for insurance companies, agents, and consumers.

e2Value was incorporated in March 2000. More than 800,000 users currently access EVS™ through over 800 entities in the US and Canada.

We hold the unique capability of properly valuing any size structure with the same number of inputs – that can be as simple as an address – and hold that edge until the patent protection ends in 2024. e2Value’s methodology is patented under patent number 7,373,303.

Further we can be integrated with any application via API, web calls, etc. and that too is a unique capability that will serve as our entry into banking as we as more insurance applications and insurance companies can actually start using integrated system on a large scale.

## Overview

e2Value is a “Software as a Service” company that provides property valuation solutions and data to the Property and Casualty industry. Our internet-based applications are built on the latest technologies which enable our products to be fast, accurate and easy to use. We’re the only company with a patent for our methodology and the only system that can value any size property on a single platform. We are based in Stamford, Connecticut and offer coverage for both the US and Canada. Our customers range in size from: small town agents, regional and national carriers, and the largest lead generation providers in the USA.

Current Products: On-line valuation tools for building replacement cost valuations and portfolio/one over one valuation tools for mortgages – Dodd-Frank compliant as well as Biggert-Waters compliance along with UDAP compliance.

Products include: AV3™, Pronto®, EVS™ (Structure Valuation for Personal Insurance), FnR™ (Structure Valuation for Farm & Ranch Insurance), and HSR (Underwriting Information Gathering and Delivery System), e2Value Canada, Inc. (Canada).

We have over 15 employees plus our servers. (Don’t tell them but the servers do all the heavy lifting!)

Our philosophy and mission are related. We want to provide the best valuation and data for our clients, but easily and quickly. We sell valuations, but also time. We want our clients to use our service but never have to think about it. If something happens and you do need to talk to someone, we are there to support you and help in any way we can. We are one call or e-mail away.

After the past few years, we hate to make too many goals! We have had 22 years of consistent growth and profitability. We like to think we are a leading-edge provider of solid, dependable technology – but still current. In five years, the world will be way more mobile, and our technology is ready to meet that challenge.

Our biggest challenge would be...Belief. Companies have to believe in proper insurance to value. That is a core of the companies we work with.

We are involved with our communities. We serve the USA and Canada, and our team is located all over the USA. Our team members help with their local food banks, religious organizations, fostering, shelter, as well as helping communities after a catastrophic event. Our CEO has his own areas of help with the Special Olympics, educational help, and at-risk kids.

If you had to describe your company in one word what would it be? **Client-Centric.** (Had to use a hyphen – but we think it counts!)

The other word is - Vikings!



## June 2022 Board Meeting Synopsis *Greg Parent, Secretary-Treasurer*



The MAFMIC Board of Directors held their second quarter meeting on June 8 at the Fitger's Inn located in Duluth. In addition to routine items like the financial and management reports, district updates, and committee reports, the board discussed several items and took action on a few of them.

MAFMIC auditor Matt Taubert presented a review of his annual audit report for the year ended December 31, 2021. Secretary-Treasurer Greg Parent gave the financial report and investment update following Matt's presentation.

Office Manager/Event Coordinator Dani Hennen updated the board on the siding issue affecting the MAFMIC office building. Dani finally received a response back that it is NOT going to be covered under warranty. The board instructed Dani to obtain an estimate for siding repairs for the panels where the paint is peeling.

MAFMIC Chairman Larry Johnson and President/CEO Adam Axvig presented an update on the Strategic Plan. Each district director had polled their members asking for input. Chairman-Elect Nick Hager indicated that he would send the board and committee chairs a draft copy of a proposed MAFMIC Strategic Plan that he had worked up for their review prior to the September board meeting.

President/CEO Adam Axvig updated the board on the on-going work related to the Disaster Recovery Manual. Adam and Dani are working on an employee duties and responsibilities section along with a cyber security policy. Adam also informed the board that he and Dani had reviewed several vendors and settled in on Vivid Image for the MAFMIC website and Facebook page. The website has moved from NAMIC to Vivid Image. The email function is in the process of moving to Office Outlook 365, a cloud-based system.

There were no updates necessary to the MAFMIC Board Policy Manual at this time. Adam Axvig and Nick Hager presented a request to the board from the Government Affairs Committee to explore an option to change how the Minnesota Department of Commerce instructs township mutual companies to account for loss adjusting expenses. The board discussed this request. Adam will visit with Paula at the Minnesota Department of Commerce regarding this proposed change to see if it is something that can be accomplished without difficulty or if it is going to end up being complicated.

The third quarter board meeting will be held at the MAFMIC office on September 12-13. The September meeting will see the annual Employee Performance Reviews conducted by the Executive Committee and brought forth to the board for review and action regarding salaries and benefits. Members are encouraged to contact their MAFMIC District Directors with any concerns or issues that may need to come before the board.

*Greg Parent*  
MAFMIC Secretary-Treasurer

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## 2022 MAFMIC Agents' Meeting

**August 9 - Mankato - Civic Center Plaza**  
*One Civic Center Plaza, Mankato*

**August 10 - Moorhead - Courtyard by Marriott**  
*1080 28th Ave So., Moorhead, MN*

Application has been made to the Minnesota Department of Commerce for a **total of 6 hours** of non-company continuing education credits with **3 hours of Ethics and 3 hours Non-company**. (Approval Pending)

### Seminar Schedule

8:30-9:00 am	Registration & Coffee
9:00-12:00 pm	<b>Ethics, Warren "Boz" Bostrom</b>
12:00-12:45 pm	Lunch
12:45-2:00 pm	<b>Nuts &amp; Bolts for Agents</b> ..... <i>Panel Discussion</i>
2:00-2:15 pm	Break
2:15 - 3:30 pm	<b>Equipment Breakdown, Andy Stroud, Mutual Boiler Re</b>
3:30 pm	Closing Announcements

### Cost and Registration

For **Mutual Insurance Company Agents** the Early Bird registration fee is **\$98.00 July 29th**.

However, the registration fee **after July 29th** is **\$115.00**. *Make Checks payable to MAFMIC.*

For **Non-Township Mutual Agents** the seminar registration fee is **\$160.00 before July 2nd**

The registration fee **after July 29th** is **\$185.00**. Lunch and breaks will be provided.

Please complete the form below and return with payment to MAFMIC. **Registration deadline** is 10 days prior to the scheduled date of the meeting. **PLEASE NOTE:** You will be notified only if the location for which you registered is full or cancelled.

### Cancellation Policy

- Cancellation notices received **on or before July 29th** are 75% refundable; **by August 5th** 50% refundable.
- No refunds will be made **after August 5th** ; however, you may substitute a participant at no additional charge.

## MAFMIC Agents' Meeting

### Registration Form

Name \_\_\_\_\_ License Number \_\_\_\_\_

Agency Name & Address:

\_\_\_\_\_

E-mail Address \_\_\_\_\_ Phone \_\_\_\_\_

Mutual you write for:

\_\_\_\_\_

Location Attending (Circle One):

**Mankato**

**Moorhead**



MAIL  
Box 880  
St. Joseph, MN 56374



PHONE  
(320) 271-0909



FAX  
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# MAFMIC 2022 SCHOLARSHIP RECIPIENTS



*Manager, Carol Weiers of  
New Prague-Ceska-  
Louisville Mutual  
Presents Hunter Pomije  
with the  
MAFMIC Jim Barta  
Memorial Scholarship*



*Tyler Koskovich, Marketing Rep  
Fairmont Farmers Mutual & Justin  
Borchardt / Lauren's father,  
Borchardt Agency  
Presented  
Lauren Borchardt with  
her MAFMIC Scholarship*



*Chris Hanneken, Representative of  
Hanneken Insurance Agency  
Presented  
Claire Dahl with her  
MAFMIC Scholarship*



*Angela Campbell, Manager,  
(not pictured)  
Chisago Lakes Mutual  
Presented  
Alexa Lindahl with  
her MAFMIC Scholarship*



# MAFMIC 2022 SCHOLARSHIP RECIPIENTS



*Manager, Mark Nelson of Norwegian Mutual Presented Lydia Thompson with her MAFMIC Scholarship*



*Stacy Schmidtbauer, Office Manager, Mid-Minnesota Mutual Presented Autumn Schoenrock with her MAFMIC Scholarship*



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## ***FIRE-DEBRIS ESCROW ACCOUNTS***

*John J. Neal, Attorney, Willenbring, Dahl, Wocken & Zimmermann, PLLC*

In the event of a fire loss or explosion, member companies may have an obligation to withhold insurance proceeds and issue those proceeds to certain municipalities to ensure proper removal of fire debris. Minn. Stat. § 65A.50, titled "Trust or Escrow Accounts; Insured Real Property or Explosion Loss Proceeds" sets forth certain obligations a carrier must follow if the statute applies.

The purpose of this article is to assist those member companies in better understanding their obligations under the statute. At the outset, the statute should not apply to township mutual policies issued under Minn. Stat. § 67A.191, subd. 1 (usually termed "farm policies"). The reason being that nothing within the statute states that it applies to township mutuals as required by Minn. Stat. § 67A.25, subd. 2.

As to homeowner's policies and policies issued by statewide carriers, the statute mandates several things. The first thing you should do is determine if the claim exceeds 49% of the insurance on the dwelling. If so, then the statute will apply. Second, you will need to check the Commerce Department's website to determine whether the municipality in which the fire occurred has elected to apply the statute. You can find those municipalities on the Commerce Department's website: [Fire Debris Removal List / Minnesota.gov](http://FireDebrisRemovalList/Minnesota.gov) ([mn.gov](http://mn.gov)). If the municipality has elected to apply the statute, then the carrier will need to perform the following.

A. Insurance Carrier's Obligations: When a claim has been filed for a fire loss or explosion on real property located within such municipality and a final settlement has been reached with the insured, the carrier:

1. Must withhold 25% of the ACV or final settlement of the dwelling, whichever is less;
2. Must give notice of the withholding to the treasurer of the municipality, the insured, any named mortgagee on the policy, and if judgment has been entered, the court that issued the judgment;

The notice must include:

- A. The carrier's identity and address;
- B. The name and address of each policyholder and mortgagee;
- C. The location of the insured property;
- D. The date of loss, policy number, and claim number;
- E. The amount withheld;
- F. A statement that the municipality may have the withheld amount paid into a trust or escrow if it shows within 30 days that the money should be withheld for health and safety, otherwise the money will be paid to the insured after expiration of the 30 days; and,
- G. An explanation of the provisions of the statute and a verbatim reproduction of subdivision 16 of the statute; and,

3. Upon receiving the affidavit mentioned in paragraph B below, must forward the withheld amount to the treasurer of the municipality and provide notice of the forwarding to the insured, mortgagee, and court if judgment was entered.

B. Municipality's Obligations: Within 30 days of receiving notice, the municipality must do the following to receive the withheld funds: official, stating that the damaged structure

*Continued on page 9*

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## ***FIRE-DEBRIS ESCROW ACCOUNTS***

*John J. Neal, Attorney, Willenbring, Dahl, Wocken & Zimmermann, PLLC*

*Continued from page 8*

- 1) Prepare an affidavit from the fire chief or other
- 2) Submit the affidavit to the carrier, insured, mortgagee, and court if judgment was entered;
- 3) Upon receiving the funds, deposit them in an interest-bearing escrow account;
- 4) Upon reasonable proof that the fire debris has been removed, repairs have been made, or the insured provides proof of a contract to perform repairs and consents to payment to the contractor, the municipality may release the funds to the insured or contractor as the case may be; or
- 5) If the municipality does not receive reasonable proof of repairs or fire-debris removal within 45 days of receiving the withheld funds, the municipality may proceed with securing, repairing, or demolishing the damaged or destroyed structure.

The statute specifically exempts the carrier from the withholding requirements if three things occur:

- 1) Within 30 days of a final settlement between the carrier and insured, the insured has filed with the carrier a contract to repair the structure;
- 2) The insured consents to payment of funds directly to the contractor; and
- 3) Upon receipt of the contract to repair the structure, the carrier informs the municipality that it will not be a withholding any of the insurance proceeds because of the repair contract (provide a copy of the contract).

As you can see, there are many steps in the process that a carrier must follow. It is important to adhere to these requirements to avoid paying an additional claim to the municipality for failure to follow the correct procedure and withhold the funds. In all events, the carrier should seek legal advice from the outset to ensure compliance.



PDF Editor

**GENERAL AFFIDAVIT**

STATE OF \_\_\_\_\_

COUNTY OF \_\_\_\_\_

PERSONALLY came and appeared before me, the undersigned Notary, the within named \_\_\_\_\_, who is a resident of \_\_\_\_\_ County, State of \_\_\_\_\_, and makes this his/her statement and General Affidavit upon oath and affirmation of belief and personal knowledge that the following matters, facts and things set forth are true and correct to the best of his/her knowledge:







Minnesota Association of Farm Mutual Insurance Companies, Inc.

# NEWS Bulletin

ASSOCIATION OFFICE: 120 West Bradley Ave.

Tyler, Minnesota 56178

PHONE (507) 247-5161

SEPTEMBER 1978

VOL. 6 - NO. 8

## 1978 FALL DISTRICT MEETINGS ARE SET

MARK YOUR CALENDARS NOW . . . PLAN TO ATTEND THE MEETING IN YOUR AREA!

Meeting dates have been confirmed by the various location sites for MAFMIC's NINE scheduled Fall District Meetings to be held around the State of Minnesota during the month of November. The program presentations have been planned and arranged with the help of the MAFMIC Education Committee and it is expected that each day's program will prove to be of universal interest to Company Managers, Boards of Directors, Agents and Office Staffs. With this in mind, we hope the subject of Fall District Meetings will be discussed during up-coming meetings of the board of directors of each company so everyone will have an opportunity to attend the meeting to be held in their district. Check the schedule to determine which meeting you will attend and mark your calendar now!

<u>MEETING DATE</u>	<u>CITY</u>	<u>MEETING PLACE</u>
Tuesday, Nov. 7th . . . . .	Thief River Falls . . . . .	New Best Western Motel
Wednesday, Nov. 8th . . . . .	Alexandria . . . . .	Arrowwood Lodge
Thursday, Nov. 9th . . . . .	Saint Cloud . . . . .	New Holiday Inn
Friday, Nov. 10th . . . . .	Hinckley . . . . .	Tobie's Restaurant
Monday, Nov. 13th . . . . .	Montevideo . . . . .	Hotel Hunt Motor Inn
Tuesday, Nov. 14th . . . . .	Slayton . . . . .	Royal Supper Club
Wednesday, Nov. 15th . . . . .	Mankato . . . . .	Holiday Inn (Hwy. 169)
Thursday, Nov. 16th . . . . .	Rochester . . . . .	Holiday Inn (South)
Friday, Nov. 17th . . . . .	Norwood . . . . .	Lind's Supper Club

Last year's district meetings enjoyed a total attendance of 953 persons representing 116 MAFMIC-member township mutuals despite blizzard conditions which prevailed in the northern part of the state the first week. The all-time record attendance of 1,043 was set in 1976. If the weatherman smiles on us this year and if each of you will take an interest in the fall district meetings, we just might break the old attendance record.

Keep in mind . . . Coffee will be served at 9:00 a. m. each day. We request that you try to arrive during the coffee period so you will have time to get registered and to have a chat with delegates from neighboring township mutuals in your area. Each day's meeting gets underway at 9:45 a. m. sharp with roll call and a drawing for door prizes.

DIVIDING THE MEAL TAB -- As in the past, in lieu of charging a registration fee, the cost of the morning coffee and the noon luncheon will be divided equally between companies represented at each day's meeting. Company Secretaries or Treasurers are reminded to bring a company check to the meeting. Keep in mind, the more delegates you bring to the meeting in your area, the better deal your company will get when you share the cost. So plan now to "bring a bunch for the meeting and lunch!"



## Thank you to our Sponsors



## UPCOMING EVENTS

# 2022

- |             |   |
|-------------|---|
| July 13     | <b>Manager &amp; Directors Seminar</b><br>The Park Event Center, Waite Park |
| July 14     | <b>MAFMIC Golf Outing</b><br>Little Crow Country Club, Spicer               |
| July 27-28  | <b>MAFMIC CCP Visit</b><br>Washington D.C.                                  |
| August 9-10 | <b>MAFMIC Agents Meetings</b><br>9th - Mankato * 10th - Moorhead            |
| Sept. 8     | <b>PIA Education Day</b><br>The Park Event Center, Waite Park               |
| Nov. 16-17  | <b>MAFMIC Short Course</b><br>Holiday Inn, St Cloud                         |



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