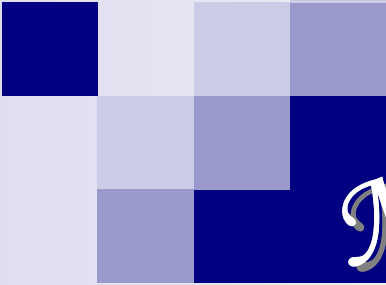


Minnesota Association of Farm Mutual Insurance Companies



Mutual LINK

Chairman's Message

Steve Knutson, MAFMIC Chairman

I'm sure you are aware that a change has been made within the leadership of MAFMIC. The MAFMIC Board of Directors met in regular session on June 8-9 and spent some time discussing the future of the Association. If your district director hasn't already, they will be contacting members for input regarding the future direction of MAFMIC. We encourage you to communicate your concerns and ideas with your district director who will share that information with the board in September. We value your input with regard to this very important issue. We feel that all suggestions and ideas must be carefully considered before any decisions are made. Our goal is to provide our diverse membership the best value for their MAFMIC dues dollar.

The MAFMIC staff consists of Marcus Marsh, Lori Olmscheid, and Lindsey Schuler and they are ready and willing to assist you. These employees are dedicated, capable, and committed to this Association. Their goal is to provide you with a level of service that exceeds your expectations.

In determining the future direction at MAFMIC, the Board of Directors is cognizant of the core services provided. These include standard policies, legislative presence, lobbying, and continuing educational opportunities for our agents and company staff. In addition, MAFMIC provides many miscellaneous benefits outside these core services.

Our standard policy committee continues to review and revise our TP1 and PH1 policies. These policies are modern and responsive and provide value to our policyholders. These policies provide our agents with a quality product, supported by exceptional service.

Our Government Affairs department developed positive relationships on both sides of the political isle and continues to fight for our industry with passion and determination. The success of MAFMIC in this arena is due in part to you - our effective grass roots have made a difference in the political process.

Finally, MAFMIC continues to provide professional and timely educational opportunities for our agents and company personnel. In order to provide for the needs of our policyholders, we must be equipped with adequate knowledge. MAFMIC continues to provide quality continuing education for our membership.

I think that you will agree that MAFMIC has our fundamentals in place. MAFMIC continues to provide its members with "Quiet Strength, Exceptional Service and Unequaled Commitment"! I thank you for your patience, input and support as we move forward together as an Association.

Manager & Director's Seminar/ Golf Outing Coming Soon

The Manager & Director's Seminar will be taking place July 15 at the St. Cloud Holiday Inn in St. Cloud, Minnesota.

The Manager & Director's Seminar will be followed by the Educational Scholarship Golf Outing on July 16 at the Little Crow Country Club in Spicer, Minn.

There is still time to sign up for one or both of these events. Feel free to contact MAFMIC or access the MAFMIC website for registration materials.

MAFMIC Hours

MAFMIC has started summer hours, beginning May 29. Hours are as follows:

Monday - Thursday
8:00 am - 4:30 pm.

Friday
8:00 am - 12:00 pm.

Enjoy Your Summer!

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Board Member Profile

Deb Liden, Bray-Gentilly Mutual

PERSONAL

Q. Where did you grow up?

A. Thief River Falls, MN.

Q. Where did you attend high school?

A. Thief River Falls, MN.

Q. Did you attend college? Where? What was your major?

A. Yes. Moorhead State University, Business Education.

Q. Do you have children? Grandchildren? How many?

A. 2 children – Jessica 24 and Stephanie 21.

Q. What are some of your favorite hobbies?

A. Reading, shopping, playing with my dogs, & watching Sioux hockey.

Q. Give two interesting tidbits about yourself.

A. (1) I currently live in Thief River Falls and grew up here but I have lived in 4 towns in North Dakota and Utah, Idaho, Mississippi, and Louisiana from 1982 to 1990. (2) I look most forward to the week that my husband and I do a fly-in fishing trip to a remote island and private lake in Canada. No phones, no people, no radio, no TV; Five days of complete solitude each year.

PROFESSIONAL

Q. What was your first job?

A. Clerk at the neighborhood Valley Dairy store.

Q. How did you start in the insurance industry?

A. My friend who was the secretary for the State Farm Claims Office in Thief River Falls asked me to fill in for her while she

was on maternity leave. I never left when she came back.

Q. What do you enjoy about your job?

A. The people. Our insured's are great people, so are other Managers and the Companies we package with. Also, no day is ever the same; you may be doing underwriting all day but each home is different.

Q. What do you strive for professionally?

A. Confidence. I want everything that leaves our office to be done promptly & correctly. I want every answer I give to be the correct one and I want our insured's and agents to feel secure in what we provide for them and to believe in us and our abilities.

Q. Who has been most influential to you professionally?

A. My dad was a realtor and when I took this job he told me these things: (1) Don't lie to people, (2) don't make promises you can't keep, (3) don't change what you believe in to please someone else, (4) treat everyone the same no matter who they are, and (5) a new customer is just as important as an old one and an old one just as important as a new one.

Q. What do you like about being a board member?

A. I like being a MAFMIC board member because I believe in this Association. Minnesota Mutual people are special and we deserve to have the best Association we can have. The people that volunteer their time and talents on the various committees, speaking at educational events and helping with meetings are amazing and I feel by being on the Board you are paying these people back by watching over their Association.

Q. What do you bring to the association as a board member?

A. Opinions. We all have opinions and we all need to express them and if we don't, we can't complain about anything that happens later. If we did our best for the good of the group, we have accomplished our goal.

I'm not sure what else, but I do know that I feel a responsibility to the membership. Members put the Association in our hands for a time and we need to do our best to take care of it. District 1 issues of course, are a priority but I'm not above bringing any issue from any part of the state to the Board's attention.

Editorial Advisory Committee

Al Anderson, Chairman - North Star Mutual

Patti Rothfork, Melrose Mutual

Richard Raun - Woodland Mutual

Colleen Anderson - Corn Belt Mutual

Jonathan Troe, PFMM - Owatonna Mutual

Wayne Schluchter - Schluchter Investment Advisors

Kirby Dahl - Willenbring, Dahl, Wocken & Zimmerman

Karl Porisch, Western Mutual - *Board Liaison*

Marcus Marsh, MAFMIC - *Staff Liaison*

Lindsey Schuler, MAFMIC - *Staff Liaison*

Mutual Link (USPS 623-320) is published bi-monthly by Minnesota Association of Farm Mutual Insurance Companies, Inc. 601 Elm Street East, PO Box 880, St. Joseph, MN 56374. Periodical Postage Paid at St. Cloud, MN 56301. Annual subscription rate for members of the Association is \$2.00, which is included in the membership dues.

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Moe-Urness-Lund Mutual

Ruth Plaster, Manager

Moe-Urness-Lund Mutual Insurance Company, located in Brandon, Minn., originally started as two mutuals; Moe and Urness Mutual and Lund Mutual. biggest challenges is adjusting claims with the increasing repair and replacement costs.

Moe and Urness Mutual was founded in 1883 by 33 men who pledged themselves to assist in paying for personal property losses across Douglas County. These 33 men started Moe and Urness Mutual with \$25,000.

It wasn't until about a hundred years after Moe & Urness Mutual's start that a merger with Lund Mutual ensued to form Moe-Urness-Lund Mutual Insurance Company.

Moe-Urness-Lund Mutual employs two full-time employees, one part-time inspector/adjuster and 30 agents across 13 agencies. These people provide fire, lightning and other lines of insurance for Moe-Urness-Lund Mutual as well as windstorm liability and hail coverage in partnership with statewide companies.

Challenges for companies to continue their business are on the rise and Moe-Urness-Lund Mutual is not exempt. One of their

**Ruth Plaster, Manager,
described Moe-Urness-
Lund Mutual in one word:
"Strong."**

Companies like Moe-Urness-Lund Mutual no doubt have many goals for the next five years but one mentioned by the company is to, of course, keep the doors of the company open for business in Brandon.

This company would like to reach their five year goal while abiding by their philosophy of providing good insurance coverage at a fair price to policyholders.

Although Moe-Urness-Lund is facing challenges and are dedicated to their philosophy, this company still finds time to share themselves with Douglas County.

Moe-Urness-Lund Mutual has been active in their community by supporting school functions, 4-H clubs, Shriners, and various events throughout the county, such as the Douglas County Fair.

Moe-Urness-Lund Mutual is just one of the mutual insurance companies MAFMIC is proud to have as a member. We wish them the best in their future.

working relationships



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Legislative Wrap Up

Marcus Marsh, MAFMIC

The Department of Commerce Financial Bill with our Modernization language in it S.F. 1849 Chief Author Senator Dan Sparks (D-Austin) was passed out of Senate Commerce Committee and then passed by the full Senate. However, the bill H.F. 2029 with Chief Author Representative Jim Davine (D-Minneapolis) passed out of the House Commerce Committee and then was sent to the Energy Finance Division where it was added to the Omnibus Energy Bill H.F. 1754 Representative Bill Hilty (D-Finlayson). That bill was passed and sent to the Full Finance Committee where it was added to the Omnibus Environment Bill H.F. 2123 Representative Jean Wagenius (D-Minneapolis). The bill then passed off the House floor but had to go to Conference Committee with the Senate Omnibus Environment Bill.

Thankfully items in the bill that were objectionable to the Governor were removed and the Senate adopted the House position on the original H.F. 2029. So the Conference Committee Report was passed in the House and Senate and signed by the Governor.

The bill to ban the use of all credit information S.F. 263 Chief Author Senator Mary Olson (D-Bemidji) was defeated in the Senate Commerce Committee. The support Greater Minnesota Senators and Senator Linda Scheid (D-Brooklyn Park) was critical stopping this legislation.

The One Way Looser Pay Bill H.F. 417 Chief Author Joe Atkins (D-Inver Grove Heights) and S.F. 528 Chief Author Senator Tom Bakk (D-Cook) could have been devastating to the insurance industry because companies would be responsible for all attorney's fees in any claim brought against us if that party won in court. Because of hard work by MAFMIC Members and coordinating efforts with other insurance lobbyists the attorney fee's were removed from the bill. This was a very big win. A skeleton of the bill passed raising the prejudgment interest rate on awards but was basically a repeat of previous legislation passed.

On Thursday, May 14 Governor Pawlenty shocked the DFL Leadership and the entire Legislature by announcing he was go-

ing to line item veto various items from the major spending bills and then sign them. He would then proceed from there to unalot, which simply means the Governor can decide what he wants to cut in the state budget if the budget is in deficit.

The DFL Leadership had rushed all the spending bills to the Governor in a 2 day time period, (from the time a bill is presented to the Governor, he has 3 days to sign or veto the bill or it becomes law automatically).

Everyone was expecting a very long special session and whether you agree or disagree with the Governor, it ended the Legislative Session on time with out major tax increases and without a government shut down. Time will tell how the public reacts to this ongoing budget shortfall of three billion dollars.

Again I want to thank all MAFMIC Members for contacting your Representative and Senator. We are only successful when we all work together.



Governor Tim Pawlenty line-item-vetoed from major spending bill.
(picture: www.donkeydish.com)



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Unfair Claims Practices Act, part II

Kirby Dahl, Willenbring, Dahl, Wocken & Zimmerman, PLLC

In the May/June 2009 Mutual Link, we discussed certain property claims practices of insurance companies which are deemed by law to be "unfair claims practices." Minnesota Statutes 72A.201 ("the Act") also sets forth specific conduct, a single violation of which may constitute an unfair claims settlement practice. Those specific acts that are prohibited by law are as follows:

- Making a payment, settlement or offer of settlement, without including an explanation of what the payment, settlement or offer of settlement is for.
- Failing to inform the insured of the policy provisions under which payment is made.
- Making an offer of settlement on one part of a claim contingent upon the insured agreeing to settle another part of the claim.
- Refusing to pay a portion of a claim for which there is no good faith dispute.
- Threatening cancellation or non-renewal of a policy as an inducement to settle a claim.
- Failing to issue payment of any portion of a claim agreed to by both parties within five (5) business days of the receipt by the insurer of the agreement to settle.
- When the policy calls for payment of actual cash value of the loss, attempting to settle the claim with an insured for less than the value of the damaged property immediately preceding the loss plus all applicable taxes.
- When replacement cost coverage applies, attempting to settle the claim for less than the sum necessary to replace the damaged item with one of like kind and quality plus all applicable taxes.
- Attempting to reduce any settlement by depreciating items not adversely affected by age, use or obsolescence.
- Claiming betterment where the value of the damaged item has not, following repair, been increased over the pre-loss value of the damaged property.
- Denying a claim without informing the insured of the policy language or other reason for the denial.
- Denying a claim without first having made a reasonable investigation of the claim.
- Denying a claim without including the following information:

The contact information for the representative of your company to whom the insured may take any questions or complaints about the denial; and

On fire claims, you must advise the insured of their right to file a complaint with the DOC regarding your

denial. You must also provide the address and telephone number of the DOC.

- Denying a claim because the insured failed to exhibit damaged property when you did not, within a reasonable period of time following the loss, make a written demand for the insured to exhibit the damaged property.
- Issuing a check in payment of a claim which contains language that states that accepting the check constitutes a final settlement or release of any or all future obligations of the company arising out of the loss.
- Requesting or requiring an insured to sign a release that extends beyond the subject matter of the claim.
- When an insured alleges that your company or an agent of your company engaged in any unfair, false, misleading, dishonest, fraudulent, untrustworthy, coercive, or financially irresponsible practice, or has violated any insurance law or rule, you must then compile and maintain a file with regard to any such complaint. The complaint file must provide adequate information so as to permit easy retrieval of the entire claim file. The complaint file must also indicate what investigation and action was taken by the company in response to the complaint. The complaint file must be maintained for at least four (4) years after the date of the initial complaint. The file must be made available to the Department of Commerce (DOC) on request.

The Act gives the Commissioner of the DOC the power to investigate and determine whether a covered entity has violated any practice or act prohibited by the law and if it is determined that a prohibited practice or act has been committed, the DOC then has the power to impose administrative sanctions and/or fines. **Lastly, Minnesota Statutes Chapter 67A.191, Subdivision 2, was amended this past legislative session to make the Unfair Claims Practices Act applicable to claims made on homeowner's insurance policies written by township mutuals. The amendment to the law is effective August 1, 2009.**



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Manager's Retreat

May 19 & 20, Thumper Pond Resort, Ottertail, Minnesota

Thumper Pond Resort in Ottertail, Minn. hosted 31 township mutual managers for MAFMIC's Manager's Retreat.

The managers participated in five and a half hours of discussion in small groups and one large group. The formation of groups along with topics for discussion were relatively unstructured to allow for open communication about issues important to each manager.

One manager said, "it was nice to let the discussion flow to what interested everyone involved," while another said, "it was nice to openly be able to discuss things with no real agenda."

In addition to the discussion time, manager's had the option to participate in activities such as golfing, trap-shooting and a trip to the spa among other things. Although these activities weren't the focus of the retreat, it was said that this time helped them to discuss issues further, network, and brainstorm possible solutions, additional questions, etc.

According to the Retreat's evaluation, the first time event seemed to be a success and we will work to continue to provide this time in the future.



(L), Diane Boucher, King Town Farmers Mutual, Maureen Reineke, Buffalo Lake-New Auburn Mutual, and Jane Dreyer, Chisago Lakes Mutual chatting after dinner.



(L) Muggs Zabel, McPherson Minn Lake Mutual and Mary Thompson, Mid-State Mutual look pretty in pink.



Bricker Johnsen, Sverdrup Mutual and Deb Liden, Bray-Gentilly Mutual after dinner.



Carol Maciej, Mid-Minnesota Mutual gave herself a black eye trap shooting with Al Muehlhausen, Kelso & Shelby Mutual.



(Back L to R) Rose Meyer, St. Joseph Mutual and Linda Jaskowiak, Sumter Mutual, (Front L to R) Jim Svir, Roseau County/Marshall County Mutuals and Bob Wendorff, Crow River Mutual claim their golf prizes.

2009 Educational Scholarship Winners

Congratulations to the six 2009 MAFMIC Educational Scholarship recipients.

Stephen Enger, Madison, Minn.; Kendra Hoffman, Canby, Minn.; Colin Kjesbo, Norcross, Minn. (not pictured); Michael Poser, Pierz, Minn.; Corinne Solheid, Lakeville, Minn. and; Michael Sukalski, Fairmont, Minn.



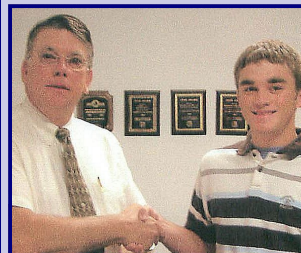
Corinne Solheid presented with scholarship by Carol Weiers, Manager of New Prague-Ceska-Louisville Mu-



Michael Sukalski presented with scholarship by Jay Burmeister of Fairmont Farmers Mutual.



Stephen Enger presented with scholarship by Paul Larson, Manager of Leenthrop Mutual.



Michael Poser presented with scholarship by Reiny Hanneken, Manager of Pioneer Lake Mutual.



Kendra Hoffman presented with scholarship by Manager of Norwegian Mutual, Mark Nelson.

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FDIC Update

Wayne Schluchter, Schluchter Investment Advisors

FDIC update:

- The **\$250,000** limit is temporary through **December 31, 2013**. On January 1, 2014, the standard insurance amount will return to \$100,000 per depositor.
- Unlimited deposit insurance coverage for non-interest bearing transaction accounts (checking) at institutions participating in the FDIC Transaction Account Guarantee Program is available through December 13, 2009. This program will not be extended.
- One in five banks nationally lost money in the 1st quarter of 2009, according to the FDIC.
- 36 FDIC institutions have failed this year, compared to 25 in 2008 and three in 2007.

The FDIC list of troubled banks has jumped to 305 – the highest number since 1994.

Please call Schluchter Investment Advisors at 320-203-6543 or 800-791-2269 if you have any questions.

Owatonna Farm Show \$100 Winner

The Owatonna Farm Show was held March 19-21. Each Farm Show MAFMIC attends, patrons are encouraged to enter their name for a \$100 prize.

The Owatonna Farm Show winner is Dave Jones from Lake Crystal, Minn.

Congrats Dave!



(L) Madelia-Lake Crystal Manager, Jan Helling presents Dave Jones from Lake Crystal a \$100 dollar check.

Big Iron Farm Show

September 15-17 from 9:00 am to 5:00 pm.

MAFMIC is looking for volunteers to work the MAFMIC booth at the Big Iron Farm Show in West Fargo, North Dakota.

If you are interested in volunteering your time, please contact **Jim Dauphinais**.

Email: jdauphinai@gmrc.com

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MAFMIC 2009 CALENDAR OF EVENTS

July	15	Manager & Director Seminar Holiday Inn, St. Cloud
July	16	Education Scholarship Golf Outing Little Crow Country Club, Spicer
August	4-6	Farm Fest Gilfillan Estates, Redwood County
August	4-6	NAMIC PLAF School Marriott Airport, Minneapolis
August	11	Mutual Support Staff Seminar Holiday Inn, St. Cloud
Sept.	2	Adjuster & Inspector Seminar Holiday Inn, St. Cloud
Sept.	15-16, 29-30	Policy Schools St. Cloud, Morton, Bemidji, Rochester

 To submit an article to be published in the Mutual Link please send them to Mutual Link, PO Box 880, St. Joseph, MN 56374, or email them to info@mafmic.org.

In Sympathy

Hazel Iverson, mother of Bill Iverson, passed away May 7 at the age of 95 years old at St. Williams Center in Parker's Prairie.



Harry Russell, Director for Southwest Mutual, passed away June 11 at the age of 92 years old in Bigelow. Harry served Southwest Mutual for 15 years.

MAFMIC wishes to express its sympathy to the friends and family of Hazel and Harry.

We have great programs coming soon for you.

The 2009 Support Staff Seminar and 2009 Adjuster/Inspector Seminar are just around the corner! Check out the registration forms inserted in this issue.

We look forward to seeing you!

Job Opportunity

Lost Dutchman Search, a Minnesota Mutual Carrier is looking for a Farm Underwriting Manager to supervise staff of 13.

If interested, contact Jeanine Drahota at (970) 586-7676 or jkd@lostdutchmansearch.com

Consideration will be confidential. Check out the website for more info
www.lostdutchmansearch.com