



### *“The Current Interest Rate Environment”*

Alex Coulter, Senior Financial Associate, Schluchter Investment Group

Interest rates throughout the United States have continued to push lower since the fourth quarter of 2018. The most recent move lower in rates came from the Covid-19 pandemic. In an effort to combat the economic fallout from the Covid-19 pandemic, the Federal Reserve moved to cut rates. The move by the Federal Reserve puts the market back in a zero interest rate environment.

In addition to the move by the Federal Reserve, fears surrounding the Covid-19 pandemic resulted in many investors selling higher risk investments and moving towards safer assets. The reinvestment in safer assets often occurs by purchasing U.S. Treasury bonds. The increase in demand for U.S. Treasury bonds increases the price of bonds which ultimately decreases the relative yields on the bonds. The significant move lower in interest rates can be seen in the recent yield levels on U.S. Treasury Bonds. As of April 1<sup>st</sup>, 2020, the 5 year, 10 year, and 30 year Treasury bond yields were 0.36%, 0.63% and 1.28%, respectively.

The current interest rate environment as well as weakening economic environment should cause Mutual Insurance Boards to review their investment portfolio. Board members should fully understand the bonds owned in the portfolio and the credit quality of the bonds. If corporate bonds were investment grade at time of purchase but have been downgraded, have a conversation with your Mutual Company's Investment Advisor to make sure you discuss if it is appropriate to continue holding the bonds in the portfolio. Schluchter Investment Group is happy to meet with your board to review current bond holdings and to further discuss the current interest rate environment.

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# **MERGERS**

**By: John Neal, Attorney,  
Willenbring, Dahl, Wocken & Zimmermann, PLLC**

The rules governing mergers are different for township mutual insurance companies governed by Minnesota Chapter 67A and member companies governed by Minnesota Chapter 66A. In recent years, the Commerce Department has approved mergers between 66A and 67A companies. The purpose of this article is to give some guidance on the process.

## **Mergers for Township Mutuals**

Minn. Stat. 67A.21 governs mergers between township mutuals. The first step is to engage in an exploratory committee between two potential companies to determine if a merger is a good fit financially and structurally. If so, then the two companies must pass a merger resolution adopted by both companies' boards, identifying the proposed company name, principal place of business, and the names of the first board of directors and officers. Second, the proposed merger resolution must be presented to the policyholders for a vote at least 30 days' in advance of the meeting. At the policyholder meeting, a majority of the policyholders must approve the merger resolution. Once complete, the companies present the merger resolution to the Commerce Department for approval.

## **Mergers involving 66A Companies**

Mergers involving 66A companies, including those involving township mutuals, is more complex. These mergers are governed by Minn. Stat. 66A.31 and 60A.16. Again, the first step is to engage in an exploratory committee between two potential companies to determine if a merger is a good fit financially and structurally. If so, then the two companies must pass a plan of merger approved by a majority vote of each board. If approved, second, each respective company must present the plan of merger to their policyholders for a vote. Two-thirds of the policyholder of each company must approve the Plan of Merger. Third, if approved, both companies draft Articles of Merger to put the Plan of Merger into effect. Finally, the companies submit their Articles of Merger to the Commerce Department for approval.

## **Conclusion**

This article presents a simplified version of mergers between member companies. There are more requirements to fulfill with the Commerce Department beyond the statutory framework above. It is always a good idea to let the Commerce Department know well in advance of any merger, which will assist in preparation and final approval. If you have any questions, please do not hesitate to contact your writer at: 612-716-1505.





# **“Why you need to claim your Google Business Listing”**

Dan McCue, AINS | Digital Marketing Strategist, Grinnell Mutual

## **Why you need to claim your Google business listing**

There's a question we get a lot from independent agents and mutual managers: How do I claim my company's local listing on Google?

We know that customers (and potential customers!) are looking for local insurance companies. In fact, two-thirds of the search traffic in our industry is for local businesses.

That's why it's important that you're findable online.

## **How to claim your Google business listing**

These steps work best for companies that have a single location. They will also work for companies with up to 10 locations.

1. Open Google maps (maps.google.com).
2. Search for the name of your business. If your listing is unclaimed, you may see “Claim this business.”
3. Select “Claim this business” and “Manage now.”
4. Google will ask you to choose a way to verify that you are the legitimate owner — phone, email, or postcard.
5. You're now verified to manage your Google business listing.

**Manage your Google business listing \*** Now that you've claimed your Google business listing, you need to manage it. Here is what we recommend you review:

**Business Name \*** Enter the name of your business as it appears to your customers. Make sure it matches the business name on your website.

**Category \*** “Insurance agency” and “insurance company” are both available.

**Business location \*** If your company has a physical location that customers can visit, add it to your listing. You can also link multiple physical locations together. Make sure this address matches the address listed on your website.

**Service area \*** Your service area may be much larger than just the community where you do business. You can add cities, counties, and states where you provide your services.

**Hours \*** List your operating days and hours. You can also preload special days when you might be closed for business (e.g. Memorial Day).

**Phone \*** Make sure this number matches the phone number listed on your website.

*Continued on Page 7* ➡



## Continued... “Why you need to claim your Google Business Listing”

**Website \*** Add your website address here.

**Appointment links \*** If you offer your customers online scheduling, you can add a link to your appointments page so customers can make appointments through your Google listing.

**Services \*** Add the services and/or lines of business you offer.

**Opening date \*** You have the option to add an opening date for your business.

**Photo \*** Be sure to add a cover photo and your logo. Consider photos that show you serving customers and your community. You can add more photos by clicking the plus sign and dragging photos in.

### More Helpful links for you put together by Dan McCue, Grinnell Mutual

Dan has a video he created about claiming your [Google listing](#).



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# Announcements

MAFMIC

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NATIONAL 18-24 MAY 2020  
**VOLUNTEER**  
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CHANGING LIVES. WEEK

**If you are interested in joining a committee, helping with an event, have an idea...**

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- Make important networking contacts
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- Enhance your résumé
- Gain work experience
- Meet new people
- Express gratitude for help you may have received in the past from an organization
- Communicate to others that you are ambitious, enthusiastic and care about MAFMIC
- Make new friends



Stuart Selchow, President of Young America Mutual. Stuart retired at the Young America Mutual annual meeting on March 9th. He retired with 15 years of service.

Yes, I am  
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Distancing



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# 1988

Minnesota Association of Farm Mutual Insurance Companies, Inc.



## NEWS Bulletin

ASSOCIATION OFFICE: 325 - 33rd Ave. North

St. Cloud, MN 56303

PHONE (612) 255-0909

MAY - 1988

VOL. 16 - NO. 4

**1988 LEGISLATIVE UPDATE** -- The short session of the 1988 Legislature was full of surprises and short on solutions to many of our state's problems. Many items of interest to the mutual insurance industry were discussed with few solutions to the problems.

The second session of the 75th Minnesota Legislature adjourned at 3:00 p. m. on Tuesday, April 26th. This was the second longest "short session" in state history.

The results of the 1988 session for the insurance industry were very positive. Among the items that were discussed during this election-year session were: Tax reform, reform of the workers' compensation system, and tort reform.

Many of the items were not resolved and some of the legislation had positive aspects as far as the property and casualty insurers in Minnesota are concerned. There were no changes in the workers compensation system. This is a positive result from the perspective that some very negative insurance rating changes were on the table, but were not adopted. The negative aspect is that in spite of two excellent government reports detailing the cost in Minnesota's system and the Legislature passing two excellent reform bills, no law was adopted due to the fact the Governor vetoed the bills.

The ninety-six page insurance omnibus bill was defeated. This bill would have opened the fair plan to rural properties in Minnesota, thus effecting the status of our township mutuals. MAFMIC originally opposed the bill, but took no action when the bill was included in the omnibus agricultural bill. The measure failed.

**CHANGE IN GUARANTY FUND SURCHARGE** -- The surcharge recoupment for assessments in the Minnesota Guaranty Statute, 60C.06, was repealed. In lieu of the surcharge, all Guaranty Fund assessments will be included within the total premium amount - there will no longer be a surcharge added to the policyholder's statement. This will eliminate confusion for the policyholder and will also force companies to pay commissions on the surcharges. There will still be an explanation contained stating that a surcharge is included in the premium.

**GROSS PREMIUMS TAXES** -- The 1988 Legislature passed tax reform and the bill was signed by Governor Perpich on Saturday, May 7th. We were successful in getting passage of our tax reduction, but not completely the way we wanted it. The conference committee of the house and senate changed our position and the following was included in the omnibus tax bill: Retroactive to January 1, 1988; gross premiums taxes will be reduced to 1 and 1/2 percent. Beginning on January 1, 1989, the tax will be further reduced to 1 per cent for 1989, 1990 and 1991. Beginning on January 1, 1992, the tax will be further reduced to 1/2 of 1 per cent. The phase in period was designed to provide immediate capital for other tax relief, such as renter's credit, re-establishment of tax benefits for qualifying retirement programs and various other tax credits.

MAFMIC worked hard on this bill and we would like to thank all companies involved in securing the tax reduction in 1988. We must now make sure these tax reductions are maintained and instituted in coming years.



# IN SYMPATHY



**Elmer G. Wolbeck**, 93, of New Munich, died peacefully with his family by his side on Monday, April 20, 2020 at CentraCare Health Nursing Home in Melrose, MN. Elmer George Wolbeck was born on November 24, 1926 in Spring Hill Township, Stearns County, Minnesota to Anton and Appolonia (Hiltner) Wolbeck. He grew up and helped on his family's farm until marriage. Elmer married Kathleen "Kathy" Kramer on October 24, 1961 at St. Benedict's Catholic Church in Avon.

Elmer also served on the Board of Directors for **New Munich Mutual**.

Survivors include his wife, Kathy Wolbeck of New Munich; children, Randy Wolbeck of Aitkin, Barry (Yvonne) Wolbeck of St. Anna, Kevin (Nelly) Wolbeck of Sioux Falls, SD, Wendy (Mark) Couch of Norwood Young America, and James (Dianne) Wolbeck of Montgomery; 12 grandchildren; 15 great-grandchildren; and sisters, Leona Lashinski of Albany and Marie Heinen of Albany.

*MAFMIC wishes to express its sincerest condolences to family and friends of Elmer.*

## Thank you to our Sponsors



## Calendar of Events

- May 5-6** Managers Workshop - **Postponed**  
Grand View Lodge, Nisswa, MN
- May 19-20** NAMIC Farm Mutual Forum - **Postponed**  
St. Louis, MO
- June 9** Support Staff Seminar - **Postponed**  
Location: St. Cloud, MN
- July 15** MAFMIC Golf Outing  
Blackberry Ridge, Sartell, MN
- July 16** Manager & Director Seminar  
Park Event Center, Waite Park, MN
- Sept 20-23** NAMIC 125th Convention  
John B. Hynes Convention Center  
Boston, MA

## MAFMIC Meetings Updates:

Due to COVID-19 MAFMIC is waiting on the release of more guidelines to holding meetings. We are hoping to still re-schedule a date for the MAFMIC Spring Agents meeting that were to be held April 1-2. Once we have the direction we are able to take we will send out more information.

Also, with the upcoming Manager and Directors Seminar and Golf Outing we are watching this closely to see what we will be able to do here. Stay tuned for more information on this.

Thank you for understanding. We hope everyone is staying safe and healthy and hope to see you all again soon.

*We would like thank you for all of your dedication, time, commitment and effort. You truly make a difference to the MAFMIC organization!*