



MAFMIC Chairman's Message

The 131st M.A.F.M.I.C. Convention has come and gone. Thank you to Roger Miller for serving as our past year's Chairman—his message of “Controlling the Controllables” will continue to guide us well. And with that... Elvis has officially left the building. I am honored and grateful for the opportunity to serve as your Association Chairman for 2026–2027. The MAFMIC staff, Board of Directors, and Executive Committee look forward to meeting—and exceeding—the expectations of our membership in the year ahead.

My theme for this year is Be proud of your past, focus on the present, plan for the future. Our “Blooming Fruit Tree” logo represents this idea and the growth it symbolizes.

Past – Our Roots

MAFMIC and our member companies were created out of necessity when early settlers could not obtain fire insurance from eastern stock companies. In the spirit of neighbor helping neighbor, they formed Township Mutuals—many of which still operate today. Our companies have endured because we consistently do ordinary things well while navigating challenges with resilience. These are our roots—be proud of the past.

Present – Our Branches

Today, we continue to rely on and value your membership. Working together, we remain committed to strengthening our companies and supporting the policyholders who depend on us. MAFMIC plays a vital role by providing education, advocacy, policy support, and services that help us stay competitive in a rapidly changing environment. Issues that once stayed local now reach us from across the globe in seconds, and our association helps us meet these challenges head-on. These are your branches—stay focused on the present.

Future – Our Fruit

What gives us confidence in the future is the strength of our member companies. We remain grounded in the values that built this industry: service, community, and trust. At the same time, we continue to evolve—embracing new tools, new coverages, and new ways of serving policyholders. That balance, honoring who we are while investing in what's ahead, will keep our companies strong and relevant for generations to come. Planning for the future is the fruit of your tree.

Mark your calendar for upcoming MAFMIC events! To list a few events this year: Managers Workshop is May 5-6 at Grand View Lodge, Golf Outing at Little Crow is July 13, Manager & Directors Seminar is July 14 in St. Cloud, Short Course is November 18 & 19 in St. Cloud.

I hope you'll consider attending these events.

Thank you again for allowing me to serve. Best wishes for an outstanding 2026.

Your MAFMIC Chairman,

Brad Kullot



MAFMIC “Favorite Recipes” Cookbook

We are organizing a cookbook as a fundraiser for the Scholarship Fund.

The deadline for adding recipes is May 30, 2026.

After May 30, 2026 you will not have access to add any new recipes or edit your recipes. The system will be locked.

All recipes must be submitted online.

We are not accepting paper recipes.

The instructions are listed below.

Please do not wait to add recipes. Do it now! We will need approximately 500 recipes to make a good size cookbook. Thank you!

If you don't feel comfortable doing this online you can email your recipe to MAFMIC at dani@mafmic.org and we will enter it online for you.



Instructions are:

1. Go to www.typensave.com
2. Click “Login”
3. Username/Group Name = mafmic
4. Password = granola606
5. Click “Review Recipe Writing Tips”
6. Click “Add Recipe”
7. Fill in First Name
8. Fill in Last Name
9. Additional Contributor = add your mutual or company name
10. Type Recipe
11. Notes: Add any special notes
12. Click “Preview”. Make sure to Proof your recipe carefully!
13. Click “Save”
14. Add the next recipe click “Add Recipe”

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February Board Meeting Synopsis

Chair Roger Miller opened the meeting by thanking the Board and committee volunteers for a successful year. In the office report, Dani shared that 54 mutuals are represented at the convention, with 211 delegates, 71 spouses/guests, 17 vendors, and 323 total registrations. While attendance is slightly down—overall registration numbers are strong. All mutual members are current on dues or have payments pending, still needing a good amount of associate members payments yet. Adam provided a legislative update, noting active discussions within Minnesota’s insurance task force, which includes industry representatives, contractors, the Commerce Department, and nonprofit organizations. Topics include potential health savings account-style insurance solutions, abusive litigation funding, and contractor-related issues. With the governor in a lame-duck year and it not being a budget session, legislative pressure is reduced. The PAC raised \$37,000, with an additional \$8,000 deposit in transit at year-end. Senator Dahms is not seeking re-election. Adam is working to help recognize Dahms as a career-long friend of the insurance industry. District representatives shared updates and several retirements were noted. Retiring director Caillie Darco was recognized for her service. Discussion was held regarding the future of the office building, including potential sale or rental for income, with plans for further member communication. Dani is researching options to offset credit card transaction fees and will report back in June. The Board discussed potential updates to the investment policy to allow stock exposure without immediate implementation. Under new business, the Board approved allocating all net proceeds from the golf outing to the scholarship fund. Registration fee adjustments were approved to address recent financial losses, including increasing the Manager and Director’s seminar fees and raising the Short Course fee, while keeping agent meeting fees unchanged. Lloyd Bishop of Verizon Systems was approved as a new associate member. The meeting adjourned at 11:59 a.m.

Respectfully submitted,
James Williams, Secretary & Treasurer

Associate Member Profile - BMS Re

BMS is a dynamic, independent, global reinsurance and insurance broker founded in 1980 in London. Over the past four decades, we've grown to more than 2,000 employees worldwide - including 300 across the U.S. and more than 70 right here in Minnesota. Since opening in 2012, our Edina office has become the center of our work with Minnesota mutuals. From Edina, our teams in Broking, Actuarial, Catastrophe Analytics, Contracts, and Accounting & Claims collaborate daily to support clients across the Upper Midwest. Although we operate on a global scale, our Minnesota team remains closely connected to the communities we serve. Many of us come from rural towns and understand firsthand the unique risks and values that shape Minnesota mutuals. Our independence plays a key role in the service we provide - giving our brokers the freedom to deliver solutions tailored to your needs. Clients rely on us for our market expertise, analytical strength, and our commitment to personal, relationship-driven service.

We provide treaty reinsurance solutions for mutuals across all major lines of business including, but not limited to: Property, Casualty, Auto, Workers Compensation, Equipment Breakdown, and Cyber. When specialized or supplemental protection is needed, we also place facultative reinsurance on Property and Casualty risks.

Beyond the reinsurance placement, we offer a wide range of services designed to support mutuals as they grow and adapt. Our Capital Solutions team assists with mergers and acquisitions, capital raising, and other strategic advisory needs. We also have a dedicated Ratings Advisory team that guides clients through the AM Best and Demotech ratings processes. In addition, our Analytics teams deliver Catastrophe Modeling and Actuarial support, providing insights that help mutuals navigate both emerging and long-standing risks. All of this is backed by our Client Services teams, who manage Contract Wordings and provide comprehensive Accounting & Claims support - ensuring clarity, continuity, and confidence throughout every stage of the reinsurance relationship.

Our mission is to stand beside Minnesota's mutual insurance companies as a trusted, dependable partner - providing tailored reinsurance solutions, transparent guidance, and long-term support. We believe in the strength of locally governed mutuals and are committed to helping them remain resilient, competitive, and independent as they continue protecting the communities they were built to serve.

Our top priority is to strengthen the independence of Minnesota mutuals. We're committed to providing a true alternative reinsurance option - one that supports mutuals with consistency, clarity, and a long-term perspective. We strive to serve as an extension of your mutual by offering clear, practical, and ongoing education around reinsurance. Our goal is to demystify the purchasing process, so your Board and staff feel fully informed, confident, and in control of the decisions that shape your company's future.

Our biggest challenge is also what motivates us most: Minnesota mutuals rely on long-standing relationships and place high value on trust. Earning that trust requires consistency, clarity, and a demonstrated commitment over time. We embrace this challenge fully. It pushes us to be a dependable partner - one that understands each mutual's history, community, and long-term goals. It drives us to be better educators, stronger advocates, and more integrated members of our clients' teams.

If we had to describe our company in one word, it would be **dependable**.



**Annie Johnston, Nathan Pelant,
Steve Galleger & Levi Nelson**

A Quiet Payroll Change you Shouldn't Ignore in 2026
By: Julie Noble, Cain Ellsworth & Company, LLP

Between underwriting decisions, claims activity, reinsurance conversations, and regulatory filings, most mutual insurance managers don't have time to track every federal tax change that comes down the pike. Unfortunately, some of those changes still apply – whether they're on your radar or not. One of those is a new overtime reporting requirement that takes full effect in 2026, and it's something every mutual insurance company should be prepared for.

What Changed – at a High Level

A new federal law requires employers to track and report certain overtime pay separately on employees' W-2 forms beginning with wages paid in 2026. This change does not alter who is eligible for overtime or how overtime is paid. Instead, it affects how overtime premium pay is tracked and reported so employees can potentially claim a tax deduction on part of that pay when they file their personal tax returns.

What Counts as "Qualified Overtime"

Only the premium portion of overtime required by federal law must be reported separately. When a non-exempt employee works more than 40 hours in a workweek and is paid time-and-a-half, only the extra half-time portion is considered qualified overtime. For example, if someone earning \$20/hour works overtime at time-and-a-half, only the extra \$10/hour portion counts toward the deduction.

Who This Applies To

This requirement applies to any employee entitled to overtime under federal law, including hourly non-exempt and salary non-exempt employees.

Why This Matters to Mutual Insurance Managers

Many mutual insurance companies outsource payroll processing or rely on doing their payroll inhouse. Starting with 2026 W-2s, employers are expected to report qualified overtime accurately, and errors can create compliance issues and employee confusion.

What Managers Should Be Doing Now

Managers should confirm that their payroll providers and internal payroll systems are prepared, understand overtime-eligible employees, and ensure accurate timekeeping.

The Bottom Line

This rule doesn't change how mutual insurance companies operate day to day – but it does require advance planning. A short conversation with your payroll provider today can prevent a long list of problems tomorrow. If you have any questions on this new overtime reporting requirement, we are happy to help. Feel free to reach out to Julie Noble (jnoble@cainellsworth.com) or Stacie Dykstra (sdykstra@cainellsworth.com) at Cain Ellsworth & Company.

MN Secure Choice Retirement

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2026 MAFMIC CALENDAR

May 5-6

Managers Workshop, Nisswa

May 12-14

NAMIC Farm Forum, Nashville, TN

June 9-10

MAFMIC CCP Visitation, Wasington D.C.

July 13

MAFMIC Golf Outing, Spicer

July 14

Manager & Directors Seminar, St. Cloud

August 11 & 12

Agents Meetings, St. Cloud (11th) & Mankato (12th)

November 18-19

Short Course, St. Cloud

NAIC Bond Reporting Changes Now in Effect By: Abby Kramer, Cain Ellsworth & Company, LLP

As of January 1, 2025, the NAIC has updated the reporting requirements for bonds, that significantly changes how they are presented on Schedule D of the NAIC Yellowbook.

Bonds are now divided into two sections:

- Issuer Credit Obligations – reported on Schedule D Part 1-1
- Asset-Backed Securities - reported on Schedule D Part 1-2

Previously, both of these types of bonds were shown on Schedule D Part 1.

Issuer Credit Obligations include all municipal bonds, corporate bonds, brokered CDs, and government bonds. Asset-Backed Securities include any bonds that depend on cash flows generated by underlying assets, such as mortgage-backed bonds.

One major note in this new reporting requirement is that the bonds cannot be grandfathered. As of January 1, 2025, all bonds were required to be evaluated and reclassified to either Schedule D Part 1-1 or Schedule D Part 1-2. While the presentation has changed, both continue to value bonds at amortized value.

These updates only apply to NAIC filers. For township mutuals, all bonds will continue to be reported on Schedule D Part 1. In other states that do not file with the NAIC but have prescribed forms, a new column has been added to Schedule D to indicate whether a bond is an Issuer Credit Obligation. This approach allows those states to avoid significant changes to their Schedule D reporting format.

Additional changes have been made on the NAIC Yellowbook to adapt to this change:

- Schedule D Part 1A, previously divided into two sections, is now a single section.
- Schedule D Verification has been revised. Previously bonds and stocks were combined. There are now five columns: Issuer Credit Obligations, Asset-Backed securities, preferred stock, common stock, and a total column that adds all four columns.

This NAIC reporting shift is a large change and like all changes, it will take time for processes to fully settle in. The NAIC continues to make changes to strive for better reporting across the industry.

Our firm is committed to staying current with these changes and ensuring compliance. If you have any questions about how this may impact your reporting, please contact us. We are happy to chat.



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Good Faith Estimates By: John Neal, Neal PLLC

Each of us has a tool in our toolbox or craft bin that we ask, how do I use this? These are usually tools we inherit rather than buy. MINN. STAT. § 325E.66 is one of those inherited tools, but a gem when understood correctly.

MINN. STAT. § 325E.66 regulates a contractor's practices when offering services to which insurance payments will apply. The Legislature amended Section 325E.66 in 2024, to go beyond merely prohibiting the contractor from paying the insured's deductible in exchange for the work. The amendments are significant to insurance carriers, and when used correctly, can be a benefit to avoid potential fraud.

Pursuant to the amendments, a contractor is prohibited from offering compensation in exchange for: (1) allowing an inspection of the property; (2) making the insured submit a claim; and (3) referring services to others. The contractor is also prohibited from interpreting insurance policy provisions without a public adjuster's license. And last, but most important, the contractor must provide a good-faith estimate to the insured where insurance payments are at issue. The estimate must also include a written notification of the requirements of MINN. STAT. § 325E.66.

So what does this mean in theory? If the contractor fails to meet these requirements, the carrier is not obligated to recognize the estimate.

So what does this mean in practice? If you end up in an appraisal or litigation, this statute has teeth. For example, MINN. STAT. § 65A.01, subd. 3 allows appraisal where there is a disagreement as to the amount of loss. If the insured's contractor's estimate fails to meet the requirements of MINN. STAT. § 325E.66, is there a valid disagreement as to the amount since the estimate is no longer valid? If you end up in litigation and the only estimate the insured submitted is the one that lacks the requirements of MINN. STAT. § 325E.66, can the Court consider it?

MINN. STAT. § 325E.66 is a valuable tool for insurance losses. Keep it in mind when dealing with estimates from contractors.

Editors Note: MAFMIC was one of the associations that worked to improve this statute in 2024.



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Task Force on Homeowners and Commercial Property Insurance Finalizes Report By: Adam Axvig, MAFMIC President/CEO

MAFMIC was appointed to the Task Force on Homeowners and Commercial Property Insurance established during Minnesota's 2025 legislative session. The Task Force was charged with evaluating challenges in the state's property insurance marketplace and developing policy recommendations to strengthen both the homeowners and commercial property sectors.

The group met nine times following adjournment, concluding on February 5 with formal adoption of its final report and recommendations. Key highlights of that report include:

Recommending that Minnesota's Fair Plan study the feasibility of offering additional products — including commercial property coverage — to address market gaps, particularly for affordable multifamily housing, common interest communities, and smaller multi-unit properties. The Legislature is encouraged to fund this actuarial study while maintaining the FAIR Plan's role as a market of last resort.

- Funding the Strengthen Minnesota Homes Program (Minn. Stat. 65A.299).
- Updating state building codes to incorporate elements of the Insurance Institute for Business & Home Safety FORTIFIED roofing standards through the Construction Codes Council process.
- Creation of Catastrophic and Mitigation Savings Accounts.
- Continuing legislative review of third-party litigation financing and addressing unresolved legal ambiguities.
- Examining legal system abuse as a driver of rising premiums and pursuing appropriate tort reforms.
- Considering amendments to Minn. Stat. 515B related to HO6 coverage requirements, resale disclosures, and insurance-related assessment caps for common interest communities.

Proposals discussed but not included in the final report — such as changes to the appraisal process and adding two public members to the FAIR Plan governing board — were opposed by insurance representatives and other Task Force members and ultimately left out of the final recommendations.

The report now moves to the Legislature, which is not obligated to adopt its recommendations but may use them as a foundation for future legislation. I will be encouraging lawmakers to take a look at some of the proposals outlined in the report.

If you have any questions regarding the Task Force or any of the recommendations in the final report, do not hesitate to reach out.

You can find a full copy of the report [here](#).



MAFMIC Annual Convention Legislative Session Highlights



MAFMIC Annual Convention Highlights



Retiring Director
District 1 Caillie Darco



Newly Elevated Chairman-Elect - Steve Schwiters,
Mid-Minnesota Mutual



MAFMIC Volunteer of the Year
Awarded to Doug Oachs, Delaware Mutual
Pictured with Adam Axxvig & Dani Hennen

Congratulations!



Elected Vice Chairman
Hallie Radloff, Sumter
Mutual



2026 Robert C. Seipp
Service Award Recipient
Karen Weber, Redwood
Co. Farmers Mutual



Registration Desk Committee
Brad Kullot, Chad Ste. Marie, Tony Hughes,
Heidi Skelton, Hallie Radloff, and Erica Johnson



Convention Management
Dean Kerfeld & Bill Minks



MAFMIC Past Chairman



Convention Chaplain
Sandy Walstrom



Chairman, Roger Miller Family

**MORE
CONVENTION
Photos
CLICK
HERE**



Chairman, Roger & Sue Miller with Lake
Park & Cuba Directors

**Elvis Was
In the House**

MAFMIC Annual Convention Highlights



Wanamingo Mutual
Celebrate 150 Years



Farmers Mutual,
Manchester
Celebrate 150 Years



Great Rivers Mutual
Celebrate 150 Years

150 YEARS



Wilmington Mutual
Celebrate 150 Years

125 YEARS

NOT PICTURED
Melrose Mutual
Celebrate 125 Years

**WE APPRECIATE
OUR VENDORS**



Tornado Awareness Week - April 13 - 17, 2026

By:Cheri Olson, RAM Mutual



April 13 – 17 is Severe Weather Awareness Week in Minnesota which includes Tornado Safety. NOAA has noted a preliminary number of 1318 tornadoes in 2025 with the first EF5 since 2013, the June 20th Enderlin, ND storm. There were also 5 additional EF4 storms. While not as active as 2024, there were larger storms. Many things are leading to these changes. Climate patterns are evolving. Warmer air holds more humidity, and the Gulf is pushing humidity further north. Jet stream behavior is changing, leading to instability in the upper atmosphere where these storms are formed. Geography also plays a role. Tree cover, terrain, construction styles and population density all fuel these changes in potential damage. A tornado ‘warning’ means a tornado has been sighted and you need to seek shelter. Always take tornado warnings seriously and be ready to act quickly. The main cause of injury is high-speed flying debris.

In your home

- Go to the basement or lowest floor
- Go to an interior room without windows, like a hallway, bathroom or closet
- Avoid areas with heavy objects above you, like refrigerators or pianos
- Get under something sturdy, like a workbench or table or even a doorframe
- Cover your body with a blanket, sleeping bag or mattress
- Protect your head with your hands or an object.
- A bathtub with a cushion for cover can provide protection on all sides and stronger anchoring to the foundation.

Outside

- Avoid areas with many trees
- Seek shelter in a sturdy building
- Lie flat in a ditch, ravine or culvert if there’s no shelter nearby
- Protect your head

In a vehicle

- Drive to the closest shelter
- You cannot outrun or outdrive a tornado
- Do Not go under an overpass or bridge
- If you can’t get to a shelter, seek shelter in a low-lying area or get down in your car and cover your head.

In a mobile home

- Leave immediately and go to a nearby building, preferably one with a basement.

Set aside some time to review your tornado safety plan for your home with your family and get needed supplies to your chosen area.



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Mary Jean (MJ) Nelson

Mary Jean (MJ) Nelson passed away on November 17, 2025, at St. Otto’s Care Center in Little Falls, MN. For the past 42 years, she edited “The Mutual Monitor” twice yearly for township mutual insurance companies. MJ was sister to the late Albert “Stub” Nelson and aunt to Mikel Nelson and Karin Nelson of Elmdale Mutual. [\(Link to Obituary\)](#)



Mark Patrick Altepeter

Mark tragically passed away on December 30th, 2025 while attempting to help a person in need. Mark was a director for Bray-Gentilly Mutual. [\(Link to Obituary\)](#)



Marlin Thompson

Marlin Thompson passed away on January 17, 2026. Marlin (Journal Printing) printed all the insurance forms for MAFMIC for many years. [\(Link to Obituary\)](#)



Laura Dorothy Theisen

Laura Dorothy Theisen passed away on January 27, 2026, at Cheerywood Advanced Living in Richmond, MN. Laura’s husband Al, was the Chairman of St. Joseph Mutual for 40 years. [\(Link to Obituary\)](#)



Jerome “Jerry” Axvig

Jerome “Jerry” Axvig passed away on February 15, 2026, surrounded by familyh at his home in Moorhead MN. Jerry is the father of MAFMIC President/CEO Adam Axvig. [\(Link to Obituary\)](#)

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