



Mutual LINK

Paul Larson, MAFMIC Chairman

As mid-summer approaches, we realize how quickly the time is flying by. It was not that long ago that most of us didn't think that the season would change. Before we know it, the harvest season will be upon us and we can start over again.

As the calendar marches along, so does the schedule at MAFMIC. The successful Convention, Short Course, Legislative Session & Spring Agents meetings have all past. The upcoming full schedule includes the Managers & Directors Seminar on July 16th at the Rivers Edge Convention Center and the next day, July 17, the MAFMIC Golf Outing at Little Crow Country Club in Spicer. The balance of the year will include a New Managers orientation, Washington CPP visitation, NAMIC convention, many committee meetings & the Fall Regional Meetings. A new feature on the MAFMIC website, is a master calendar. This calendar contains not only MAFMIC events, but includes many Company & industry events, please check it out.

A New Managers orientation will be held at the MAFMIC office in St Joseph. It is designed to provide an insight in the history and beginnings of the Mutual Insurance industry, Association benefits, financial analysis, and the mutual assistance manual. After lunch the new managers will have an opportunity to participate in a roundtable where they will be able to ask questions & clarify any concerns. Invitations will be sent to new managers as the date approaches.

A couple years ago, a past chairman wrote an article which was entitled, "It's not your Grandpa's Company Anymore". That article made reference to the generations starting with the "War Generation", those born between 1925 and 1945. Reality is that most folks in this generation are not in management positions any longer.

The next generation, the "Baby Boomers". The article expresses that they often question authority & think that higher education is a birthright. They use touch tone telephones, television, fax & answering machines to communicate.

Continued on page 2

INSIDE THIS ISSUE

Member Profile	3
Board Meeting Synopsis	4
Legislative session wrap up	5
Scholarship Photos	6-7
Investment Update	8
Mortgage Claims on Foreclosures	9
Technology Tip Corner	10
Job opportunities/announcements	11
Calendar of Events & Obits	12



ContinuedMAFMIC Chairman Article

Generation X are those born between 1964 & 1981. They can barely remember the series Bonanza and have a vague recollection of the Vietnam War. During this time of economic uncertainty, it is believed that change is the rule and not the exception. They communicate with cell phones and computers while believing that people are all the same when it comes to leadership and will question orders. This group is well into management and leadership positions and have changed the face of management style's.

Generation Y, those born between 1982 & 2000 are the first to experience disasters all over the world on Live TV. They don't believe that everyone is a loser, but that everyone is a winner. There is less face to face communication and more Emailing, Texting, Facebook, Twitter, Skype etc. If challenged, be ready for the facts, while pushing your buttons and challenging authority. Generation Y folks like to help, but don't want to be in organizations or join in.

Generation 9-11 and all those that follow will be unique and different. We need to be tuned to the changes and accept that fact that there is no right or wrong answer & change is not bad. The long range goal should be to "get the job done".

The point of all of this is that one thing is certain, life and things will always change. No matter what generation we are in, if we don't adapt to the changes and understand the younger generations, life will be miserable. No matter what our station in life, management with power and ego is more and more a sure recipe for disappointment. The strength of the Association, or any organization like it, is dependent upon the participation of it's members. Thank for your continued support & participation.

Paul Larson, MAFMIC Chairman 2014-2015

Two Great Systems, One Great Company.

Providing software to Mutuels since 1978



**Delivering tools to assist Mutuels
in day-to-day operations:**

- Policy Processing
- Claims Processing
- Accounts Payable
- General Ledger
- Policyholder Payments
- Fully Web Based Agent Quoting
- Agent Policy Inquiry
- Download into Agency Management Systems

APPS™

AUTOMATED POLICY PROCESSING SYSTEM

*Developed to **adapt** to the way
your Mutual does business*

MIPS

MUTUAL INSURANCE PROCESSING SYSTEM

4445 Corporate Drive | West Des Moines, Iowa 50266

www.imtapps.com | appsmarketing@theimtgroup.com | (800) 274-3531 Ext. 613

Member Profile of South Central Mutual

Our history shows that Foster Farmers Mutual of Wells was formed in 1887. The Foster Farmers Mutual of Wells, Blue Earth Farmers Mutual of Blue Earth and Barber Farmers Mutual of Easton merged on January 1, 1995 to form South Central Mutual. Our office is located just off Highway 169 in the north-eastern part of Blue Earth, directly under the 60 foot statue of the Jolly Green Giant.

South Central Mutual writes farm package policies and dwelling package policies in conjunction with North Star Mutual of Cottonwood and RAM Mutual of Esko.

We have three full-time employees, which includes manager, Keith Anderson, an intern who is part-time and an inspector who is used as needed. We have forty-six agencies writing business in twenty southern counties.

We strive to continually offer the best possible service to our dedicated policyholders by being considerate, efficient and cheerful in our everyday contacts with our agencies and most of all, our policyholders.

We plan on being around to serve our policyholders in the best way possible for the next five years and well into the future. Our main goal is to continue to offer excellent services to our agencies and policyholders.

Our biggest challenge in the coming years is the expansion of the products being offered by large direct writing companies. We do not see any of our current neighboring mutuals to be our competition as we have strived to remain friendly with our neighboring township mutuals and continue to work well with our statewide writing companies.

South Central Mutual is committed to making sure that Blue Earth continues to be viable as the smaller towns continue to lose many storefronts and population base. We are members of various civic groups within the community and work closely with our area firefighters and law enforcement officials. We also offer scholarships to a large number of college educated residents in Faribault County and throughout our writing territory.

It is hard to describe anything in one word, but if we had to chose one word, it would beTRUSTWORTHY!



Editorial Advisory Committee

Karl Porisch, *Chairman*, Western Mutual

Jim Barta, *Vice Chairman*, Jim Barta CPA, PA

Dan Baasen, Northland Securities

John Dunn, Priority Data

Deb Liden, Bray-Gentilly Mutual

Doug Nauman, Grinnell Mutual

John N. Willenbring, Dahl, Wocken & Zimmerman

Steve Reller, *Board Liaison*, RAM Mutual

Jerry Zenke, Mound Prairie Mutual

Dani Hennen, MAFMIC, *Staff Liaison*

Arlette Twedt, MAFMIC, *Staff Liaison*

Send address changes to
Mutual Link, PO Box 880, St. Joseph, MN 56374
or info@mafmic.org

JUNE 2014 Board Meeting Synopsis *Greg Parent, Secretary-Treasurer*

The MAFMIC Board of Directors held their second quarterly meeting of the year on June 19 at the Prairie's Edge Casino Resort in Granite Falls. In addition to routine items like the financial and management reports, district updates, and board liaison committee reports, the board took action on a few items requiring approval.



After discussing their future with fellow Marketing Committee members, board liaison Carol Maciej brought forth a proposal to dissolve the committee. The board agreed to dissolve the Marketing Committee, as it no longer really has a function within MAFMIC given the fact we no longer participate in any farm shows.

Chairman Paul Larson appointed a Dues Task Force to evaluate the current MAFMIC dues structure. They will report back to the board at the September meeting with their recommendations regarding township mutual (Chapter 66 & 67A companies) and statewide company dues structure. The Dues Task Force has representation from large to small township mutual companies along with three statewide members.

The board approved the MAFMIC PAC/IEPC Sub-committee proposed by the Government Affairs Committee. This sub-committee will consist of the MAFMIC Chairman, MAFMIC Chairman-Elect, Government Affairs Committee Chairman, Government Affairs Committee Vice-Chairman, PAC Chairman, PAC Treasurer, and the Director of Government Affairs. The sub-committee is in charge of designating where PAC funds are spent.

An Executive Session was also held as a routine matter of business to discuss various items.

The board will meet for their third quarter meeting at the MAFMIC office on September 10. Members are encouraged to contact their MAFMIC District Directors with any concerns or issues that may need to come before the board.

Greg Parent, Secretary-Treasurer



LET AN INDEPENDENT FINANCIAL EXPERT HELP YOU FRAME THE LIFE YOU ENVISION.

As independent financial advisors, we can help you craft a customized plan centered on what's important to you. Contact us today to learn how our team of experts can help you pursue your financial goals and help you live the life you want. And let true objectivity help bring your vision into view.



Schluchter Investment Advisors

Registered Investment Advisor

622 Roosevelt Road, Suite 160
Saint Cloud, MN 56301

Toll-Free: 800.791.2269 • Phone: 320.203.6543
www.SchluchterAdvisors.com

Securities offered through Commonwealth Financial Network® member FINRA/SIPC. Advisory services offered through Schluchter Investment Advisors.





Aaron Cocking, MAFMIC Director of Government Affairs



2014 Legislative Session Wrap-up

The legislature wrapped up the 2014 session at the end of May and has headed out on the campaign trail. While there was a lot of activity this year, the mutual insurance industry ended the year in pretty good shape. We were again able to prevent any bad legislation from being enacted that would negatively impact our companies or policyholders.

The biggest insurance issue this year was the Insurance Fraud Prevention Bill. This bill was the product of a working group that MAFMIC participated in over the course of the past year. The final version of the bill was not one that was supported by many in the working group. While the end result was disappointing for many of us, the strategy of using this bill to keep any other negative issues from confronting us worked out extremely well.

The ability of companies to purchase bulk data and then sell that data to our companies was also resolved. An amendment was added to a bill dealing with data practices to allow the Department of Public Safety to disseminate driver's license records and motor vehicle records in bulk form. The department claimed that after doing this for years they weren't sure they actually had the legal authority to do this. The new language clarifies that and establishes a fee structure to continue the practice. After some uncertainty, the governor did sign this bill into law.

As I mentioned above, the House and Governor are headed out on the campaign trail now. All 134 members of the House and Governor Dayton, along with the other constitutional officers, will appear on the November ballot. It is still uncertain who the GOP candidate to face Dayton will be. That candidate will be chosen in an August primary.

The MAFMIC PAC will again be active in supporting candidates who support our industry. If you would like to donate to the PAC, please send a check to the MAFMIC office. The PAC counts on members like you for support.

Aaron Cocking, Director of Government Affairs

Making an IMPACT

GRINNELL MUTUAL
REINSURANCE SINCE 1909®
grinnellmutual.com

f t in

Partnering with our member mutuals to protect families for generations.

Find more information at grinnellmutual.com.

MAFMIC 2014 SCHOLARSHIP RECEIPIENTS



Paul Stueven, COO/Treasurer, Fairmont Farmers Mutual presenting *Jordan Syverson* with his Scholarship.
Also pictured, Agent, David Grev



Carol Maciej, Manager, Mid-Minnesota Mutual presenting *Anthony Andres* with his Scholarship.



On right Dave Pederson, Manager, Farmers Mutual Manchester, presenting *Emily Christensen* her Scholarship. Also pictured on left is Agent, John Sorlie.



Ben Lohre, Manager, Westbrook Mutual presenting *Zachary Schumacher* his Scholarship.



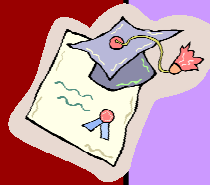
Jane Dreyer, Manager, Chisago Lakes Mutual, & President Jim Froberg presenting Jim's grandson, *Noah Froberg* his Scholarship.



MAFMIC 2014 SCHOLARSHIP RECEIPIENTS



Laurie Wellnitz, Manager, Agassiz & Odessa Mutual presenting *Laura Homan* her Scholarship.



Bloomfield Mutual Vice-President Rob Hanks presenting *Kaitlin Kling* her Scholarship.

Mark Nelson, Manager, Norwegian Mutual, presented *Brooke Nelson* her Scholarship.

Photo not available



Bob Schultz, Manager, Southeast Mutual presenting *Logan Sexton* his Scholarship.



Jim Bryant, Manager, Hay Creek Mutual, presenting *Mikayla Tipke* her Scholarship.



Investment Update ~ Mid-year 2014
Dan Baasen, Senior VP & Investment Advisor, Northland Securities

The last 14 months have seen a roller coaster of rates available through approved investments for Minnesota Township Mutual's outlined in Commerce Department statute 67A.231. This statute was put in place to limit risks to investable assets which are so important to the financial health of our companies. The combination of both historically low rates of new investments offered, and volatile market activity have required most of us to examine alternatives to what we can do to obtain reasonable returns.

One of the best pathways to protecting our company's investment portfolio is having a clear Investment Policy Statement which clearly states what your Board of Directors is comfortable with in their investments and who is authorized on behalf of the Board to make investment decisions. An Investment Policy Statement protects the Board and its delegates.

A typical Investment Policy Statement contains:

- Introduction what represents

- The objectives of the Board with respect to investment objectives

- Investment authority:

- Who is authorized to make decisions

- Role of the Board to review investments

- Recommended investments by statute and refined by Board of Directors

- Any limitations such as what you chose not to allow or by statute

- Maturity: Terms of maturity you are comfortable with as a Board, typically 20-30 year maximum. You may also restate the need for liquidity through staggered investment maturities.

- Safekeeping – where will investments be held

- Record Keeping:

- Audit requirements

- What records need to be kept

- Transactions

- Monthly statements and reports

Acceptance by Board, its Chairman, and the Manager with date
 The State of Minnesota Commerce Department regularly audits MAFMIC portfolios for compliance with applicable statutes.

There is flexibility in creating or maintaining your Investment Policy. It can be as simple or complex as you wish, but it provides a solid platform for who, what & how your investments are managed. That platform is also used to review your existing investments and future commitments.

Your investment advisor can assist the Board in preparing or amending your Investment Policy. A periodic review of this Investment Policy is suggested.

Good luck! I am confident you will be glad you took time to create or review your Investment Policy.

Mortgage Claims on Foreclosures
By John J. Neal, Attorney
Willenbring, Dahl, Wocken & Zimmermann, PLLC

Most of this past winter we saw a number of freeze claims in vacant, unoccupied, or foreclosed homes. Freezing occurred due to a lack of heat in the dwelling. Most often these homes had a mortgage, with claims serviced through a third-party vendor, such as Dimont & Associates or Safe-guard Properties. These types of claims otherwise known as mortgagee claims, trigger the standard mortgage clause in our policies. While this past winter is now behind us (hopefully), it nonetheless is a good time to revisit the standard mortgage clause.

By statute, the standard mortgage clause states (in sum) as follows:

[I]f this policy shall be made payable to a mortgagee or contract for deed vendor of the covered real estate, no act or default of any person other than such mortgagee or vendor or the mortgagee's or vendor's agent or those claiming under the mortgagee or vendor, whether the same occurs before or during the term of this policy, shall render this policy void as to such mortgagee or vendor nor affect such mortgagee's or vendor's right to recover in case of loss on such real estate....

Generally, this clause is understood to protect the mortgagee (or contract for deed vendor) in the event the homeowner/insured does some intentional act (*e.g.*, arson, *etc.*) that would void coverage. In such case, the claim is denied to the homeowner/insured, but payment may be due to the mortgagee (or contract for deed vendor) as a result of the standard mortgage clause.

Mortgagees and vendors may claim that the mortgage clause entitles them to payment under all circumstances where the act or failure to act by the insured (whether intentional or not) causes the loss. As an example, with freeze claims the mortgagee or vendor may claim that the homeowner's/insured's vacancy of the dwelling was an act that resulted in a lack of heat being maintained to the residence, which in turn caused freezing. You should carefully examine any mortgagee claim, whether freezing or not, as there are a number of exceptions to the standard mortgage clause.

As the clause itself states, acts or default by the mortgagee or vendor may void coverage. For example, if the mortgagee or vendor has repossessed the house or taken over some control of the property, it should have a duty to maintain the heat at that time. Failure of the mortgagee or vendor to undertake such obligation may be a policy defense. In addition, the mortgagee or vendor is obligated to make monthly premium payments. Such failure may also give rise to a policy defense.

And at least one court in Wisconsin has determined that all policy exclusions also apply to a mortgagee claim. This may give rise to numerous policy defenses.

For now enjoy the warmer weather. When our next Minnesota winter strikes and you experience a vacant freeze claim by a mortgagee—or any other mortgagee claim for that matter—carefully analyze the claim to determine whether coverage is afforded. Don't assume that the mortgagee clause affords coverage under any circumstance.



TECHNOLOGY TIP CORNER

John Dunn, Director of Business Development, Priority Data

In the early days of computers, navigating through a program was done by entering command prompts from the keyboard. In the early 80s, saw the adoption of the Graphic User Interface or GUI along with the mouse; navigating has been a cakewalk ever since.

It is a little known fact that within the operating system are a series of command shortcuts that can make using a PC more productive. These commands are known as “Hot Keys” and they offer a faster way to do simple tasks such as coping or pasting text, switching through open programs, or opening a new tab in your Internet browser.

Say you need to copy a paragraph of text from one document to another; you could highlight the text, click Edit and select Copy, or you could highlight the text and hit Ctrl and C. It’s a step that may only shave off a few seconds from processing that document, however, doing so multiple times can save minutes.


Learning these keys may take some time, but with regular use, they will become second nature, and soon using the mouse to apply edits will feel foreign.

Listing all of the Hot Keys that are available could be its own entire document, but luckily Microsoft already has a dedicated web page to the various Hot Keys and what they do.

You can find the list of Hot Keys here: <http://support.microsoft.com/kb/126449>



PD Spectrum

 simplified insurance management

“We feel Priority Data truly is a partner in our business!”
- Mark Nelson, Manager, Norwegian Mutual



 **PRIORITY DATA**

www.prioritydata.com
877-273-7774 X506



Job Opportunities & Announcements



New Manager of Dakota-Stanton Mutual, Deb Emery. Deb began her position on April 1, 2014.



New Manager of Redwood County Farmers Mutual, Karen Weber. Karen took over on May 19, 2014 for retiring Manager, Gwen Batalden.

Thank You To Our Sponsors



$$\text{payments} = \left\{ \begin{array}{l} \text{time} \\ + \\ \text{money} \\ + \\ \text{risk} \end{array} \right.$$

Optimize Your Payments Equation

Manage time, money and risk to make payments work for you, not against you.

Balance **ACH, credit cards and check scanning** with ease. Integrate payments with your billing software. Automate payments for efficiency, accuracy and timeliness. Say "yes" when policyholders ask for electronic payment options.

Reliafund can help. **We've been serving Farm Mutuels since 2001.** We're ready to serve you today!

NEW! Direct Deposit Agent Commissions



866-243-5040
glowery@reliafund.com



1.800.4RAMBOW
www.rambow.com

We're in the business of making you look good!

Your source for personalized clothing and promotional products!



For more information contact Jon Rambow at 866.587.3614 or jr@rambow.com

Embroidery • Screen Print • Promotional Items

2014 MAFMIC CALENDAR OF EVENTS

- July 16** Manager & Director Seminar,
Rivers Edge Convention Center,
St. Cloud
- July 17** MAFMIC Golf Outing
Little Crow Country Club, Spicer
- Sept 4** PIA Education Day & Trade Show
Prior Lake Casino
- Sept 17-18** Congressional Contact Visit
Washington D.C.
- Sept 21-24** NAMIC 119th Convention
National Harbor, Maryland
- Nov 18** Fall Regional Meeting
Shooting Star, Mahanomen
- Nov 19** Fall Regional Meeting
Holiday Inn, St. Cloud
- Nov 20** Fall Regional Meeting
Ramada Inn, Rochester
- Nov 21** Fall Regional Meeting
Jackpot Junction, Morton
- Feb 1-3
2015** MAFMIC Convention
DoubleTree, Bloomington
- Mar 18-19
2015** Short Course
Mayo Civic Center, Rochester

IN SYMPATHY



Crawford, Steve 62, Urbandale, IA, died on May 18, 2014. Steven was born on April 13, 1952 to Betty (Brown) and Joe Crawford in Cedar Rapids, IA. Funeral service were held in West Des Moines, IA on May 22.

Steve married Patricia Gennoe and the couple raised their family in Grinnell. Steven worked for Grinnell Mutual Reinsurance Company for 35 years, as CEO, COO, and was the 7th President, until his retirement in 2012. He was a designated CPCU and ARE. He is survived by his wife, three children, three grandchildren and one sister.



Fjedstad, Arthur, 91, of Fergus Falls, MN, died on May 13, 2014 at Woodland Lodge in Fergus Falls. Arthur was born September 14, 1922 to Edward and Emma (Sletvold) Fjedstad.

On March 18, 1949, he married Anna Holey. Funeral services were held on May 17 in rural Rothsay, MN. Arthur served as secretary of the board for Oscar Park Mutual located in Rothsay. He is survived by his wife of 65 years, his five children and many grandchildren.

MAFMIC wishes to express its sincerest condolences to family and friends of Steve & Arthur.



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.