

JUNE 2004 ISSUE

2004 LEGISLATURE ENDS UGLY

By: Marcus Marsh, Government Affairs Manager

The 2004 Legislative Session ended ugly; it was very political and often divisive. There was no Bonding Bill, no agreement on balancing the state budget which is \$160 million in deficit. Education Commissioner Cheri Pierson Yecke was not confirmed by the Senate, thus removed from her position and Public Safety Commissioner Rich Stanek resigned rather than face hostile confirmation hearings.

We at MAFMIC had a very successful session. We had six items on our MAFMIC Legislative Positions Sheet plus we added a bill to clarify cancellations. We were successful on six out of seven issues. The only bill that didn't pass was regulating class action lawsuits on a state level, which is really more of a federal issue.

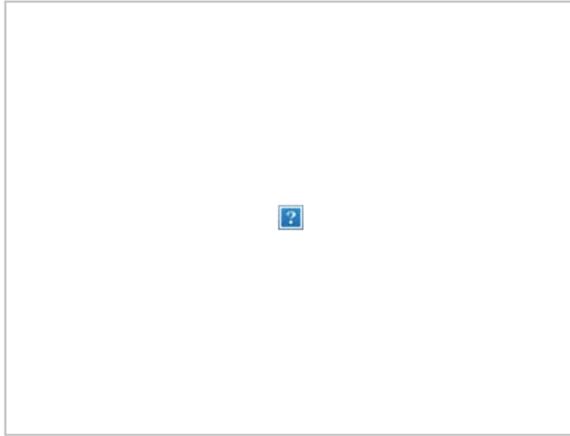
- MAFMIC Cancellation Bill passed and has been signed by the Governor. H.F. 2777 Representative Laura Brod (R-New Prague) and S.F. 2620 Senator Dallas Sams (D-Staples). This bill removes the language that an insured must receive a cancellation notice by (for example 20 days prior to the cancellation). Starting August 1st the cancellation only needs to be mailed by the number of days required for the cancellation. This provision applies to 65A.01, subdivision 3C (all homeowners). Also in the bill under 67A.191, subdivision 1, Farm Risks is replaced with Qualified Risks.
- Insurance Fraud Bill passed and will be signed by the Governor. H.F. 2640 Representative Greg Davids (R-Preston) and S.F. 2607 Senator Linda Scheid (D-Brooklyn Park). This legislation creates an Insurance Fraud Unit in the Commerce Department. The Attorney General eliminated their Insurance Fraud Unit two years ago. The Fraud Unit is being paid for by an assessment on insurance companies. Chapter 67A Companies are exempt from the assessment.
- Job Reference Bill passed and was signed by the Governor. H.F. 480 Representative Jim Knobloch (R-St. Cloud) and S.F.837 Senator Ann Rest (D-New Hope). This legislation allows employers to give a fair and accurate assessment regarding an employee's job performance without getting sued.
- Borrowing Statute Bill (renamed – Statute of Limitations on Out of State Claims) passed and will be signed by the Governor. H.F. 2444 Representative Paul Kohls (R-Victoria) and S.F. 1976 Senator Ann Rest (D-New Hope). Minnesota is the only state in the nation that does not have a statute of limitations on out-of-state claims. This bill remedies that.
- Protecting the Insurance Industry and Insurance Jobs. We defeated all harmful bills to the insurance industry. The bill getting the most attention in this regard was H.F. 1801 (Homeowners Protection Act) Representative Karen Klinzing (R-Woodbury) which would add attorney's fees to any settlement on any construction claim defect.
- Commissioner Glenn Wilson was confirmed as Commerce Commissioner by the Senate. The 2003 Legislative Session saw considerable negative press toward Commissioner Wilson. The MAFMIC Government Affairs Committee passed a motion last fall in support of the Commissioner's Confirmation. We took that message to Legislators in our fall (2003) meetings with them as well as our "Day at the Legislature" on February 2nd.

The question of a Special Legislative Session at the time of writing this article is yet to be answered. Many Legislators would like a bonding bill but in order to have a Special Session Governor Pawlenty would want an agreement before a Special Legislative Session would be called.

I want to thank everyone who attended our "Day at the Legislature" and for so many of you making calls to your Representative or Senator at various times during the Legislative Session when asked. **All of us working together** makes a big difference in our success in St. Paul.

MAY EDUCATION COMMITTEE MEETING

Following is a short synopsis of the Education Committee meeting that was held in MAFMIC's office on May 19th-20th under the leadership of Chairman Bert Tellers (below). Deb Liden, Manager of Bray-Gentilly Mutual in Thief River Falls was elected vice-chairman of the committee and will assume the duties of chairman next spring.



Wishing you were on vacation Bert?

During the two-day meeting, committee members reviewed the evaluation results of past seminars and planned for upcoming educational opportunities. Following is a synopsis of the events and seminars planned to date.

- **Golf Outing** ~ The committee reviewed the current format of the Educational Scholarship Golf Outing and made the following recommended changes. 1) Move the shot-gun start up to 11:30 a.m.; 2) Provide a bag lunch instead of the sandwich buffet; 3) Discontinue the 'skins game' and replace with other fund-raising events; and 4) Move the dinner and awards ceremony up to 4:30 p.m. It was also decided to pass the cost savings on to the participants by lowering the registration fee.
- **NAMIC Ag-Risk Inspection School** ~ At a previous meeting, the Education Committee decided not to offer an Adjuster's or Inspector's Seminar this summer. Instead the committee is asking MAFMIC members to support NAMIC's Agricultural Risk Inspection School being held at the Sheraton Bloomington Hotel Minneapolis (formerly Radisson Hotel South) on August 17-19, 2004. NAMIC has generously offered to share a portion of the net proceeds derived from the attendance of MAFMIC members.
- **Fall Regional Meetings** ~ These meetings will be held the week of October 25th beginning in Thief River Falls and ending in Morton on October 29th. The meetings will follow the same format as last year by meeting in the morning and ending with lunch. Application will be made for three continuing education credits.
- **2005 Convention** ~ The 2005 Convention will be held at the Sheraton Bloomington Hotel Minneapolis South (former Radisson Hotel South). A tentative program for the 110th MAFMIC Convention was prepared with the following changes to last year's format. 1) Optional sessions will be offered on Monday afternoon for auxiliary members and those delegates returning from the Legislative Visitation early in the afternoon. These topics will be of general interest and will not offer continuing education credit. 2) The Monday evening reception with karaoke will be held later in the evening from 7:00-10:00 p.m. This should allow everyone to attend after having dinner on their own. 3) A general session with continuing education credits will be offered on Tuesday morning instead of the concurrent sessions. 4) The Question Box Session will be held on Tuesday afternoon followed by the Exhibit Show and banquet.
- **2005 Short Course** ~ This seminar will be held on March 16th-17th at the Arrowwood Resort near Alexandria. The format of the program will remain basically the same as in past years with Wednesday afternoon devoted to concurrent sessions.
- **Future Convention Locations** ~ Contracts have been signed at the Sheraton Bloomington Hotel for the 2006 Convention. The Board of Directors asked the Education Committee to explore other facilities for future conventions. A sub-committee of the Education Committee met in April and visited four potential facilities for future conventions. They reported back to the full committee and a recommendation will be made to the board at their next meeting.
- **Support Staff Seminar** ~ The committee discussed the cancellation of the Support Staff Seminars in April for lack of attendance. Comments from the membership were reviewed; lack of CEU's, distance to the meeting and time of the year all attributed to the low registration numbers. After considerable discussion, the committee decided NOT to reschedule the meetings in 2004. Plans are to hold the seminar again in 2005.
- **Spring Agent's Meetings** ~ Plans are for this series of four meetings to be held at the end of April or beginning of May in 2005. Application will be made for 7.0 hours of continuing education credit.

The next meeting of the committee is scheduled for August 24th-25th in the MAFMIC office.

On Your Mark, Get Set, Move!

By: President Sherry Ask

Great strides are being made on MAFMIC's new headquarters. When I originally talked about moving by August 1st, I was told I was being way too optimistic and that I should probably look more toward mid-October. However, all along, I've been saying...I want to be moved by August 1st. That date is now more than a reality! The contractors as you can see by the pictures are making great strides each and every day. As I write this, the inside is being sheet rocked and the "mudding/sanding" process will begin next week (June 1). The brick work is complete – along with the two front pillars. Also next week, the metal roof and siding will be placed.

Our new address will be 601 Elm Court East, St. Joseph, MN 56374. We are trying to retain our existing phone and fax numbers, but have been given conflicting information on that particular issue. The staff has been busy selecting the interior color schemes – selecting carpet, tile, paint, stain, etc. This is progressing very well.

The Agents' Spring Seminar is now complete. We had a little lower attendance this year than last, but still consider the Seminar to be a complete success. I would be interested in your thoughts about the splitting of the Seminar....two days one week in the "North" and two days another week in the "South. In the past, the Spring Agent's Seminar was held all in one week – Monday through Thursday. We are here to serve you and thoughts from you, your directors and agents regarding the timing would be appreciated.

The MAFMIC Manual is at this moment at the printers. This should be mailed to you via First Class mail next week. Please read it carefully and tell MAFMIC of any corrections/additions we need to make.

See you next month!



That was then . . .

This was three weeks ago . . .



This is now (from the west side) . . .

. . . and from the front.

Strategic Plan Committee

The Strategic Plan Committee met on Wednesday, May 26, 2004 in the MAFMIC Conference Room. Areas of discussion centered on the core strategies of the plan ~ Government Affairs, Policy and Education. President Ask gave a report on each of these areas.

- MAFMIC's Strategic Plan was reviewed line by line and several items were re-written.
- The committee recommended that the job description for the Government Affairs Manager be updated.
- The Policy Committee is in the process of re-writing the PH policy and anticipates a completion date of 1-1-05. One of the key issues of the Policy Committee is to make both the TP-1 and PH policies available for review on the 'Members Only' section of the MAFMIC website. MAFMIC staff is currently working on this and is anticipating at least the policy forms to be available on the website (www.mafmic.org) in June.
- The rotation of the Short Course location was discussed. A sub-committee of the Education Committee recently toured various Twin Cities facilities looking for possible alternates for the convention. It was noted that while two of the locations would work for the convention, one would work very well for the Short Course. A motion was passed to recommend that the Short Course be on a three-year rotation beginning in 2005 and then return to a two-year rotation.

As Chairman of the Building Committee, Jerry Zenke gave a report on the progress of the new building. He said they are ahead of schedule and he was impressed by the amount of work already accomplished.

President Ask reported that the MAFMIC Financial Services (MFS) will actually become a reality on June 1, 2004. At that point, MFS will start to receive commissions from Benefits & Incentives Company. An independent agent has agreed to be our "in-house" agent on a contract only basis. The committee discussed provisions of the contract. It was also a recommendation by the Committee that MAFMIC's bylaws be used for those of the MFS.

The Strategic Plan Committee recommended that the District "layout" of companies be reviewed every four years unless otherwise necessary because of mergers.

Marketing Minute

By: Connie Jaskowiak, Committee Member

The Marketing Committee met in MAFMIC's office on May 12th. The recently completed farm shows at St. Cloud and Owatonna were deemed a success by those in attendance. It was decided to continue these shows along with FarmFest next year.

The Come Home advertising (apparel and promotions) campaign was discussed in detail. The purpose of this program is to promote the use of the Come Home logo. The committee discussed several changes to the program; staff will research the feasibility of these changes and the committee will make final decisions at their next meeting. A report will be given to the membership during the Fall Regional Meetings.

It is the goal of this committee to provide at least one new marketing tool for the membership each year. This year the committee will work on developing sample script for monthly radio advertising.

MAFMIC members will once again participate in FarmFest being held August 3-5 at Gillfilan Farms near Redwood Falls. Judy Schroeder is organizing the workers for this show; she can be reached at (320) 826-2374.

Members of the committee include: *Chris Adams* (Chairman), *Connie Jaskowiak* (Secretary), *Diane Boucher*, *Mark Lageveen*, *Paul Stueven*, *Judy Schroeder*, *Lori Bondhus* and *Doug Iverson*. *Maureen Reineke* serves as the Board Liaison. The committee's next meeting will be July 14th.

TECHNOLOGY CORNER

By: Travis Hall, Technology Committee Member

Worm Alert! If any of you are like me, you or your virus software may be very familiar with the "W32/Netsky" worm. Over the past 3 months, my virus software has quarantined over 70 files that have been infected with the W32/Netsky worm. Currently there are over 20 different varieties of this virus. The variety most quarantined by my virus protector is the W32/Netsky-D worm. In fact, Sophos' world leader in virus protection, reported variations of the W32/Netsky worm held seven of the top ten reported viruses in April 2004.

The Netsky-D worm arrives in an email using a variety of subject names (including Re: Approved, Re: Details, Re: Document, Re: Your letter, Re: Your picture) and attached file names including one of the following files: document.pif, application.pif, your_letter.pif, or your_product.pif. **To avoid this worm, do not open the attachment.** Many users who are wary of EXE, SCR and VBS files, which arrive in their email, may not realize that PIF files are equally capable of being malicious. All users should be wary of any unsolicited email attachment, which arrives in their inbox. Ideally, all businesses would proactively filter executable content at the gateway, so it cannot reach tempted users.

Here are some ways to avoid being a victim of the Netsky worm or any other virus that may be lurking in the shadows.

- **Use Anti-virus Software.** Install anti-virus software on all computers and servers. Be sure to update virus definitions at least weekly if not more frequently. Viruses can spread very quickly.
- **Set your Filtering.** Consider filtering potential malicious e-mails at the e-mail gateway. Block file types that commonly carry viruses; some common extensions are: EXE, COM, PIF, SCR, VBS, SHS, CHM and BAT. Block any file that has more than one file type extension for example: LOVE-LETTER-FOR-YOU.TXT.VBS or ANNAKORNIKOVA.JPG.VBS.
- **Ensure all executable code sent to your organization is checked and approved.** This will verify that the file is virus free, that the file is properly licensed and that it contains suitable content (not pornographic).
- **Stay Up-to-Date with Software Patches.** Many software vendors issue advisories on security issues and will write program patches to correct the security issues. Some vendors may provide automatic patch updates, but many require that you check their web sites for available patches.
- **Back-up Your Data Regularly.** Make regular backups of important work and data, and check that the backups were successful. You should also find a safe place to store your back-ups, perhaps even off-site, in case of fire.
- **Protect the Gateway and Remote Users with Firewalls.** Computers connected to the outside world should be properly protected from Internet threats via firewalls. Laptops and remote home workers should be included; they will also need firewall protection and might not be able to take advantage of a central firewall inside your business.
- **Introduce an anti-virus policy.** Produce a policy for safe computing and distribute it to all staff. Make sure every employee has read and understood the policy, and that they know who to speak to, if they have any questions. Such a policy could include:
 - o A ban on downloading executables and documents directly from the Internet.
 - o A ban on running unsolicited executables/documents/spreadsheets within the organization.
 - o A ban on playing computer games or using screensavers, which did not come with the operating system.
 - o A ban on opening any e-mail from an unidentified sender.

Good Luck and Happy Computing!

SCHOLARSHIP GOLF OUTING

Registration Form ~ The details for the MAFMIC Educational Scholarship Golf Outing have been finalized and a registration form is available on our website 'Calendar of Events' or by simply clicking on the above registration form title. (Please note the earlier start time.) Net proceeds of the golf outing are donated to the scholarship fund. The good news is that you don't have to be a great (or even good) golfer to participate and have fun at this event because we play Best Ball Scramble.

Hole Sponsorship ~ If you are not able to join us, please consider being a hole sponsor ~ your cost is only \$100 and there will be a sign posted at one of the holes indicating your company's sponsorship. It's an easy way for your company to support a great cause! Pictured below is just one of the recipients of your past generosity.



Pictured above receiving his scholarship is *Pat Ryan* (center), who is a senior at Goodhue High School. His parents, *Charles, Jr. & Dian Ryan*, farm in rural Goodhue and are insured by *Vasa-Spring Garden Mutual*. Ryan plans to attend Rochester Community Technical College this fall. He is pictured with his parent's agent, *Duane Jonas* (left), *Jim Nelson* (right), Manager of Vasa-Spring Garden Mutual.

Thoughts on Education

Education is what remains when we have forgotten all that we have been taught. – George Savile

Teachers are people who start things they never see finished, and for which they never get thanks until it is too late. – Max Forman

Education is the ability to listen to almost anything without losing your temper or your self-confidence. -- Robert Frost

SPRING AGENT'S MEETINGS

This year's recently completed Spring Agent's Meetings drew an attendance of just over 275. A preliminary review of the evaluations reveals an over-all 'good' rating for the program. MAFMIC would like to thank all of the presenters for sharing their time and talents with us.



Pictured above at the Owatonna meeting are some of the presenters. Left to right: **Dan Rupp**, Manager-Agency Services, RAM Mutual; **Don Jungles**, Inspector-Adjuster, Mid-Minnesota Mutual; **Christian Preus**, Attorney, Meagher & Geer Law Firm; and **Paul Haynes**, Sr. Marketing Representative, North Star Mutual. Other presenters not pictured include **Bill Weeding**, Attorney with the Weeding Law Firm in Minneapolis; **Jim Vesall**, Plan Administrator for the Minnesota Automobile Assigned Claims Bureau; **Jeffrey Thompson**, Attorney, Meagher & Geer Law Firm; and **Rick Klukken**, Senior Loss Control Fieldman, North Star Mutual.

CALENDAR OF EVENTS

June	10	2 nd Quarter Board Meeting
	14	Remember Flag Day!
July	14	Marketing Committee Meeting
	20-23	NAMIC Leadership Forum
	29	Scholarship Golf Outing
	31	Move to new office
Aug	3-5	FarmFest
	17-19	NAMIC Ag Risk Inspection School
	24-25	Education Committee Meeting
Sept	2	3 rd Quarter Board Meeting
	19-22	NAMIC Convention

Last Chance for Recipes!

Thank you to everyone who contributed one or more recipes for the MAFMIC Auxiliary's Cookbook. We have ALMOST reached our goal of 600 recipes. The deadline for submission of recipes was June 1st, however if you haven't contributed or have another great recipe that you'd like to add, we will still be able to accept late-arriving recipes for a couple of weeks. You can call the office for a copy of the form or download it off MAFMIC's website (look in News & Notes) or click here on [Recipe Form](#).

TP Policy Form 8TL

It has come to our attention that some companies received Form 8TL (Certified Terrorism Loss Coverage) with conflicting edition dates on the top and bottom of the form. The correct edition date is 2-04; if your form has conflicting dates, please remove or white out the wrong date before duplicating. We apologize for any confusion this may have caused.

In Sympathy

MAFMIC would like to extend our sympathy to the family of **Nancy Klottesch**, 53, who passed away on May 20th. Nancy is the daughter of **Earl Swoboda**, Vice President of Flora Mutual in Danube.

Our sympathies are also extended to the family of **Roman Olmscheid**, 78, who passed away on May 21st. Roman is the father-in-law of MAFMIC's Administrative Assistant, **Lori Olmscheid**.

Henderson Honored

At their annual convention, the Minnesota Independent Insurance Agents & Brokers (MIIAB) named **Stuart Henderson** 'Insurance Company Executive of the Year'. Stuart is the President of Western National Insurance Group headquartered in Edina. In accepting the recognition, Stuart told the audience "The accomplishments of the recent past are not the result of the efforts of just one person. It takes the hard work and dedication of all our employees, and of our loyal agent partners, to create the tremendous story that is Western's reality today."

MAFMIC E-Bulletin Testing

This month a small number of individuals have been set up as a test in our database to receive the NewsBulletin electronically. Some of those individuals may receive two copies of the electronic submission because we will continue sending the NewsBulletin via the MAFMIC egroup. If no problems are encountered, in July we will begin sending the electronic version of the NewsBulletin to all members who made that request. Those individuals should no longer receive a hard copy of the bulletin. If you would like to receive future issues of the NewsBulletin in the new electronic format, please help us out by **sending your name and email address to info@mafmic.org**.

Summer Hours

During the summer months, MAFMIC's office will be open from 8:00 a.m. to 4:30 p.m. Monday thru Thursday and 8:00 a.m. to Noon on Fridays.