

# MAFMIC NewsBulletin

## MAY 2005 ISSUE

### EXCITING EVENTS UPCOMING!

By: President Sherry Ask

Spring has indeed 'sprung' throughout Minnesota....the soft warm southerly winds are blowing and the tulips have emerged. Your MAFMIC staff is looking ahead with anticipation to the wonderful events we have planned for your summer months. Just to mention a few.....

**June** brings us the Washington DC Congressional Visit. This is scheduled for **June 15 & 16**. NAMIC has reverted to an "every year" Washington visit and we think this is a great opportunity to meet the Minnesota Congressional Delegation and make sure that these people know where our Mutuals stand on the Federal issues that affect us.

**July** is a busy month. In the past, the Managers and Directors Seminar was always well-attended and we expect the same this year. The Managers and Directors Seminar will be held at the Holiday Inn in St. Cloud on **July 20<sup>th</sup>**. The morning will combine the Managers and Directors and will include such interesting topics as "Articles & Bylaws" by Marvin Johnson, Mary Cady-Woods, NAMIC, will lead us in a discussion about "Bonding and the Dishonest Employee" and Lee Bondhus, Chairman of RAM Mutual, will discuss, "We Need a New Director".

In the afternoon, the Directors have their own session and so do the Managers. Covered during the afternoon, are several different topics such as: A panel of experts covering Township Mutual Investments, D & O Coverage, "We've Lost Our Manager! What do we do now?" are the interesting topics to be covered with the Directors. The Managers will have several other topics for them.....The Company Financial Analysis, a presentation entitled: "Why Aren't You Using Clue?", "Hiring a New Employee...and More" as well as some time for Round-Table Discussions.

The next day **July 21<sup>st</sup>** brings us the annual MAFMIC Scholarship Golf Outing. This will again be held at Little Crow Golf Course in Spicer. Along with the Quilt and other door prizes at the Convention, this annual event brings in a tidy sum of change for the Scholarship Fund. So, mark your calendars now for **July 20 and 21**....plan to attend. We'll have a "mutual" good time!

**August** is no less busy than July. The FarmFest at the Gilfillan Estates in Redwood County is **August 2-4**. The Support Staff Seminar will in one location ONLY this year. The SSS will be held on **August 11<sup>th</sup>** at the Holiday Inn in St. Cloud. Because we didn't have enough registrants last year, the SSS was cancelled. This year, we thought having the seminar in one location would be better. The Adjuster's Seminar at the Holiday Inn has been scheduled for **August 16<sup>th</sup>**. This Seminar is obviously for company adjusters, managers, Inspector/Adjusters and even wanna-be Adjusters. Some of the topics will be: Applying Deductibles Appropriately; Adjusting Shingle & Siding Losses; Preserving the Fire Scene; and People Skills for the Adjuster.

All in all, there's an exciting list of events to attend in the Summer of '05 ... come join your fellow mutual friends, co-workers and affiliates for great camaraderie and education.

### TECHNOLOGY CORNER

By: Niles Deden, Technology Committee Member

#### USB Drives, Jump Drives or Thumb Drives

During our "Tools or Toys" presentation at the Short Course we spoke briefly about portable USB data storage drives. They are called USB drives, jump drives, and thumb drives. The name doesn't matter much. Basically they are portable drives about the size and twice the thickness of a piece of chewing gum that plug into any USB port and work as an additional disk drive for storing files. They are very useful for moving files from one computer to another or from your office computer to your home computer and back. Quite a few people at the Short Course said they were using these drives. A 256 megabyte drive holds a lot of files and cost less than \$50.

Here is a useful trick: add a notepad file named "I Belong To" to the drive and then put your name, address, phone number, and email address in this file. If the drive ever gets lost while you are traveling, the finder knows who to contact without snooping through all your files trying to find a hint to your identity.

The Scan Disk manufactured version of the jump drive called the "Cruzer" comes with a trial version of an encryption program called "Cruzer Lock". This program allows you to encrypt the sensitive files on the portable drive and on your other drives so that no one but you can look at them. The full version costs about \$25.00 and lets you do things like encrypt emails and CD's. The encryption used is Blowfish 448 bit, which is very secure.

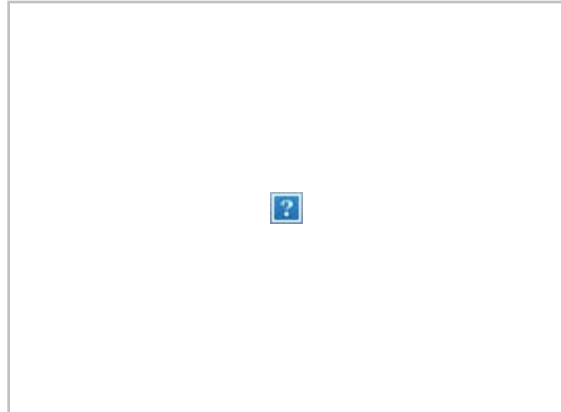
Once you stop to think about it, there are probably more than a few computer files in your office that you would prefer people don't look at. Personnel files, agent files, claim letters, and correspondence with legal council all come to mind. Encrypting these files with a password that only you have guarantees that no one can ever look at these files without your permission.

In summary: 1) You will find these portable drives an easy and convenient way to move data. 2) Consider some form of encryption program to protect your most sensitive files.

### ~CONGRATULATIONS~

**Ken Bargfrede** retired as the manager of Corn Belt Mutual on May 1<sup>st</sup>. He began his employment with the company 44 years ago in April. He will remain a director of Corn Belt Mutual and will work part-time in the office. **Colleen Anderson** will replace him as manager.

**OPEN HOUSE:** In appreciation, Corn Belt Mutual will be hosting an OPEN HOUSE for Ken from 1:00 – 4:00 p.m. on Tuesday, May 17<sup>th</sup> at the Jackson American Legion. The American Legion is located at 411 1<sup>st</sup> Street in Jackson, MN. Please come and wish Ken well in his retirement from Corn Belt Mutual. Congratulations to both Ken and Colleen!



Pictured at left are **Doug Iverson**, recently retired Manager of Farmers Mutual of Manchester and his long-time assistant **Dave Pederson**, who has been named the Manager of Farmers Mutual. Doug started with Farmers Mutual in 1978 as an Adjuster and Assistant Manager. Doug took over the Manager's position in 1995. Congratulations to both Doug and Dave!

### Government Affairs Committee Notes

By: Richard Raun, Chairman

#### \$220,000+ or more annual tax increase on township mutuals? Thanks...but no thanks.

(A study of good intentions with unintended consequences.....the value of vigilance)

H.F. 2079 (Fire Safety Surcharge) has been receiving much, well deserved attention by our Government Affairs Manager Marcus Marsh. This legislation, encouraged by the firefighters and the Insurance Federation, attempts to accomplish several things;

1. Provide a dedicated source of revenue to fund the State Fire Marshal's office,
2. Provide a dedicated source of revenue to fund grants to local units of government for firefighter training and other causes, while;
3. Providing retaliatory tax relief for Minnesota domiciled companies.

The bills proposed method for funding the first two items was to substitute an existing 1/2% premium tax paid by all companies except township mutuals, with a 1/2% "surcharge" applicable to all companies. **This would have created a tax increase for township mutuals of somewhere over \$220,000 (ANNUALLY), based on 2003 premium income information provided by MAFMIC.** Township mutuals can calculate the rough impact on their individual company by adding together 35% of company homeowner gross written premium (less refunds) and 100% of farm gross written premium (less refunds) and multiplying that sum by 1/2%.

A subsequent version of the bill appeared even more onerous. It removed the 1/2% "surcharge" and substituted a flat fee of \$5 per homeowner policy and \$86 per commercial policy. As an example of the affect, **considering a farm policy a commercial policy, the new additional tax cost to one township mutual with 500 homeowner's policies and 1,000 farm policies would be \$88,500.** One Chapter 66 member estimated a cost increase of over \$100,000 annually. Statewide packaging partners calculated cost increases of well over \$1 million. A huge tax increase was developing potential.

Working with all facets of MAFMIC membership, Marcus Marsh developed and expressed our deep concerns to firefighters. To the credit of the firefighters they heard us and worked closely with Marcus to neutralize the tax implications to our member companies, by exempting companies organized under Chapter 67A from the 1/2% surcharge of flat fee and providing companies currently subject to the 1/2% tax the option of continuing at a 1/2% surcharge or pay the fee based surcharge. As this article is written the final outcome of the bill is unknown, but if it passes in current form, a significant tax increase in your company taxes has been avoided. Compare and contrast this outcome to our pre-Government Affairs Department days when we spent little money and had our premium tax doubled! You get what you pay for!

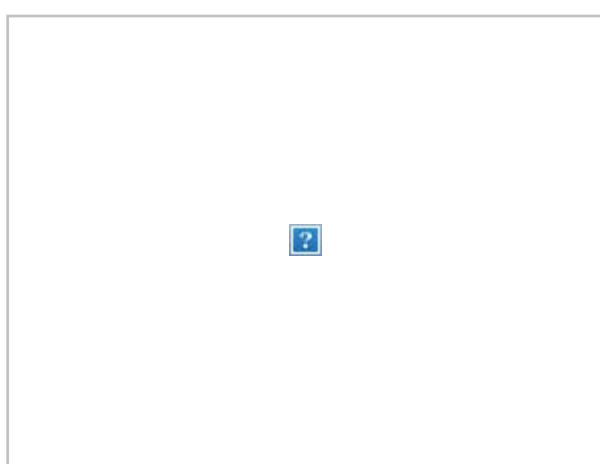
This political effectiveness is the result of your willingness to give of your time and money; your time in attending the St. Paul visitations and district visits and in funding the government Affairs Department. It also is the result of your personal PAC and other political contributions.

PLEASE, the next time you are asked for a PAC contribution, or a campaign contribution, or to take time to go to Washington, calculate how much money annually your company will save because of the action taken on this one bill. How much is this worth to you? \_\_\_\_\_

### SCHOLARSHIP RECIPIENTS

The MAFMIC Scholarship Selection Committee, comprised of **Marlene Stueven, Ron Goracke, Becky Timm** and **Marva Helberg** of the Auxiliary, selected the recipients of the scholarships for the 2005-2006 school year. The Selection Committee met at the Short Course in March to review the 71 applications the MAFMIC office had received. After confirming eligibility, recipients were chosen from a blind draw. Congratulations to the following individuals!

- ❖ Levi Danielson, Houston  
~ Mound Prairie Mutual
- ❖ Jennifer Holst, Lake City  
~ Hay Creek Mutual
- ❖ Nicholas Kvam, Granite Falls  
~ Leenthrop Farmers Mutual
- ❖ Christine Reimer, Foley  
~ Mid-Minnesota Mutual
- ❖ Theodore Snyder, Elk River  
~ Chisago Lake Fire Ins. & North Star Mutual



(Pictured Above: Recipient Christine Reimer with dad, Mark. (left) and Tom Mroska, Manager of Mid-Minnesota Mutual.)

**FROM THE DESK OF BILL INGEBRIGTSEN,  
Douglas County Sheriff**

Dear MAFMIC:

*Thanks so much for your recent donation to our K-9 program. This money will go towards our K-9 units, equipment, training etc. We think these units are very important tools in our Law Enforcement function.*

Thank You All Again,

*Bill Ingebrigtsen*

**MANAGER POSITION ~ Leentrop Farmers Mutual Insurance Company** is accepting applications for the position of General Manager until June 1, 2005. Send resume and letter of application to:

Gary Sonstegard, President  
7030 30<sup>th</sup> Street SW  
Montevideo, MN 56265

**OWATONNA FARM SHOW** ~ The Owatonna Farm Show was held March 17 - 19, despite a snow storm that dropped over 10 inches of snow! We would like to recognize all those individuals that made their way to help work the MAFMIC booth. They are as follows: **Steve Reller** of RAM Mutual, **Paul Flies** from Gillford Mutual, **Danny Linbo** and members of his Board from Vernon Edda Mutual, **Jonathan Troe** of Owatonna Mutual, and **Errol Stillings** from Mower County Mutual. Special thanks go to Errol Stillings for packing up all the display items and to **Mark Lageveen** for organizing our booth at the show!

**COOKBOOKS STILL AVAILABLE!!** ~ Just a reminder: the MAFMIC COOKBOOKS are still available! If you would like to place an order, give us a call at (320) 271-0909. It's only \$15 to create fabulous meals....seems cheap doesn't it? There's even a special recipe on boiling water!

**MANUAL UPDATES** ~ The MAFMIC Staff is currently in the process of compiling company statistics and updating membership and committee information. Those updates will be available soon and copies will be mailed to each member company. As of this writing, we have only received 50 **2004 Annual Statements**. If you have not forwarded MAFMIC a copy, please do so by **May 4<sup>th</sup>**.

(Fax: 320-271-0912 or mail to: MAFMIC, PO Box 880, St. Joseph, MN 56374).

**DIRECTORS HONORED** ~ At their Annual Meeting, held in March, Moe-Urness-Lund Mutual honored two gentlemen for their 40 years of service to the insurance industry. The company gave each an engraved plaque in appreciation. **Vern Dobberpuhl** has been an agent with Moe-Urness-Lund Mutual for 40 years! He is one of the few farmer agents still selling insurance. **Verlyn Bruzek** was an agent for 27 years with Moe-Urness-Lund Mutual and has been on the Board of Directors for 38 years serving as president and now as treasurer and adjuster/inspector. Please join us in congratulating these hard-working gentlemen!



Vern Dobberpuhl and Verlyn Bruzek

**2006 SHORT COURSE AT CRAGUN'S RESORT NEAR BRAINERD**

Is it too early to start thinking about next year's Short Course? We don't think so! The 2006 Short Course will be held at Cragun's Resort near Brainerd, March 15<sup>th</sup> – 16th. There will be a few changes this year as opposed to our traditional routine. Cragun's operates on a Modified American Plan, which is different than the other resorts where we have stayed. For instance, they do not have a restaurant; instead they offer **dining room service**. Also, they do not take room reservations by phone; you must fill out a Cragun's Room Reservation form, which will be included in next month's bulletin. So, what does all this mean to you?

1). When you fill out Cragun's Room Reservation form you will be given different meal options to chose from, as well as your room reservation. Because Cragun's only offers dining room service, you will be asked to select which meals you would like to eat at Cragun's. (Please keep in mind these meal options are only for those times when MAFMIC will not be providing a meal. You cannot eat in Cragun's dining room without reserving a seat for that meal. Therefore, you need to think about your plans for eating. For example, leaving Cragun's to dine with others needs to be determined when you register to ensure that you only reserve the meals that are necessary.

2). Do not call to make a room reservation. Please watch further News Bulletins and the website for the reservation form. This form will also provide information about the different meal options.

3). Don't worry about the location of your room. All reserved rooms will be in the main lodge (under one roof) unless you specifically ask for a separate cabin. Room rates are \$73 per night plus tax. Please note that any meal options you chose will be an additional cost.

Don't Delay, start planning Today!

**NEW ASSOCIATE MEMBERS** ~ MAFMIC would like to welcome the following new associate members who were approved for membership at the March Board Meeting.

**All State Ag Parts, Inc.**  
**Steve Asmus, Purchasing Manager**  
25325 US Hwy 81  
Salem, SD 57058  
Phone: (605) 359-2447  
Email: [steveasmus@asapagparts.com](mailto:steveasmus@asapagparts.com)

**Riverview Claims Service, Inc.**  
**Christopher Swatzak, President**  
PO Box 116  
La Crosse, WI 54602  
Phone: (608) 782-3200  
Email: [cswatzak@riverviewclaims.com](mailto:cswatzak@riverviewclaims.com)

**UPCOMING EVENTS**

- June 8-10 NAMIC Leadership Forum ~ Kalispell, MT
- June 15-16 Washington Congressional Visit
- July 20 Manager's & Director's Seminar ~ Holiday Inn, St. Cloud
- 21 MAFMIC Educational Scholarship Golf Outing  
~ Little Crow, Spicer
- August 2-4 Farm Fest ~ Gilfillan Farms, Redwood Falls
- 11 Support Staff Seminar ~ Holiday Inn, St. Cloud
- 16 Adjusters Seminar ~ Holiday Inn, St. Cloud
- October 2-5 NAMIC Convention ~ Phoenix, AZ
- November 7-11 Fall Regional Meetings ~ Thief River Falls, Fergus Falls,  
St. Joseph, Rochester, & Morton

**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.