“YOU CAN TEACH AN OLD DOG”

I am a perfect example of this title. Our office recently went through a software conversion. This change wasn’t easy and we are still learning, but the final product will be beneficial for our staff, agents and customers. We are never too old to learn new ways to make us more efficient. I am encouraging managers, staff and directors to attend MAFMIC educational events. One week after I started at Norwegian Mutual, Pete Hellie had me attend the MAFMIC Short Course with him. I met people at that seminar that are colleagues and friends to this day.

One event that has received excellent reviews is the Manager Workshop. This year, the Manager Workshop is being held May 7 & 8 at Grandview Lodge in Nisswa. Directors, if your managers aren’t attending the workshop, I would encourage your board to have them go. The setting for the Manager Workshop is relaxed, but this event is a great way to learn efficiency tips from other managers. Change doesn’t come easy, but sometimes there are better ways to achieve the final product. Some ideas I recall from previous workshops are: cancellation process, payroll, postage meter versus Stamps.com, certified mailing, and basic internal processes for office staff. These are just a few examples and if I asked other managers, they would have more ideas.

The comradery is just as important as the ideas that come out of this workshop. As much as we would like to think our insurance policy is black and white, there is a lot of gray area, as well. I can’t tell you how many times I have called other managers to ask their opinion on a claim and whether it is covered or not. When I do call…I’m calling some of the people I met at my first Short Course along with other managers I have met at other events.

I’m a little biased because I have been a member of the Education Committee for the last 7 years, but in my opinion, MAFMIC seminars are some of the best events in the industry. I have attended national events and I believe our conferences provide better speakers and content.

Please consider attending a MAFMIC event if you haven’t attended a seminar recently!

“Reliability ~ Accountability ~ Trust”

MAFMIC Chairman, Mark Nelson
Editorial Advisory Committee

Vicki Hongerholt - Chairman, Mound Prairie Mutual
Ben Berg - Headwaters Mutual
Alex Coulter - Schluchter Investment Group
Erica Johnson – Southeast Mutual
John Neal - Willenbring, Dahl, Wocken & Zimmerman
Joel Peiffer - IMT Computer Services
Sandy Walstrom - Farmers Mutual
Jim Williams - Abdo, Eick & Meyers, LLC
Dani Hennen - Staff Liaison - MAFMIC
Arlette Twedt - Staff Liaison - MAFMIC

MAFMIC Executive Board & District Directors

Mark Nelson, MAFMIC Chairman, Norwegian Mutual
Dan Rupp, MAFMIC Chairman - Elect RAM Mutual
Kevin Strandberg, MAFMIC Vice Chairman, Kerkhoven & Hayes Mutual
Greg Parent, Secretary/Treasurer, German Farmers Mutual
Mikel Nelson, Immediate Past Chairman, Elmdale Mutual
Jackie Sirjord, District 1, Garfield Mutual
Eric Johnson, District 2, Woodland Mutual
Roger Miller, District 3, Lake Park & Cuba
Jenny Eiynck, District 4, St. Joseph Mutual
Jen Visser, District 5, Bird Island-Hawk Creek
Nick Hager, District 6, Kelso & Shelby Mutual
Vicki Hongerholt, District 7, Mound Prairie Mutual
Todd Bossuyt, Statewide, North Star Mutual

Two guys who help keep things running smoothly at the convention.

Bill Minks and Dean Kerfeld
MAFMIC Convention Committee

Optimize Your Payments Equation

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

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

Thank you to our Sponsors
The Minnesota Association of Farm Mutual Insurance Companies held their annual financial review and board orientation meeting at the Radisson Blu Hotel in Bloomington on Sunday, February 10 during the convention. The primary focus of this meeting each year is to review and approve the financial statements from the previous year for distribution to the membership at the Annual Business Meeting. Secretary-Treasurer, Greg Parent presented the 2018 financial statements. The board discussed several items and approved the financial report as presented. The financial report was then given to the membership at the Annual Meeting on Tuesday, February 12.

Chairman Mikel Nelson recognized the retiring board members, Jan Helling of Madelia-Lake Crystal Mutual and Immediate Past-Chairman Gary Swearingen of Has San Lake Mutual. Chairman Nelson also welcomed a new incoming board member, Nick Hager of Kelso & Shelby Farmers Mutual and re-elected for another term Jen Visser of Bird Island-Hawk Creek Mutual. Chairman Nelson recognized the new Vice Chairman Kevin Strandberg of Kerkhoven & Hayes Mutual and set to begin his eleventh term as Secretary-Treasurer, Greg Parent of German Farmers Mutual. The new board members officially assumed their positions at the Annual Meeting on February 12 while the Vice Chairman and Secretary-Treasurer were elected to their positions at the Annual Meeting.

Chairman-Elect Mark Nelson announced the Committee Chairman assignments for 2019. Since all current committees had at least one board member on them and they could report on committee activity, there was no need to assign any board committee liaisons. In accordance with the Articles & Bylaws, Mark Nelson was elevated to the position of Chairman at the Annual Meeting on February 12.

The board approved the revised MAFMIC cell phone use policy and deferred the MAFMIC proposed PTO plan to the June board meeting for further discussion. The board also discussed the E2Value Ag Valuation Guide and asked Aaron Cocking to obtain further information.

Dani Hennen provided a convention update while Aaron Cocking gave a legislative briefing. The board also approved Steamatic Restoration as a new Associate Member.

The next scheduled board meeting will take place in Duluth on June 4-5. Members are encouraged to contact their MAFMIC District Director with any concerns or issues that may need to come before the board.

Greg Parent, MAFMIC Secretary-Treasurer
Tara Mutual was founded in 1898. The lines we write for are property and casualty insurance. We employ one full time employee Manager, Theresa Grimes and one part time employee Robin Schwagel.

Our company’s business philosophy is that “We are here to serve our policyholders”. Our five year goal is to maintain our policies and increase our numbers.

Our biggest challenge is: “Losing an older generation of insured and the younger generation leaving because they do everything online”.

We are involved in our community by donating to our local causes and we help out whenever needed.

To describe our company in one word: **LOYAL**

“We are a loyal company to our insured and agents that write with us.”

Theresa Grimes, Manager
Application has been made to the Minnesota Department of Commerce for a total of 8.0 hours of non-company continuing education credits. Each section is broken up. The TP section will be (6.0) non-company continuing education credits and the PH section will be (2.0) non-company continuing education credits. (Approval Pending)

<table>
<thead>
<tr>
<th>Seminar Schedule</th>
<th>Cost &amp; Registration</th>
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<tbody>
<tr>
<td>7:30 - 8:00 am</td>
<td>Registration</td>
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<tr>
<td>8:00 - 12:00 pm</td>
<td>TP Policy Discussion</td>
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<tr>
<td>12:00 - 12:30 pm</td>
<td>Lunch</td>
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<tr>
<td>12:30 - 2:30 pm</td>
<td>TP Policy Discussion</td>
</tr>
<tr>
<td>2:30 - 4:30 pm</td>
<td>PH Policy Discussion</td>
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**Registration**

- Member: $100
- Nonmember: $120
- Late Registration: $120

*Registration deadline: March 19th, 2019*

**Cancellation Policy**

75% refundable before March 8th - 50% refundable between March 9th - March 19th - No refunds available after March 19th.

You may substitute a participant at no additional charge. All cancellations and substitutions must be made in writing and sent to dani@mafmic.org or faxed to (320) 271-0912.

**PLEASE NOTE** You will be notified only if the location for which you registered is full or cancelled. No other correspondence will be sent. Each attendee will be provided with a TP-1 & PH-1 Policy Discussion Manual.

<table>
<thead>
<tr>
<th>2019 MAFMIC Policy Schools</th>
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<tr>
<td>Township Mutual(s)</td>
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Session Attending: (circle one)  
TP  PH  Both

Location Attending: (circle one)  
Owatonna  St. Cloud  Detroit Lakes  Esko  Cottonwood

Total: $___________

Check #: ___________

All registrants will be expected at location indicated above unless otherwise noted.
AWARDS, PRESENTATIONS, NEW POSITIONS

2019 Robert C. Seipp Service Award
Presented to Bert Tellers, retired in 2018 from RAM Mutual. Congratulations Bert!

2019 Volunteer of the Year Award
was presented to Deb Liden, Manager, Bray-Gentilly Mutual. Congratulations Deb!

50/50 Grand Prize: Justin Landsom, Wilmington Mutual
Handmade Quilt: Rollin Stoeckman, Young America Mutual
Hand Crocheted Table Cloth: Linda Jaskowiak, Sumter Mutual
$250 Cash Winner: Jackie McCleron, Delaware Mutual
$150 Cash Winner: Beth Stoeckman, Young America Mutual
LED light: Yvonne Skarphol, Madelia-Lake Crystal Mutual
$50 Survey Winner: Peter Altman, New Sweden Mutual

Congratulations to all our winners!

Retiring Director for District 6
Jan Helling, Manager Madelia-Lake Crystal Mutual

MAFMIC welcomes New District 6 Director, Nick Hager, Kelso & Shelby Farmers Mutual

MAFMIC Chairman, Mikel Nelson and NAMIC President, Chuck Chamness

2019 - 2020 Auxiliary Officers
Linda Cunningham, Past President; Redwood County Farmers Mutual
Brenda Derickson, Newly elevated, Auxiliary President; Redwood County Farmers Mutual
Konnie Rogotzke, Vice President; Westbrook Mutual and
Kassandra Quade, Newly elected Secretary; Westbrook Mutual

We would like thank you for all of your dedication, time, commitment and effort. You truly make a difference to the MAFMIC organization!
MAFMIC Convention Chaplain
Tim Iverson, Prairie Pine Mutual

MAFMIC Chairman Elect,
Dan Rupp, RAM Mutual

Henry Gibbel,
NAMIC Chairman

Al Muehlhausen,
Convention Credentials Committee Chairman

Keynoter:
Michael Franzese and
MAFMIC Chairman,
Mikel Nelson

Chairman Mikel Nelson and
Elmdale Mutual’s Board
2017 MAFMIC Golf Outing

Diane Boucher plays piano for Prayer Breakfast

MAFMIC Choir lead by, Brenda Derickson, Redwood County Mutual

Part of the Registration Crew, Tony Hughes, Brad Kullot and Erica Johnson

Former 1970’s Minnesota Viking, Chuck Foreman #44 speaks at RAM Luncheon

Thanks to all who participated in the MAFMIC Choir !!

MAFMIC Chairman, Mikel Nelson with Prayer Breakfast speaker: Ella Dorner

Brenda & John Derickson Presentation at Auxiliary Program

Diane Boucher plays piano for Prayer Breakfast
Aaron Cocking presents Senator Gary Dahms, Public Policy Award

Minnesota State Capitol Visitation
Our Century Companies acknowledged at the MAFMIC Convention

Young America Mutual
1869-2019

Manager, Carol Maciej
Mid-Minnesota Mutual
1894—2019
Manager, Tony Hughes
Claremont Farmers Mutual
1894—2019
Manager, Scott Heidebrink
Southwest Mutual
1894—2019
Manager, Cindy Thompson
Western Mutual
1894—2019
Manager, Ashley Mareck
Paynesville Mutual
1894—2019
Manager, Connie Jaskowiak

Ulysses Grant
U.S. President in the year 1869

Grover Cleveland
U.S. President in the year 1894
Minnesota Severe Weather Awareness Week
April 8-12, 2019

WATCH Alert

- The Potential Exists For Severe Weather
- Go About Normal Activities, But Be Alert For Updates/Warnings

WARNING

- Storm Is Occurring And Imminent!
- Move Indoors To A Place Of Safety!

Know Where to Go When Sheltering from a Tornado

Tornado Damage Scale

<table>
<thead>
<tr>
<th>EF</th>
<th>MPH</th>
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<tbody>
<tr>
<td>0</td>
<td>65 - 85</td>
</tr>
<tr>
<td>1</td>
<td>86 - 110</td>
</tr>
<tr>
<td>2</td>
<td>111 - 135</td>
</tr>
<tr>
<td>3</td>
<td>136 - 165</td>
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<tr>
<td>4</td>
<td>166 - 200</td>
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<tr>
<td>5</td>
<td>&gt; 200</td>
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</table>
Insurance policies typically exclude consequential damages. This is true with respect to MAFMIC’s TP1 and PH1 policies. Page 7 of the PH1 (1-13) policy states, in summary, that “‘We’ pay only for direct physical loss (excluding consequential loss) to covered property.” The TP1 (1-13) contains a similar provision, “‘We’ insure for direct physical loss (excluding consequential loss) to covered property caused by the following perils as indicated on the declarations.”

As a general matter of contract principle, a party that breaches a contract may be liable for any loss that “naturally and proximately” follows from the breach (i.e., consequential damages). Olson v. Rugloski, 277 N.W.2d 385, 387-88 (Minn. 1979). The Minnesota Court of Appeals articulated this principle in Swanny of Hugo, Inc. v. Integrity Mut. Ins. Co., 215 WL 9437571 (Minn. Ct. App. 2015). In Swanny, an insured steakhouse was destroyed by fire. Id. *1. The insurer denied coverage for loss of business income. Id. The insured sued for breach of contract, and alleged that it suffered “consequential damages in the form of lost business income as a result of the insurer’s denial of business income coverage and failing to timely pay for other coverages under the policy.” Id. A jury agreed with the insured’s position and awarded $859,500 in consequential damages. Id. The Court of Appeals upheld the award, finding that consequential damages are allowed where an insurer fails to timely pay for benefits owed under the policy. Id. at *3.

While Swanny is an unpublished decision, calling its precedential value into question, it stands for the proposition that consequential damages are allowed for a breach of an insurance agreement. As noted, both the PH1 and TP1 policies provide only for direct physical loss and not consequential loss. Nonetheless, the membership should be aware of the Swanny decision and Minnesota’s common law, allowing for consequential damages when a breach of an insurance agreement exists.
“Understanding Investment Policy Statement”  
submitted by Alex Coulter, Schluchter Investment Group

The investment Policy Statement, or IPS, is a document established by the mutual insurance company stating how the policy holder surplus is to be invested. The IPS will need to follow the guidelines or state statute 67A.231 or 60A.11 for statewide companies. However, board members may elect to have more restrictive guidelines stated in the IPS. The IPS could indicate specific length of maturity guidelines, minimum bond rating at time of purchase, or limit the types of bonds to be purchased in the investment portfolio.

It is important to understand that the Investment Policy Statement is not a static document. The IPS should be reviewed, and updated if necessary, at least annually. Your investment advisor should be included with the drafting and reviewing of the IPS.

The review of the IPS should be included in the meeting board minutes, indicating that the IPS was reviewed. To comply with statute 67A.231, bonds must be investment grade at time of purchase. If a bond was investment grade at time of purchase but was later downgraded and is currently below investment grade, it can still be held in the investment account however it may violate the IPS. This is one example of a situation where the investment portfolio is not in compliance with the IPS. When conducting the annual review of the IPS, indicate in the board minutes if the investment portfolio is in compliance with the IPS. If the investment portfolio is not in compliance with the IPS, disclose the security that violated the IPS. Also include in the board minutes the actions, if any, which are being taken to resolve the violation of the IPS.

If your company needs assistance with reviewing or drafting an Investment Policy statement, Schluchter Investment Group is happy to have a conversation with your board. A template of an Investment Policy Statement for mutual companies operating under statute 67A.231 is available on the MAFMIC website.

Investment and insurance products offered through RBC Wealth Management are not insured by the FDIC or any other federal government agency, are not deposits or other obligations of, or guaranteed by, a bank or any bank affiliate, and are subject to investment risks, including possible loss of the principal amount invested.

RBC Wealth Management, a division of RBC Capital Markets, LLC, Member NYSE/FINRA/SIPC.
Chris Marsh 70, passed away on January 18, 2019 at St. Luke’s hospital in Duluth. She was born November 14, 1948 in Cresco, Iowa to Dr. Charles A. and Luverna Field.

She was married to Marcus Marsh, retired MAFMIC Government Affairs Manager. Christine was united in marriage to Marcus Marsh on May 27, 1972 in Sauk Rapids. They lived most of their married life there. They retired in 2013 and 2014 and thereafter made their home on Cedar Lake near Aitkin. They built a home on Cedar Lake where their family cabin was since 1975.

She is survived by husband Marcus of Aitkin, father, Dr. Charles A. Field, two sons and daughter-in-laws, Jason & Stephanie Marsh of Carlton; Aaron & Amber Marsh of Elk River; and six grandchildren: Broderick, Audrey, Annika, Liam, Landon, and Lachlan.

Sylvia J. Olson, 89, passed away on Jan. 27, 2019 at Edgewood in Alexandria. Sylvia Joy Iverson was born on January 24, 1930, to Sheldon and Hazel (Horner) Iverson in Inman Township, rural Deer Creek.

She was united in marriage to Clayton L. Olson on July 4, 1948, at Elmo Lutheran Church.

Sylvia worked as an office assistant for Prairie Pine Mutual Insurance Company in Parkers Prairie from 1969 until her retirement on December 31, 1999.

She was preceded in death by her parents; husband, Clayton; son-in-law, Bob Montbriand; brother-in-law, Michael Brygger; and brother, Roger Iverson.

Survived by 2 daughters, brother, Willard “Bill” Iverson (retired Manager at Prairie Pine Mutual Insurance) and a sister. (Her nephew, Tim Iverson, Manager at Prairie Pine Mutual Insurance.)

Lorraine Keller, 95, passed away peacefully in her home on February 3, 2019. Lorraine was born June 26, 1923. She farmed alongside loving husband.

Board member for German Farmers Mutual for 24 years.

Preceded in death by husband John D. and son-in-law Rob Guzman, parents Rose and Charles Carufel, and several siblings.

Survived by sisters Reta Cook and Annette (Bernie) Mondor. Survived by her children: Stephen (Kathy), David (Stacy), Daniel (Chris), Ann Gonzales (Phil), Richard (Sue), Mary Guzman, Jane Keller-Malenfant (Eric), John (Maria); 21 grandchildren and 18 great grandchildren. Memorials preferred to the John D. and Lorraine B. Keller Educational Memorial Scholarship.

Mar 26-28 Policy School:
Owatonna - 26th
St. Cloud - 27th
Detroit Lakes - 28th

April 3-4 Policy School:
RAM Office, Esko - 3rd
North Star Office, Cottonwood - 4th

May 7-8 Managers Workshop
Grand View Lodge, Nisswa

May 21-22 NAMIC Farm Mutual Forum
Bloomington, MN

July 10 Manager & Director Seminar
Location TBD

July 11 MAFMIC Golf Outing
Little Crow Golf Resort, Spicer, MN
Eugene Pederson 70, passed away on February 8, 2019 at Battle Lake Good Samaritan Society, with his wife Pam by his side. Eugene was born on October 19, 1948 in Preston, Minnesota, the son of Elmer and Ethelyn (Wick) Pederson. During a blizzard on November 26, 1977, Eugene married Pamela Johansen at Sverdrup Lutheran Church in Underwood, and they were blessed with two children. Eugene took great pride in caring for the land, milking cows, and keeping his red machinery in meticulous shape. He was involved with the boards of Sverdrup Township, Underwood Co-Op Creamery, board member of Sverdrup Insurance, and was an active member of Messiah Lutheran Church. Erica (Chris) Wolden of Underwood; son, Daniel (Lisa) Pederson of Underwood. Four grandchildren and one (baby Pederson) on the way.

Marion Mauland, 91, passed away on February 9, 2019 at Morningside Heights. Marion Rose (Luedtke) Mauland was born November, 18, 1927 in Horicon, WI to parents Adolf and Rose (Glander) Luedtke. She attended school and graduated from Horicon High School in 1944. She was united in marriage to Burton Mauland on June 5, 1954 at St. Stephen’s Lutheran Church in Horicon. This marriage was blessed with two sons: Jeffrey and Philip and one daughter, Susan. Marion is survived by her sons: Jeffrey (Lynn) Mauland and Philip (Amy) Mauland all of Cottonwood; her daughter, Susan (Jim) Kelton of Broomfield, CO; four grandchildren, two great-grandchildren, as well as many nieces and nephews. Marion is mother to Jeff Mauland, President of North Star Mutual in Cottonwood, MN.

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Policy Maintenance
AP/GL
Claims
Imaging

Agency Tools
Quoting
Policy Search
Agency Download
...and more!

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