



## Cancellation and Non-Renewal of Insurance Policies

*John Neal, Willenbring, Dahl, Woken & Zimmermann, PLLC*

Cancellation and non-renewal of homeowner's insurance policies can be complicated and confusing. Added to the complexity are the different rules that apply to farm and homeowner's policies, township mutual policies, and policies issued by statewide companies.

A "non-renewal" is defined by insurance regulations as a termination of a policy at the end of its period but prior to renewal; whereas, cancellation means the termination of a policy prior to the end of the policy period. This distinction is important for homeowner's insurance policies and policies issued by statewide insurance companies, as different rules apply. However, for township mutual companies issuing farm policies pursuant to Minn. Stat. § 67A.191, subd. 1, the distinction between non-renewal and cancellation is largely irrelevant, as Minn. Stat. § 67A.18 allows a township mutual to cancel a policy with or without reason by providing the insured and mortgage company written notice of the cancellation at least ten days in advance. In other words, the township mutual can utilize the cancellation procedure in lieu of non-renewal on those farm policies.

Given these distinctions, it is important to segregate the types of policies into farm policies issued by township mutual insurance companies and homeowner's insurance policies issued by both township mutual companies and statewide companies.

### I. CANCELLATION/NON-RENEWAL OF FARM POLICIES FOR TOWNSHIP MUTUAL INSURANCE COMPANIES

As discussed, Minn. Stat. § 67A.18 allows a township mutual company to annul or cancel a farm policy issued pursuant to § 67A.191, subd. 1, by giving the insured and mortgage company written notice at least 10 days in advance. To account for mail time, 13 days written notice should be sufficient.

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*John Neal, Willenbring, Dahl, Woken & Zimmermann, PLLC*

## II. CANCELLATION AND NON-RENEWAL OF HOMEOWNER'S INSURANCE POLICIES

The rules applying to cancellation and non-renewal of homeowner's insurance are different. For homeowner's policies, there are limited bases to issue a cancellation. The same is also true for non-renewal.

### A. CANCELLATION

There are two defining characteristics to cancellation of homeowner's policies: (1) policies that have been in effect for less than 60 days; and, (2) policies that have been in effect for 60 days or more. These time requirements are relevant to a company's ability to cancel. Here are the questions to ask:

- ◇ Has the policy been in effect for 59 days or less?
  - \* If no, then proceed with the cancellation provisions for policies in effect for 60 days or more.
  - \* If yes, you can cancel upon 20 days' written notice to the insured. Ensure that the cancellation notice contains the necessary wording addressed in the "cancellation notice" section below.
  
- ◇ Has the policy been in effect for 60 days or more?
  - \* If no, then follow the cancellation provisions for policies in effect for 59 days or less.
  - \* If yes, then the policy can be cancelled only for the reasons that follow:
    - Non-payment of premium.
      - \* Must provide insured with 20 days' notice of cancellation; and the company must give the insured 10 days' notice of the amount of premium due and the due date prior to the effective date of cancellation.
    - Misrepresentation or fraud made by or with the knowledge of the insured in obtaining the policy or pursuing the claim thereunder.
      - \* Must provide the insured with 30 days' written notice.
    - Inaccurate information or omission of the insured, which materially increases the risk originally accepted.
      - \* Must provide the insured with 30 days' written notice.
    - Physical changes in the insured property, which materially increases the risk originally accepted.
      - \* Must provide the insured with 30 days' written notice.
    - Non-payment of dues to an association or organization, for which payment of dues is a pre-requisite to obtaining or continuing the insurance.
      - \* Must provide the insured with 30 days' written notice of cancellation.

#### i. The Cancellation Notice

When cancelling a policy, the cancellation must contain specific wording required by Minnesota Statute, which includes:

- (1) The specific underwriting or other reasons for cancellation; the name of the insurer; and, the date notice was issued (this must be clearly stated so the insured understands the company's reason for refusing to write the insurance coverage);

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- (2) Inform the insured of the possibility of coverage through the Minnesota Fair Plan;
- (3) Inform the insured of the right to object to the commissioner; and,
- (4) Inform the insured of the right to the return of unearned premium.

ii. Other Requirements & Consideration

The company will also need to ensure that unearned premiums are refunded to the insured and that any third-parties, mortgagees, loss payees, *etc.*, that are entitled to notice of cancellation also receive notice that the policy is being cancelled.

There are also certain circumstances in which a policy can be voided or rescinded, which is different than cancellation. However, that can occur only where the insured has willfully and with the intent to defraud concealed or misrepresented a material fact or circumstance concerning the insurance coverage.

Finally, the time periods above are based on statutes and regulations. These are the minimum time periods. To the extent the policy provides longer time periods for cancellation that are more beneficial to the insured, the policy language should control.

**B. NON-RENEWAL**

The Commerce Department defines a “non-renewal” as “an action taken by an insurer on an existing policy, at the end of the policy period, to: terminate the policy; reduce the policy’s coverage; increase the policy’s deductible; transfer a named insured from one rating plan to another within the same company.” Minn. R. 2880.0100, subp. 5. This definition is important because it encompasses things outside what one may consider as a non-renewal, such as reducing coverage or increasing an deductible.

Minn. Stat. § 65A.29, subd. 7 and Minn. R. 2880.0100 both relate to non-renewal of homeowner’s insurance policies. According to this authority, there are limited bases upon which an insurer can non-renew a policy. These include:

- (1) Non-payment of premium.
- (2) Misrepresentation or fraud made by or with the knowledge of the insured in obtaining the policy or in pursuing a claim thereunder.
- (3) An act or omission of the insured which increases the risk originally accepted.
- (4) Physical changes in the insured property which are not correct or restored within a reasonable time after they occur and which result in the property becoming uninsurable.
- (5) Non-payment of dues to an association or organization, other than an insurance association or organization, where payment of dues is a prerequisite to obtaining or continuing the insurance.
- (6) The use of the premises for illegal activity.
- (7) Termination of an agency contract, except as provided under Minn. Stat. § 68.171, unless the insurer assigns the terminated agent’s book of business to another agent. The insurer must transfer the policy to another agent if the insured makes a written request prior to the non-renewal date. Notification of this right must be included in the non-renewal notice.
- (8) Violations of local laws or ordinances which increase the possibility of a loss.

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*Continued from page 3* - **Cancellation and Non-Renewal of Insurance Policies**

- (9) Refusal of the insured to eliminate conditions known which increase the potential for loss after notification by the insured that the condition must be removed. Before a non-renewal notice can be issued under this term, two written requests stating the condition to remove and the reason why the condition increases the potential for loss must be sent to the insured. The first notice must inform the insured as to any time limits for compliance. The second notice must inform the insured of the intent to non-renew the policy if the condition is not removed;
- (10) A substantial change in the quality or availability of fire protection services.
- (11) If the insured has two or more losses during the experience period. However, this does not include (a) losses caused by natural causes such as lightning, wind, or hail; or (b) losses for which no payment was made by the insurer; or, (c) losses for which the insurer recovers 80% or more of the payment through subrogation.
- (12) The insurer ceases to write homeowner's insurance in Minnesota.
- (13) Failure of the named insured to provide necessary underwriting information upon request of the insurer, provided that before a non-renewal notice can be issued on this term, two written requests asking for the information must be sent to the insured stating the reasons why the information is necessary. The second request must inform the insured of the intent to non-renew the policy if the information is not received.
- (14) If real property taxes owing on the insured property have been delinquent for two or more years and continue to be delinquent at the time the notice of non-renewal is issued.
- (15) The named insured who owns the property no longer resides at the insured location, unless the spouse resides at the insured location or retains ownership, in which event the spouse would be endorsed under the policy as a named insured.

The above is specifically quoted from Minn. R. 2880.0100 and Minn. Stat. § 65A.01, subd. 3a. If any of these apply, then there may be a bases upon which to non-renew a homeowner's policy at the end of it period.

ii. The non-renewal notice

When the company issues the non-renewal, it must contain at least three things: (1) the specific underwriting or other reason or reasons for the non-renewal, along with the name of the insurer and the date the notice is issued; (2) a statement advising the insured of their right to complain to the Department of Commerce (such wording may be: "Minnesota law and the rules limit the reasons for which your homeowner's insurance policy may be non-renewed, or reduced as to limits of coverage or coverage eliminated, or for which the policy may be cancelled. If you believe this cancellation notice is in violation of Minnesota law or rule, you may, within 30 days of receiving notice, send a written letter of complaint to the Commissioner of Commerce."); and, (3) a statement advising the insured of the availability of insurance from the Fair Plan (such wording may be: "You may be eligible to obtain insurance coverage through the Minnesota Property Insurance Placement Facility. Your agent can assist you in arranging this coverage." Again, the specific language quoted came from Minnesota Rule 2880.0400.

ii. Timing of the non-renewal notice

By law, the non-renewal notice must be mailed to the insured at the address shown on the policy at least 60 days prior to the effective date that the policy will be non-renewed. Keep in mind that if the company is relying upon the insured's failure to eliminate known conditions on the property or failure of the insured to provide necessary underwriting information, two separate requests must be made prior to sending the notice to non-renew. In other words, those two reasons—to the extent the company is relying upon them—would require several months of planning and correspondence to the insured prior to the effective of non-renewal.

## Member Profile ~ Prairie West Mutual

Prairie West Mutual was founded in 1896 & 1891. Crate Mutual was founded by local farmers predominately from two local Chippewa county townships.

Our mutual merged with Arctander Lake Andrew Mutual, New London MN. In 2013 Arctander Lake Andrew was also formed by local farmers and likewise was named from two townships in Kandiyohi Co.

Prairie West Mutual writes for fire and additional Lines (chapter 67A Mutual) We have three employees and 12 agents.

Our company's business philosophy/mission statement is to provide the insurance needs to our members at an appropriate cost and provide the best possible service.

Prairie West Mutual's goals for the next five years is to continue the merged company. This merge has been culminated by helping create and implement a very successful merger plan and continue the results of a very conscientious board of directors, an extremely competent staff, and a very dedicated agency force.

When all of these factors are put together the result is totally gratifying.

Our biggest challenge is to maintain the membership and meet the financial needs so we can continue the next 100 years.

Our company is very involved in community expansion and strives to be a cornerstone in the community.

If you had to describe your company in one word what would it be? **Caring**



Manager, Galen Gerdes

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## ~ Manager & Directors Seminar ~ July 11, 2018



**"Role of the Mutual"**  
Dan Rupp, RAM Mutual

### **"Corporate Governance for Mutuals"**

**Dr. Michael Boland,**  
U of M and

**Christopher Kopka,**  
Thrivent →



**"Role of the Board vs Management Role"**  
Jack Randall, Randall Resources Int'l, LLC



**"Weather Trends"**  
Dr. Mark Seeley, U of M  
Directors Session



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## ~ Golf Winners ~ July 12, 2018 ~

The 2018 MAFMIC Golf Outing took place once again at the Little Crow Golf Resort in Spicer, MN. The event hosted 80 golfers and 20 teams! The sales for the putting contest, hit-the-green, contest, and mulligans for the day totaled \$1,154.00!

### Contest winners include:

Longest Drive: Linda Jaskowiak

Longest Putt: Lawrence Guetter

Shortest Drive: Michael Lund

Closest to the Pin: Jay Klemmensen

Hit the Green Winner (\$50 gift card): Ryan Knutson

Winners of Royal Renovations Game: Jim Froberg, Kevin Nickelson, Dave Selness, Larry Johnson & Angie Campbell

Putting Contest Titlist Pro-V Golf Balls: Bruce Kinnunen

Winner of donated golf shirt from Little Crow Resort: Nick Hager

*MAFMIC would like to thank everyone for their generosity and for making it a day full of fun. Also Thank You to Wayne Schluchter for taking photos and picking up some of the beverage cost.*



### First Place Team

Jim Huesman, Bert Tellers,  
Colin Emans, & Pat Reynolds



### Second Flight Winners (6th place):

Mike Jaskowiak, Linda Jaskowiak,  
Aaron Cocking & Dean Kerfeld



### Third Flight Winners (11th place):

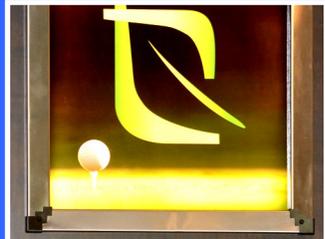
Larry Johnson, Jim Froberg,  
Angie Campbell, Kevin Nickelson,  
& Dave Selness,



### Fourth Flight Winners (18th place):

Mike Flugum, Gary Swearingen, Todd  
Bossuyt & (not pictured) Nick Hager

# ~ MAFMIC Golf Highlights ~



LITTLE CROW



LITTLE CROW  
COUNTRY CLUB





# The Future is NOW!



*PDSpectrum*<sup>®</sup>, our cloud-based policy processing system is now available in Minnesota!

Minnesota Mutuals using *PDSpectrum*<sup>®</sup> are enjoying the ease of use and accuracy of this modern platform. User feedback has been extremely positive and we are exceeding customer expectations.

Thank you to over 20 Township Mutual clients who have been growing their Mutual with the use of Agent Rating and *PDSpectrum*<sup>®</sup>.

It is our pleasure to serve MAFMIC members and we look forward to supporting the Minnesota farm mutual industry for years to come.

Contact Priority Data to see how our software solutions can fit your mutual's needs at [sales@prioritydata.com](mailto:sales@prioritydata.com) or visit us at [prioritydata.com](http://prioritydata.com).



## PRIORITY DATA

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# 2018 MAFMIC Short Course

*November 14-15, 2018*  
*Arrowwood Resort & Conference Center, Alexandria, MN*

This educational seminar is for mutual officers, directors, managers, office staff, agents, adjusters and inspectors. Registration fee includes attendance at eight sessions, a continental breakfast and hot breakfast buffet, two lunches, breaks, all classroom material and a social hour. Application has been made for **6.0 hours** of non-company continuing education credits. *We do not give partial credit* for any portion of this seminar.  
**(APPROVAL IS PENDING)**

### Cost and Registration

**Early Bird Registration fee** ~ *BEFORE Friday, October 26th*: \$220 per member & \$277 per non-member.

**Late Registration fee** ~ *AFTER October 26th*: \$252 per member & \$309 per non-member.

**One Day Registration Fee** ~ Please call MAFMIC office for rate.

**Please mark the box if you plan to obtain FMDC credit.**

Meal tickets are included with your registration. Optional meal tickets are available for spouses wishing to attend sessions must be registered and paid as a delegate. Spouses wishing to attend only the breakfasts, lunches or adjustment hours must purchase tickets by prices listed below.

### Cancellation Policy

**Cancellation notices received** ~ *On or before October 31, 2018* are 75% Refundable.

**Cancellation notices received** ~ *November 1-12, 2018* are 50% Refundable.

**No refunds are available** ~ *After November 12, 2018.*

A company may substitute a participant at no additional charge. All registration cancellations and substitutions must be made in writing and sent to [dani@mafmic.org](mailto:dani@mafmic.org) or *FAX* to (320) 271-0912.

### Hotel Reservations

A block of rooms is being held until **October 23rd** at the Arrowwood Resort with the rate of \$94 plus tax. Reservations can be made by calling the hotel directly at (320) 762-1124 or (866) 386-5263.

## 2018 SHORT COURSE REGISTRATION

Company Name: _____		Phone: _____		<b>Opt'l Meal Tickets</b>		
<i>FMDC</i>	<i>NAME (Delegate, Spouse)</i>	<i>Address</i>	<i>License #</i>	<i>Bkfst</i>	<i>Lunch</i>	<i>Adj Hr</i>
				\$45	\$50	\$50
<input type="checkbox"/>	_____	_____	_____	_____	_____	_____
<input type="checkbox"/>	_____	_____	_____	_____	_____	_____
<input type="checkbox"/>	_____	_____	_____	_____	_____	_____
<input type="checkbox"/>	_____	_____	_____	_____	_____	_____
<input type="checkbox"/>	_____	_____	_____	_____	_____	_____

**Total: \$**



MAIL:  
 PO Box 880  
 St. Joseph, MN 56374



FAX:  
 320-271-0912

# MAFMIC SCHOLARSHIP CRITERIA

This educational scholarship was established by the Board of Directors of the Minnesota Association of Farm Mutual Insurance Companies, Inc. (MAFMIC) for presentation to one or more Minnesota high school graduating seniors.

## Eligibility guidelines:

- The MAFMIC Scholarship will be presented to Minnesota high school graduating seniors.
- Applicant must be a resident of Minnesota.
- Applicant must be the son or daughter of a parent or legal guardian who is a policyholder from a qualifying mutual insurance company (MAFMIC Member Company).
- Applications must be submitted to the MAFMIC office through a qualified mutual member company. If you apply through an agency please let us know what MAFMIC mutual your agency writes with.
- Applicant must be graduating from a Minnesota high school.
- Applicant must have an accumulative grade point average of 2.5 for high school. A certified copy of the high school transcript must be included with the application.
- Applicant must be beginning their post-secondary education (college, vocational school or community college) for the first time in the fall following high school graduation.
- Applicant must have been accepted to a post-secondary education facility (i.e. accredited college, university or technical school).
- Applicant must submit a typed essay on a topic chosen by the Scholarship Selection Committee.
- All applications must be **postmarked on or before March 15th** in the year of issue qualify.
- 

## Selection guidelines:

- Members of the Scholarship Selection Committee will review all applications to insure eligibility as an applicant.
- The recipient(s) will be selected by blind assessment from all qualifying applications.
- Only one scholarship per year will be awarded through any single qualified mutual company.
- Scholarship recipients will be notified via mail prior to **May 1st**.

## Distribution guidelines:

- A minimum of one scholarship in the amount of \$500 will be awarded each year that there is a sufficient balance in the scholarship fund.
- The scholarship award will be paid jointly to the educational institution and the recipient *following the completion of the first semester* and prior to the start of the second semester.

Completed applications should be mailed to:

Scholarship Selection Committee  
Minnesota Association of Farm Mutual Insurance Co.  
601 Elm Street East - PO Box 880  
St. Joseph, MN 56374  
Email: [info@mafmic.org](mailto:info@mafmic.org)  
Phone (320) 271-0909

# 2019 MAFMIC SCHOLARSHIP APPLICATION

Name \_\_\_\_\_ Telephone \_\_\_\_\_

Please print or type

Street Address: \_\_\_\_\_

City/State/Zip \_\_\_\_\_

Minnesota School Currently Attending \_\_\_\_\_

A certified copy of my high school transcript has been enclosed. YES NO

What post-secondary school do you plan to attend? \_\_\_\_\_

Have you been accepted for admission to this school? YES NO

If not, please indicate reason: \_\_\_\_\_

**ESSAY: On a separate sheet of paper please address one of the following topics in 150 typed words or less.**

1) Describe your involvement in school and community activities and what impact they have had.

2) Describe your life goals and objectives.

Parent's Name \_\_\_\_\_

Parent's Address \_\_\_\_\_

Parent's Insurance Co (Mutual) \_\_\_\_\_ Policy No \_\_\_\_\_

Agent's Name \_\_\_\_\_ Company phone \_\_\_\_\_

**Please read carefully before signing:** *"I am applying for the MAFMIC Educational Scholarship. I have read and understand the application criteria. I hereby certify that all the information provided by me on this application is true and accurate to the best of my knowledge. I understand that MAFMIC officials may verify information provided by me."*

\_\_\_\_\_  
*Applicant Signature*

\_\_\_\_\_  
*Date*

\_\_\_\_\_  
*Parent Signature*

\_\_\_\_\_  
*Date*

Mail to : MAFMIC Scholarship Committee

601 Elm Street East - PO Box 880

St. Joseph, MN 56374

***Application must be postmarked by March 15th to qualify.***

Office Use Only Date Received \_\_\_\_\_ Date Reviewed \_\_\_\_\_

Comments:

**“Understanding Minnesota Statute 67A.231”**  
*Alex Coulter, Schluchter Investment Advisors*

It is important for township mutual insurance companies operating in the state of Minnesota to understand the state statutes 67A.231. Statute 67A.231 limits how funds of township mutual insurance companies may be invested. The following are investments that are authorized under Statute 67A.231.

*(a) Bonds, Notes, mortgages, or other obligations guaranteed by the full faith and credit of the United States of America and those for which the credit of the United States is pledged to pay principal, interest or dividends, including United States Agency and instrumentality bonds, debentures, or obligations.*

In simple terms, U.S. Treasury bonds and Agency bonds.

*(b) Bonds, notes, evidence of indebtedness, or other public authority obligations guaranteed by this state.*

Paragraph B is referencing Minnesota general obligation bonds.

*(c) Bonds, notes evidence of the indebtedness or other obligations guaranteed by the full faith and credit of any county, municipality, school district, or other duly authorized political subdivision of this state.*

Under paragraph C, it is important to understand that township mutual insurance companies may purchase non-rated municipal bonds if they are guaranteed by the taxing authority of a county, municipality, school district or political subdivision of the state of Minnesota.

*(d) Bonds or other interest bearing obligations, payable from revenues, provided that the bond or other interest bearing obligations are at the time of purchase rated among the highest four credit quality categories used by a nationally recognized rating agency.....A company may not invest more than 20 percent of admitted assets in the obligations of any one corporation.*

To expand on paragraph D, a bond must be investment grade at time of purchase. However, if a bond is investment grade at time of purchase, and later downgraded below investment grade, it can still be held in the township mutual insurance investment account. Once a bond is rated “junk”, it may no longer comply with the Investment Policy Statement, so it should be monitored accordingly and discussed with your Investment Advisor.

*(e) Investments in the obligations stated in paragraphs (a),(b),(c), and (d), may be made either directly or in the forms of securities of, or other interests In, an investment company registered under the federal Investment Company Act of 1940. Investment company shares authorized pursuant to this subdivision shall not exceed 20 percent of the company’s surplus.*

Paragraph E allows township mutual insurance companies to invest in mutual funds that have exposure to investments described in paragraphs (a),(b),(c), and (d). It is important to review the prospectus of the mutual fund and to understand the investments within the mutual fund. If the mutual fund owns “junk” rated bonds or unauthorized investments, it will not be in compliance with Statute 67A.231.

It is important for directors and managers of township mutual insurance companies to have a thorough understanding Statute 67.231 and the investments it authorizes. This understanding of Statute 67A.231 will help directors and managers develop an Investment Policy Statement as well as hold your Investment Advisor accountable. If you have any questions about 67A.231 or investments in your township mutual account, please contact us at 320-203-6543.

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## **“Understanding Minnesota Statute 67A.231”**

*Alex Coulter, Schluchter Investment Advisors*

*“Corporate bonds contain elements of both interest rate risk and credit risk. The purchase of bonds is subject to availability and market conditions. There is an inverse relationship between the price of bonds and the yield: when price goes up, yield goes down, and vice versa. Market risk is a consideration if sold or redeemed prior to maturity. Some bonds have call features that may affect income.”*

*“Municipal bonds are federally tax-free but may be subject to state and local taxes, and interest income may be subject to federal alternative minimum tax (AMT). The purchase of bonds is subject to availability and market conditions. There is an inverse relationship between the price of bonds and the yield: when price goes up, yield goes down, and vice versa. Market risk is a consideration if sold or redeemed prior to maturity. Some bonds have call features that may affect income.”*

*“Government bonds are guaranteed only as to timely payment of principal and interest, and, if held to maturity, they offer a fixed rate of return and fixed principal value. Government bonds do not eliminate market risk. The purchase of bonds is subject to availability and market conditions. There is an inverse relationship between the price of bonds and the yield: when price goes up, yield goes down, and vice versa. Market risk is a consideration if sold or redeemed prior to maturity. Some bonds have call features that may affect income.”*

*“Treasury bills are guaranteed by the U.S. government as to the timely payment of principal and interest, and, if held to maturity, they offer a fixed rate of return and fixed principal value. U.S. Treasury bills do not eliminate market risk. The purchase of bonds is subject to availability and market conditions. There is an inverse relationship between the price of bonds and the yield: when price goes up, yield goes down, and vice versa. Market risk is a consideration if sold or redeemed prior to maturity. Some bonds have call features that may affect income.”*

*“Certificates of deposits (CDs) typically offer a fixed rate of return if held to maturity, are generally insured by the FDIC or another government agency, and may impose a penalty for early withdrawal.”*

*“This is a hypothetical example and is for illustrative purposes only. No specific investments were used in this example. Actual results will vary. Past performance does not guarantee future results.”*

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**Don't Forget  
About the boss!**

## September Farm Safety ~ Ten ATV safety tips

*Dan McCue, Grinnell Mutual Re*

Be smart when driving and maintaining your all-terrain vehicle (ATV).

### 1. Inspect the machine

The [National Education Center for Agricultural Safety \(NECAS\)](#) recommends inspecting your ATV for the following:

- \*Are the tires and wheels in good condition?
- \*Are the controls and cable operational?

**Does the chain have proper slack and is it lubricated?**



### 2. Look both ways

If you're using an ATV on your farm, you might be tempted to come up from a ditch and cross the road without checking for traffic. But like your mom told you need to look both ways when crossing the street - even when you're on any ATV.

### 3. Never carry a passenger on a single-rider vehicle

If you are driving a recreational vehicle meant for only one person, do not allow passengers. A passenger can interfere with the driver's ability to shift his or her weight to accommodate changing terrain.

### 4. Choose a vehicle that's right for your age

Follow the manufacturer's recommendations for the minimum age to ride. Children under the age of 16 should never operate an adult-sized ATV (90cc or greater) and children under the age of 12 should not operate ATVs at all. Always supervise riders younger than 16.

### 5. Educate yourself

Read the manual and follow the instructions and recommendations from the manufacturer. They're there for a reason. Also, the [United States Consumer Product Safety Commission \(CPSC\) recommends](#) taking a hands-on safety training course. [Check into ATV-riding courses in your area.](#)

### 6. Gear up

We shouldn't have to tell you it's a good idea to wear a DOT-compliant helmet (read: WEAR A HELMET), but the [ATV Safety Institute](#) also recommends goggles, boots, and gloves. Wind protection, hand and feet warmers, long-sleeved shirts, pants, and extra traction are other items to consider depending on the weather.

### 7. Don't drink and ride

Never operate any vehicle if you've consumed alcohol. Not only is it illegal, you're risking your life and the lives of others.

### 8. Don't sink in the drink

It's best to go around, not over or through ponds, lakes, rivers, and streams. Frozen or not frozen, driving through or over water is dangerous in all seasons.

### 9. Keep to the path

It's just not a good idea to go off the grid any time of year, but this rule of thumb is especially applicable during bad-weather months. Map your journey and make sure someone knows your plan before you leave. And never ride on public roads — ATVs are designed to be operated off-road.

### 10. Accept that you aren't a stunt performer

Leave the donuts, ramp jumping, and wheelies to the professionals.

### For more information

Grinnell Mutual and the University of Iowa Stead Family Children's Hospital have partnered to provide children and families with [educational materials and tools promoting the safe use and operation of ATVs](#). Use these safety resources to help you and your family practice ATV Safety.

## October is Fire Prevention Month - “Electrical issues are top causes of loss”

*Dan McCue, Grinnell Mutual Re*

Electrical issues continue to be a leading cause of fire, according to [Grinnell Mutual’s Special Investigations](#). Other leading causes of fire included combustibles near a heat source, incendiary (fires set intentionally), heating systems, smoking, and natural causes. Of the 724 cases Special Investigations dealt with in 2017, 456 were fire or explosions. More than half had a determined cause of fire.

According to research by the [National Fire Protection Administration](#), fires caused by electrical equipment - wiring, lighting, cords, and plugs - is the top cause of property damage in home fires in the United States. NFPA reported that in 2017, fire departments responded to an average of 358,500 home structure fires, which caused 2,510 fire deaths, 12,300 injuries, and \$6.8 billion in damage.

### Seeking the truth

The work of our Special Investigations team is another way that Grinnell Mutual makes good on the promise of its insurance policies. Investigators work with claims adjusters to help determine what happened.

“We help the adjuster get claimants back to where they were before their loss,” said Dave Miller, assistant vice president of Special Investigations.

“As an investigator, my role is always to find the truth. We’re truth-seekers and fact-finders,” said Becky Nelson, an investigator. “We want to find out all the facts before going forward. We all work together for the end goal - finding out the truth.”

### Saving policyholders money

What Special Investigations does every day reduces insurance fraud, which can save policyholders money.

The most recent [Report to the Nations on Occupational Fraud and Abuse](#) by the Association of Certified Fraud Examiners found that the median insurance fraud case in the U.S. cost \$120,000.

In one 2017 Grinnell Mutual case, an adjuster referred a claim to an investigator, who verified that the damage to an insured’s property had happened prior to the claim. The company referred the case to the Iowa Insurance Division and local courts, where the defendants pled guilty to fraudulent practices in the third degree, an aggravated misdemeanor.

“It was a \$240,000 loss and we ended up paying nothing,” said Miller.

“Insurance companies...play a very important role in deterring insurance fraud by denying claims such as this,” Iowa Insurance Commissioner Doug Ommen said in [an Iowa Insurance Division release about the case](#).

“Insurance fraud is not a victimless crime and we will continue to help ensure those attempting to commit insurance fraud are held accountable.”

### For more information

If you suspect fraud or arson, report it to local law enforcement.

Next, call your insurance agent or company or the state insurance department.



## Seipp Service Award Nominations

The Robert C. Seipp Service Award is awarded at the MAFMIC Annual Convention. Established in 1986 to honor past MAFMIC President Robert C. Seipp, this award recognizes professionalism and service to the Minnesota mutual insurance industry.

A successful nominee will have provided service and generously given his or her time and expertise to promote a professional image for MAFMIC and the mutual insurance industry; be a current or past employee, director, officer or agent of MAFMIC or a MAFMIC member company; and provided ten (10) or more years of service to MAFMIC and/or a MAFMIC member company.

If you know someone who is deserving of consideration, please submit a Seipp Service Award Application to the MAFMIC office

**No later than Friday, October 26th**

The nomination should include:

- Nominee's name, organization and contact information
- History of nominee's employment and/or offices held within MAFMIC
- Education (industry and other) and professional designations
- Awards and other recognitions
- Participation in MAFMIC and/or NAMIC
- How has the nominee served and enhanced that mutual insurance industry? Why is the nominee deserving of this award?

Contact information and position of person making nomination.

**Applications** are available on the MAFMIC website at ([www.mafmic.org](http://www.mafmic.org))



## Nominations for Vice-Chairman & Secretary Treasurer

The MAFMIC Nominating Committee is asking for nominations from the membership for the offices of vice-chairman and secretary-treasurer of the association. The nominees will be presented to the membership for their approval at the next annual meeting. The nominating committee is chaired by the immediate past-chairman and includes current MAFMIC board members and past-chairmen. If you wish to suggest someone, or be considered yourself, please notify the nominating committee chairman.

**No later than October 19th**

Contact: Gary Swearingen:

**[gary@hassanlakemutual.com](mailto:gary@hassanlakemutual.com)**

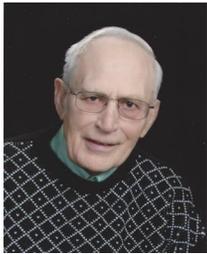
**First day of  
Autumn  
Friday  
September 22nd**



### MAFMIC Hours

October- April  
Office Open:  
**Mon-Thurs**  
8:00am - 4:30pm  
**Fridays**  
8:00am - 2:00pm

## IN SYMPATHY



**Arthur Lowell Tvedt, 88**, formerly of Byron passed away on June 1, 2018. He was born on May 30, 1930, the son of Clarence and Lydia (Williams) Tvedt on the family farm in Canisteo Township, Dodge Cty. He served in the U.S. Army from 1954 to 1956 during the Korean War. He married Janice Boyum, of Peterson/Lanesboro, on Dec. 6, 1958. Lowell was active with *Vernon Edda Mutual Fire Insurance Company, serving on the board for 33 years, ending in 2004*. He went to school to become an agent, sold insurance, and enjoyed serving as well as visiting his customers. He took over as the secretary and manager of the company for eight years during that time. Lowell and Janice, who was the treasurer, spent many hours in the office.

Lowell is survived by his wife, Pauline Tvedt, Kasson; son, **John (Jodie) Tvedt**, Byron; daughter, Sarah (Eric) Pool, Rochester and four grandchildren; Ethan, Alexandra, Elizabeth Pool and Caleb Tvedt.



**Ronald Lee Bockock, 68**, of St. James, passed away suddenly July 26th, 2018. Ron was born on May 15, 1950 to Robert Earl and Sylva Faye (Leaver) Bockock in Madelia, MN. Ron lived on the family farm his entire life. He served in the United States Army from 1970 - 1972 with a tour in Germany.

He commuted from the family farm to attend technical school in Mankato while pursuing an ag degree. On September 2, 1983, he married Susan Schulte. Together they raised their children, Darin, Mark and Christa on the family farm. After Sue's passing in 1997, Ron married Debbie (Jamieson) Johnson on January 1, 2000.

He was a member of the South Central Cattlemen's Association of MN, *the Madelia Lake Crystal Mutual Insurance, Board of Directors*, Watonwan County Soil & Water Conservation Board, the CFS Advisory Board, Farm Bureau and the American Legion.

Ron is survived by his wife, Debbie Bockock; children, Darin Bockock & his fiancée Pam Anderson, Mark (Kristina) Bockock all of St. James, Christa (Greg) Galvin of Alta, IA; Angie (Tim) Hilzinger of Richfield, MN, Chris (Sarah) Johnson of Mahtomedi, many grandchildren and great-grandchildren.



**Ralph J. Soeffker, 83**, passed away on July 13, 2018. Ralph was born on Feb. 10, 1935 in Arlington Township to Ralph and Ella (Fenske) Soeffker. He was a 1953 graduate of Arlington High School and went on to serve his country in the U.S. Army for three years while stationed in Japan. On June 29, 1957 he married Ruth Burke at St. Paul's Evangelical Lutheran Church in Arlington.

*Ralph served as secretary-treasurer of the Young America Mutual Fire Insurance Company*, a position which he held for 24 years, retiring from it in year 2000. Ralph was a member of the Arlington VFW, its former Drill Team and its current Honor Guard. He served three terms as a member of the Sibley County Planning and Zoning Committee. He was a lifelong member of St. Paul's Evangelical Lutheran Church of Arlington serving in many capacities.

Ralph is survived by his wife, Ruth Soeffker of Arlington, daughters, Rochelle (Jim) Ures of Shakopee, Robin (Mitch) Bode of Overland Park, KS, and Rebecca (Steve) Ziegler of Arlington; and several Grandchildren and great-grandchildren.



**Dennis Zabel, 71**, of St. Clair passed away August 12, 2018 at Mayo Clinic Hospital, St. Marys Campus in Rochester. Denny is the husband of Muggs Zabel, retired manager of *McPherson Minn Lake Mutual*, St. Clair.

Denny was born June 17, 1947 in Albert Lea, Minnesota. He graduated from Wells-Easton High School in 1965 in Wells, Minnesota. On September 14, 1968 he married Margaret Evan.

Together they raised four children, Troy, Jill, Tracy, and Katie. He also served in the US Army Reserves from 1967-1973 and was a member of Immaculate Conception Catholic Church in St. Clair.

Denny was Mayor and a City Council member of St. Clair for 16 years. He retired from Tow Distributing after 35 years.

Denny is survived by his wife, Muggs of 49 years; children, Troy (Kelly) of Mankato, Jill Kroc of Mankato, and Tracy (Chris) Songe of New Prauge, Minnesota; grandchildren, Haley, Shaya, Peyton, Riley, Christian, Kate, George, and Ian; and step-mother, Edie Zabel of Wells, Minnesota.

Denny was preceded in death by his parents; and daughter, Katie.

## 2018 CALENDAR OF EVENTS

<b>Aug 13-15</b>	Leadership Development	Workshop (NAMIC) – Chicago, IL
<b>Sept. 5</b>	PIA, Education Day & Trade Show	Mystic Lake, Prior Lake, MN
<b>Sept 23-26</b>	NAMIC 123rd Annual Convention	San Antonio, TX
<b>Nov 14-15</b>	MAFMIC Short Course	Arrowwood Resort, Alexandria, MN

## 2019 CALENDAR OF EVENTS

<b>Feb 10-12</b>	MAFMIC Convention	Radisson Blu, Bloomington
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*MAFMIC wishes to express its sincerest condolences to the family and friends of Arthur, Ralph, Ron and Denny. Obituaries on the previous page.*

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