

Minnesota Association of Farm Mutual Insurance Companies

# Mutual LINK

## MAFMIC BILL BECOMES LAW

*Marcus Marsh, MAFMIC Government Affairs Manager*

The good news is on Thursday, April 5 Governor Dayton signed our bill Senate File 1934 into law.

The bill was to fix the Minnesota Court of Appeals ruling against our TP-1 (Farm Policy) in which Minnesota Statutes 65A would apply to the house in the TP-1 Policy. This would be the start of the erosion of Minnesota Statutes 67A so this legislation was critical to pass for the future of our Mutual's and policyholders.

The passage of the bill showed MAFMIC Members at their best. Many company managers responded on short notice to two questionnaires that helped provide vital information about our companies to Legislators. Managers and Board Members came to St. Paul to help lobby on our bill which was a great help. Many of you called, e-mailed or talked personally with your Representative and Senator. MAFMIC Office Staff help coordinate activities and information. MAFMIC Legal Council provided outstanding testimony in House and Senate Committees.

The authors of our bill in the House of Representatives H.F. 2342 Chief Author Greg Davids (R-Preston), Co-Authors Representatives Gene Pelowski (D-Winona), Tim Sanders (R-Blaine), Tim O'Driscoll (R-Sartell), Lyle Koenen (D-Clara City), Ron Shimanski (R-Silver Lake).

The authors of our bill in the Senate S.F. 1934 Chief Author Gary Dahms (R-Redwood Falls), Co-Authors Senators Tom Bakk (D-Cook), Gretchen Hoffman (R-Vergas). Dan Sparks (D-Austin), Scott Newman (R-Hutchinson).

We had excellent bi-partisan support from both Senators and Representatives voting for our bill as well as contacting the Governor's Office encouraging the Governor to sign our bill.

The bill became law the day after enactment which means the day after the Governor signed the bill.

Thanks again for all the hard work by MAFMIC Members to get this Legislation passed.

### Thank You To Our Sponsors



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## Board Member Profile

Aaron Grove, PFMM, Manager of Sverdrup Mutual



### Personal Questions:

**1. Where did you grow up?** Grey Eagle, MN

**2. Where did you attend high school?** I graduated from Long Prairie/Grey Eagle High School.

**3. Did you attend college – If so, where & what for?** I attended Fergus Falls Community College and then transferred to Gustavus

Adolphus College and graduated with a Business Management Degree.

**4. Are you married? Do you have children?** My wife, Breck, and I have been married for almost 10 years and have been blessed with two children. Our daughter, Kallyn, is 5 and our son Max is 3.

**5. What are some of your favorite hobbies?** Golf and spending time on the lake with family and friends.

### Professional Questions:

**1. What was your first job?** Sales Representative for Pillsbury Company.

**2. What about the insurance industry appealed to you as you were starting out?** Simply put...the people. Being around and learning from other mutual managers, and the ability to help customers protect their most precious belongings.

**3. What do you enjoy about your job?** I like that no two days are the same. Each day seems to have its unique challenges. I enjoy the opportunities to help an insured in their time of need.

**4. What do you strive for professionally?** I want to do my job to the very best of my abilities. I strive to exceed the needs of our agents and policyholders. I am always trying to learn and improve. For me, this means picking the brains of other managers and attending educational events put on by both MAFMIC and NAMIC.

**5. Who has been most influential to you professionally?** There have been many people that have gone out of their way to help me out with a question, but certainly the most influential has been Bricker Johnsen. I took over for Bricker in 2009 and continue to seek his opinions and guidance.

**6. What do you like about being a board member?** I've only been on the board for a short time, but it is interesting getting an inside view of how MAFMIC operates. Being around a group that cares so much about our association is truly inspiring. I am on the board to do anything I can to help the betterment of our association.

**7. What issues do you think are most important concerning the Mutual Insurance Industry?** The ever changing agricultural industry, keeping up with advances in technology and the threat of onerous regulation are all concerns.

### Editorial Advisory Committee

Karl Porisch, *Chairman* - Western Mutual

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

Jason Buetow - Rural Computer Consultants

Deb Liden - Bray-Gentilly Mutual

John Neal - Willenbring, Dahl, Wocken & Zimmerman

Dan Stewart - Berean Claims Service, Inc.

Jerry Zenke - Mound Prairie Mutual

Rick Tjarks, *Board Liaison* - Grinnell Mutual

Marcus Marsh, MAFMIC - *Staff Liaison*

Danielle Hennen, MAFMIC - *Staff Liaison*

Arlette Twedt, MAFMIC - *Staff Liaison*

Mutual Link (USPS 623-320) is published bi-monthly by Minnesota Association of Farm Mutual Insurance Companies, Inc. 601 Elm Street East, PO Box 880, St. Joseph, MN 56374. Periodical Postage Paid at St. Cloud, MN 56301. Annual subscription rate for members of the Association is \$2.00, which is included in the membership dues.

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## Wanamingo Mutual

*Bonnie Hermann, Manager*

Wanamingo Mutual was organized May 27, 1876 in Wanamingo, MN by 34 residents of the towns of Wanamingo, Cherry Grove and Minneola who collectively owned property in these towns of the value of more than \$25,000. They had a desire to have insurance against fire and lightning and associated themselves together as a body corporate.

Wanamingo writes fire, wind, liability, inland marine, auto and commercial. We package with North Star Mutual and RAM Mutual Insurance Companies.

Currently our office employs, one full time employee and one part time employee. We have ten agents representing six agencies. We currently have seven board members.

Our companies business philosophy/mission statement is to continue to write good property, have mutual relationships with our agents and give the best service that we can to the policyholders.

Our companies goal's over the next five years is to grow at a steady pace by increasing our policy count and keeping our assets in line with the growth.

Our biggest challenge that we find is losing polices to our larger competitors. Also, keeping up with the changes of the insurance industry as a whole.

We like to be involved with the community. We are members of the local Commercial Club. Bonnie is also very involved in planning and participating with local activities.

To describe our company in one word we would have to say "Reliable".



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## February & March 2012 Board Meeting Synopsis

The MAFMIC Board of Directors held their routine financial review meeting on February 5 in Bloomington prior to our annual convention. In addition to reviewing the financial report prepared for distribution to the membership at the upcoming Annual Business Meeting, the board also welcomed the new incoming board members and thanked the outgoing members for their dedicated service.

Chairman Ron Berning conducted a review of the recent Executive Committee meeting held in Cold Spring to discuss an adverse Minnesota Court of Appeals decision affecting our township mutual industry. The board discussed the situation and the projected course of action. Chairman-elect Linda Jaskowiak announced her board liaison appointments to the various committees for her term from February 2012 to February 2013.

The MAFMIC Board of Directors also held a regular quarterly meeting on March 13 prior to the Short Course in St. Cloud. In addition to routine items of business and a review of the Association's finances, several other important topics were on the agenda. The board took action on items requiring approval.

Chairman Linda Jaskowiak provided an update from the Transition Committee, indicating that the committee's work was done and the process had transitioned to an interview committee to handle the hiring process for the new Government Affairs Manager to take Marcus Marsh's place when he retires in June 2013. MAFMIC is in the process of receiving applications for the position. Chairman-elect Jeff Mauland also commented on a recent meeting held with the Minnesota Department of Commerce and Commissioner Rothman. The board discussed both reports.

The board also took up matters involving holding another committee chairman's meeting, several requests from members to conduct another MAFMIC salary survey, committee expenses, and the continuing work on updating Section 2 of the Board Policy Manual involving committee structure along with a planned review by Immediate Past Chairman Ron Berning of the Employee Handbook section.

Chairman Jaskowiak provided another update on the Minnesota Court of Appeals issue involving the on-going activity and future timeline regarding the involvement of MAFMIC. Member Service Manager Lori Olmscheid presented an Auxiliary Scholarship fund update. Chairman-elect Mauland discussed topics for the upcoming April Strategic Plan Committee meeting.

The next scheduled board meeting will take place on June 11-12 at the Arrowwood Resort in Alexandria.

Greg Parent  
MAFMIC Secretary-Treasurer

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### New Mutual Managers

MAFMIC would like to Welcome our New Mutual Managers:

**Ben Berg, Farmers of Clearwater County**

**Jim Bryant, Hay Creek Mutual**

**Mary Christian, Mower County Farmers Mutual**

**Nick Hager, Kelso & Shelby Farmers Mutual**

**Barb Hall, Lakeland Farmers Insurance**

**Scott Heidebrink, Southwest Mutual**

**Matt Larson, Flora Mutual**

**Karen Lund, Moe-Urness-Lund Mutual**

**Belinda Nehring, SpringVale Mutual**

**Pete Strand, Lac Qui Parle Mutual**

**We would like to invite you to the New Managers Seminar on July 17th at the MAFMIC Office.**

**If you are a new manager and your name is missing from the list please contact Lori at [lori@mafmic.org](mailto:lori@mafmic.org) or (320) 271-0909.**

### **Get Involved...**

### **Marketing Committee**

The purpose of the Marketing Committee is to promote the township mutual insurance industry by research and development of marketing and advertising opportunities for the MAFMIC membership. The Committee is comprised of nine members from MAFMIC member companies with a minimum of two members from statewide companies and a minimum of four members from farm mutual companies and a minimum of one from associate member companies, each serving a three-year term. Two consecutive terms may be served. Additional terms may be served after one year off of the committee.

**Who:** *Chairman*, Jackie Sirjord, Garfield Farmers Mutual, Steve Knight, North Star Mutual, Carol Maciej, Mid-Minnesota Mutual, Mark Nelson, Norwegian Mutual, Maureen Reineke, Buffalo Lake-New Auburn Mutual, Steve Schwieters, RAM Mutual, *Board Liaison*, Connie Jaskowiak, Young American Mutual, *Staff Liaison*, Lori Olmscheid, MAFMIC

**When:** This Committee meets twice a year.

**Where:** Generally this committee meets at the MAFMIC Annual Convention and MAFMIC Short Course.



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## 2012 Short Course Highlights

River's Edge Convention Center, St. Cloud, MN

This year's Short Course was another successful event for MAFMIC and its members. The event hosted close to 330 agents, directors, managers, spouses, etc.

This year's Short Course featured some entertaining and informative speakers. Thank you to our speakers on a great job!

During the Attitude Adjustment Hour attendees had their chance to show their skills with tossing bean bags and putting to help raise money for the Political Action Committee (PAC). Winners of these events include **Mike Flugum**, North Star Mutual, **Steve Schauer & Larry Doerr**, Sumter Mutual.

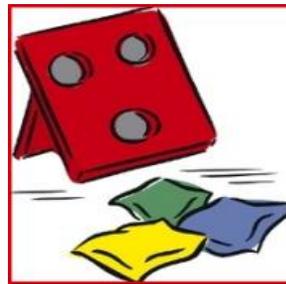
Following the event a survey was sent out and yielded some great comments! One attendee wrote, "Many interesting speakers and some very usable information" and another said "I thought it was one of the best short courses I attended." We always encourage our attendees to provide us with feedback to help plan better meetings, so thank you to those that participated! We also want to thank the Education Committee for a great job in planning this year's Short Course.

Next year's MAFMIC Short Course is scheduled for March 13-14, 2013 at the Arrowwood Resort & Conference Center, Alexandria, MN. Hope to see you there!

*A total of \$455 was raised from these games to help support the MAFMIC PAC.*



*Tim Iverson, Manager of Prairie Pine Mutual, presents Mike Flugum, North Star Mutual, with a trophy after his winning performance in the Putt for PAC Contest.*



*Steve Schauer & Larry Doerr, Sumter Mutual. Proudly displaying their trophy after winning 1st place in the Bag Toss for PAC.*

### Spring Agents Meetings

Thank you to everyone who attended the 2012 MAFMIC Spring Agents Meetings. These meetings were April 9, 10 & 12 in Mankato, St. Cloud and Mahnomen. Our speakers did a wonderful job. We would also like to thank all our Speakers & Volunteers who helped make this event a huge success. Hope to see you all again next year!

### Congratulations Edward

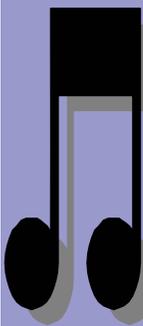


*Pioneer Lake Mutual recognized Edward Stangl on 50 years of Service as a Board Member for Pioneer Lake Mutual. Pictured L-R: Howard Schomer, Treasurer, Elroy Meyer, Edward Stangle, Secretary/Manager, Reiny Hanneken, President, Marvin Burggraff, and Vice President, Gary Hebler.*

### THE MAFMIC CHOIR IS BACK!

The MAFMIC Choir is looking for members to perform at the 2013 MAFMIC Convention. The performance will be held at the prayer breakfast and the opening session. Please contact the MAFMIC office if you interested.

Phone: (320) 271-0909  
Email: info@mafmic.org



## Premium Refunds on a Mortgage

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

What do you do with advanced policy premiums on mortgaged property that is cancelled or annulled before the policy period expires? Do you issue the refund check to the insured or the mortgage company? The answer is both. Like an insurance loss on mortgaged property, the best practice under these circumstances is to issue the refund check in both the insured's and mortgage company's name.

Unlike insured homes that sit free and clear of any mortgage, mortgaged property creates a different situation. This is because insurance payments usually—if not all the time—go through the mortgage company or bank. Banks make this a requirement of the insured's mortgage or loan to ensure that the property is adequately insured. Banks accomplish this arrangement by setting aside into escrow insurance payments that get paid directly to the insurance company. In turn, the bank or mortgage company rolls the insurance payments into the insured's monthly mortgage to recoup the payment.

As a refresher, Minn. Stat. § 67A.18 allows a township mutual to cancel a policy upon 10 days' written notice. Notice of cancellation must be given by registered or certified mail to both the insured and any bank or mortgage company. Since notice must be given to the bank or mortgage company—assuming the property is mortgaged—it stands to reason that any advanced insurance premiums should be issued to both the insured and bank or mortgage company.

While the exact terms of any insured's mortgage or loan agreement may be unknown, and there may be instances where it would be appropriate to issue the refund check solely to the insured, to err on the safe side the better practice would be to assume that the bank is advancing the insurance premiums. And it may be the case that you already have that knowledge by receipt of those payments. Under these circumstances, upon cancellation the best practice is to issue the refund to both the insured and bank when the property is mortgaged.

## NOTICES

### JOB OPENING

Property Casualty Insurance Company located in Southern Minnesota is looking for an individual desiring a management position. Company prefers an individual with a background in insurance but is willing to train. Please send resume and salary requirements to: MAFMIC Atten: R147, P.O. Box 880, St. Joseph, MN 56374

### Farm Show Donations

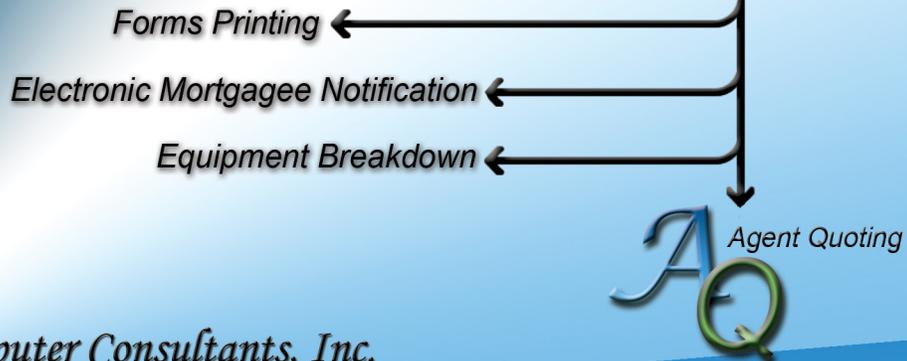
Anyone interested in donating items for the upcoming Farm Shows can drop them off or send them to the MAFMIC office. If you plan to donate something please have your items to the office by Friday, July 13th.

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**2012 MAFMIC  
Calendar of Events**

May	7-8	<b>Congressional Contact Visit</b> Washington, D.C.
July	17	<b>New Manager's Seminar</b> St. Joseph, MN
July	18	<b>Manager &amp; Director's Seminar</b> St. Cloud, MN
July	19	<b>Scholarship Golf Outing</b> Little Crow Country Club, Spicer, MN
Aug	7-9	<b>Farm Fest</b> Gilfillan Estates, Redwood County
Aug	14	<b>Adjustor &amp; Inspector School</b> College of St. Benedict, St. Joseph

**In Sympathy**



Andrea Thurmer, 63, of Jackson passed away on March 27, 2012. Andrea worked at Corn Belt Mutual 31 years as Administrative Assistant and also Agent at the Ken Bargfrede and Colleen Anderson Agency in Jackson for 31 years.



Ted Darkow, 91, of Lamberton passed away on April 2, 2012. Ted was the father of Past Chairman Gwen Batalden, Manager of Redwood County Mutual Insurance Company.



John "Jack" Gangelhoff, 86, of Sleepy Eye passed away on April 6, 2012. Jack was the father of Immediate Past Chairman, Greg Gangelhoff, Manger of Stark Farmers Mutual Insurance Company.



Vernon Timm, 91, of Wood Lake passed away on April 12, 2012. Vernon was the father of Past Chairman Terry Timm, Senior Vice President of North Star Mutual Insurance Company.

*MAFMIC wishes to express its sincerest condolences to both family and friends of Andrea, Ted, Jack, and Vernon .*



*To submit an article to be published in the Mutual Link please send them to Mutual Link, PO Box 880, St. Joseph, MN 56374 or email them to info@mafmic.org.*