

## **New Business Contest Heats Up**

The 'send us a new client' contest at Western Agency, Inc. is well underway. So far we have 37 names in the hat for the drawing after the first of the year. The winner will receive airfare for two and use of a condo for a week on the island of Hawaii. Odds are very good of winning this contest and all that is necessary to win is to give us the name of someone who we can insure. If we write the account your name will be put in the hat for the drawing. If you give us several names your name will be entered several times. Over the years we have always gotten our best insureds from referrals of our existing clients and by having a contest such as this we hope to find more excellent clients.

Call Us: 852-5383 or 1-800-735-4955

**Combine Coverage:** Remember, if you damaged your combine during this past harvest be sure and file your loss as soon as possible. Some companies will not process a claim if the loss happened over 60 days ago. So if you have such a loss give us a call so we can get the loss filed timely.

**Windshield Patching:** How can you lose? You can have a windshield patched for under \$50 with no deductible. You will never see the patch; it keeps your loss numbers down. Everybody wins. Try it.

**Audits and Questionnaires:** There is no such thing as a simple or unimportant one. If you get one by phone, by mail, or somebody 'from the company' stops by: Call us, we will help you get the audit done correctly. Many times when you try to do these audits yourself mistakes get made and it can cost you: Call us.

**Lease Agreements:** Again, give us a call if you have any questions. Sometimes the insurance requirements on a lease can be quite restrictive. If you enter into a lease let us know.

**Claims:** There are no stupid questions regarding a loss. If you have any questions as to how your loss was settled or is being settled; give us a call and we can be sure and get it explained to you. Also, adjusters can and do make a mistake now and then. We are here to see that if this happens it gets corrected.

**New Drivers License Numbers:** When you get your new drivers license let us know. Many times we need this number and if we have the wrong one it can really delay whatever we are trying to get done for you. Thanks.

## **Apples for Apples?**

Well it happened again. We had one of our accounts that got a quote from one of our competitors that was 'Cheaper'. Luckily we have a very long track record with this client and he asked us why we were higher in cost and wanted us to go over the opposing agents quote. The following things came up when we did this. Keep in mind the competing agent was supposed to be giving an Apples for Apples quote. Also, keep in mind the competing agent was supposed to be a friend of our clients. After we did a comparison I told our insured with friends like that he shouldn't need any enemies. I have listed below a few of the differences in coverage we found on doing a comparison.

**All Risk Coverage on Farm Machinery:** First of all we were selling our client All Risk coverage on his farm machinery. In other words the broadest coverage available; including damage caused from putting a rock through a combine. The competing agent did not provide this coverage.

**On and Off Premises Pollution Coverage:** Secondly, we had both on and off premises Pollution coverage. The competing agent had only off premises pollution.

**Collapse Coverage:** We had full coverage for Collapse of a roof due to snow load the competing agent had very little.

**All Risk Outbuilding Coverage:** We had all risk coverage on outbuildings as well as replacement coverage. The competing agent did not.

**Borrowed and Rented Machinery:** We had \$10,000 of automatic coverage for borrowed or rented machinery. The competing agent had none.

**Farm Blanket Equipment:** We had a full farm blanket with coverage for newly acquired machinery. The competing agent had none.

**Farm Extra Expense Coverage:** The policy we had in force for our insured had \$1000 of farm extra expense coverage included so if our insured damaged his combine due to an insured peril funds would be available to rent him another one for a few days. The other agent did not have any of this coverage on his proposal.

These are just a few differences in the two contracts that were supposed to be Apples for Apples; there were many others. If we gutted our insured's policy we too would have a cheaper premium. We can do this if you want. However, it is not a good idea and the few dollars extra of premium can mean thousands more to you at loss time. Furthermore, I am not saying the other agent was a being fraudulent. Of course he was not. The problem is he insures only 10 to 15 farms and probably does not know what he should be selling. What you as the client want to be sure of is that his lack of knowledge and experience don't put your assets on the line. Western Agency, Inc. insures 627 farms, which to our knowledge is more than any other agency in the state. We insure farms all day, every day, 365 days a year. Not only that but we have claims all the time. These claims are paid for only one reason: The proper coverage was in force for the client. When it comes to farm coverage we know what you want, what you need and what it should cost. If somebody comes around telling you we are too expensive ask yourself why you bought a policy in the first place. Was it to save money or cover your assets?

## **Wear Your Western Agency, Inc. Hat Contest Winner Announced**

Western Agency, Inc. insured Jim Newman is this month's winner of the Wear Your Westy Hat Contest. Newman, who volunteered to take tickets at Motor Magic, was at the event for several days wearing his Western Agency, Inc. hat. Newman wins a \$50 gift certificate to Perkins Resteraunt here in Minot. Western Agency, Inc.'s sales have been up dramatically this year. Maybe the Westy Hat Contest is why?

## **Privacy Policy**

There have recently been many things printed about what a business has for a privacy policy. In the insurance industry we are supposed to notify you what our privacy policy is. Actually each individual company will be sending you a notice as to what their privacy policy is. It has not been made quite certain what if any notice we, as agents are to be sending out. However, in the interest of trying to make sure we are politically correct; here is the Western Agency, Inc. privacy policy.

We appreciate the trust you place in us to handle your insurance needs. We do not take this trust lightly. We absolutely do not sell customer lists to anyone. We do not gather any information electronically from visitors to our website. We do not send anything to your bank (even though many times they request it) without your approval. We instruct all of our employees to keep your information private. Of course we need to use your information to obtain policies for you. This includes such things as your social security number, address, name, date of birth and so on. We may also use your payment history, driving record and other pertinent data to help get you the coverage you wish at the best possible rate. In addition to help settle your losses information may have to be given to claims adjustors, or a lawyer we have hired to defend you. In short, your information is sacred to us. We treat it as privileged information and we don't let it out other than in the course of handling your day-to-day insurance needs. If you have any questions on this please be sure and call us to have it clarified.

## **Contractor News**

With the signs of an ever tightening market in most all lines of commercial insurance there are several ways contractors can be sure of keeping their insurance costs and hassles down. First of all we have available several tapes on loss control. These tapes make good material to look at and if you would like to have some of them to view please get in touch and we will get some to you. In addition several of our companies have available loss control people who we can bring out to your business, at no cost to you. These people can show you ways to help you keep losses and costs to a minimum. Secondly, it is a good time to consider higher deductibles and maybe dropping coverage on older vehicles and equipment. Thirdly, if you are doing any contract bonding or are even thinking about doing contract bonding there are some definite things you need to deal with. We would be happy to meet with you and your CPA to be sure you have your books in proper order to be able to bond for the absolute best rate and highest amounts possible. Give us a call so we can help you on this. Finally, we represent the very best companies in the state involved in contractor insurance. We have had little or no problem with carriers leaving the state and the companies we have are not talking about leaving the state. This is a wonderful time to be with a stable agency that represents stable carriers. We are that agency.

## **Crop Insurance Corner**

With the harvest virtually done now is the time to be recording your proven yields. The reason is with the fall price of CRC pegged at \$3.10 and the spring price at \$3.41 it is very possible you will have a CRC loss even if you don't have a bushel loss. In other words lets say you have a 33-bushel proven yield and have the 70% level of protection. On an ordinary policy you wouldn't be able to collect unless you harvested less than 23 bushels. However, with a CRC policy if you harvested the 23 bushels you may very well

have a claim, due to a Revenue loss. Therefore be sure and do your proven yields immediately. If you are even close to your guarantee give us a call so we can see if you have a loss. Remember, if you wait till spring to do the proven yields and then find out you may have had a loss it will be too late to file it. Do your proven yields now so you can give us a call right away and get the loss filed.

Also, if you have grain piled in the field waiting to be sampled give us a call and we can get the adjuster out to sample the grain. We have one adjuster whose only job is to go around pulling samples. Let us know when you are ready for him so we can get him to your farm.

Finally, if you have any questions on how to file a loss, do proven yields, or any other question on your Multi-Peril Policy give us a call so we can keep you on track. There are no unimportant questions on this policy and it is very important we get things handled right away. You have hired us to take care of your crop insurance needs: use us. Please.

### **Things that last a long time.**

Talk about a bargain in footwear. You can still buy a pair of rubber sandals; some call them Flip-flops or thongs, for \$1.69 at any grocery store in Hawaii. Wow, what a deal! Do these things ever wear out? I was able to run with them on as a child but now only chance a quick walk. Hey, they're ugly, if you have bad toenails they show them, they're clumsy, and rocks get under your feet: But apparently they are part of summer culture forever. And best of all they're really well priced. Thanks to Becky Berg for reminding us about them.

### **Business in the Home and Custom Farming Discussed**

Over the years we have once in a while discussed Business in the Home and Custom Farming coverage. Many people these days are operating a business out of their home or farm or have added a new line of work to their existing business. Maybe you have started a small Day Care, maybe you are doing some custom combining, maybe feeding some cattle for a neighbor. Whatever it is, make no mistake: a business venture in the home or on the farm or any different type of business activity on an existing policy needs to be looked at. Maybe it will be a liability issue or maybe it will be how to correctly cover the inventory, but whatever the situation be sure and have us take a look at it. Custom Farming or a Home Business may take many forms, but suffice to say, if you are receiving income from a source other than your regular job it is a good idea to talk about

it. If the income comes from some form of Custom Farming and the annual income does not exceed \$2000 in some cases you may have limited coverage and many times there is no charge or a nominal charge to correctly cover the new risk. However, in some cases it may be a major issue to get the business correctly covered. Even if you elect not to cover the business situation; if you check it out in advance, you will know how your policy will or will not respond to the situation.

## **24/7/365 Not a New Idea**

In today's computer language or Yuppie Speak, or whatever else we call all our new words and phrases 24/7 or 24/7/365 has become a common phrase heard. What it means is service 24 hours per day 7 days per week, 365 days per year. Many companies are now using the Internet, and automated phone lines, and outsourced answering services to try to accomplish this. I would like to point out that Western Agency, Inc.'s original motto was '25 hours per day insurance service'. Many times it was pointed out to me there were only 24 hours per day. I used to say that 24 hours weren't enough so I had to add the extra hour. What I meant 30 years ago, and what I still mean today is that I consider my Agency and agents to be on call 24 hours per day. If you have a serious problem I don't care when it is; give us a call at home so we can get it answered for you. In addition, you will be talking to us; not some computer terminal or answering service that knows nothing about the problem. Included in this newsletter are all the home phones, cell phones, office phones and any other number where you can get in contact with your Western Agency, Inc. agent any time you need him. Insurance to be effective needs to be talked about and correctly written. If the deal you are involved in is after business hours that shouldn't matter. Get to a phone and give us a call. Then, we can be sure you are correctly covered. In addition, if you suffer a loss the same applies. Don't wait till tomorrow to see if you are covered; or how to handle a situation; call: Now.

Minot: 852-5383 or 1-800-735-4955

Glenburn: 362-7383

Garrison: 463-2253 or 1-800-644-0608

## **Maps Huge Success**

When Western Agency, Inc switched to a Multi-Peril Crop Insurance carrier that provided the agent and clients with a map of their farm they felt it was going to be a big help to them. However, now that the year is over and claims are being settled these maps are proving to be invaluable. Not only do they speed up the claims process but they are on the same page with yield information and can be used as an instant cross reference to be sure no mistakes are being made on the loss. Initially it took quite a bit of time to get

the maps correctly done, but now the timesavings are indeed showing it was worth it. Also, insureds are reminded that when doing proven yields for the crop year this data can be put right on the map for easy recording. If you have any questions please give us a call and we can go over this with you at your earliest convenience.

## **Mystery Picture**

Every year we take several hundred aerial photos here at Western Agency, Inc. Usually our ace photographer is pretty good about matching up pictures with clients. However, this year, probably due to his advanced age and failing eyesight he had a picture of a very nice farm blown up, framed and matted, and no one at the office can figure out who's farm it is. Therefore, we will be hanging the picture in the front office of Western Agency, Inc. The picture will have a \$20 gift certificate to Perkins Restaurant attached to it. Whoever identifies the picture will get the gift certificate and then the picture can be given to its rightful owner.

## **Editorial**

September eleventh 2001: 9/11/01; how will we ever forget the date or the numbers. This date will live in infamy forever. What the total repercussions will be we can only guess. However, there are some things, which will be a legacy of this black day. First of all even before 9/11/01 we were in the beginning stages of what is called a Hard Market. The reasons for this are many but suffice to say that the big reason up until 9/11 was the loss of earning power of the stock market. For years companies have been operating at or over a 100% loss ratios. What this means is that for every dollar of premium they were taking in they were spending up to a dollar and ten cents or more. How could they stay in business you say? They did it by realizing excellent extra income on the earnings of their stock portfolios. These earnings, plus the savings realized by computerization enabled them to keep from raising rates.

Along came the decline in the stock market and immediately companies started raising rates or warning that such changes weren't far off. Other ways this loss of extra income became evident were companies becoming stricter on claims, wanting higher deductibles, and looking harder to insure the better risks. All of these things were signs of the impending hard market.

North Dakota had its own disaster this spring with the huge hailstorm in Bismarck. This storm was many times larger than any previous storm and will probably cost around \$300

million. That is over \$500 for every person in the state. This year alone we have had eight companies leave our state due to excessive loss experience. This alone was bad enough: Then came 9/11/01. To put the size of this catastrophe in perspective consider the largest catastrophe the insurance industry has had in the past 100 years: Hurricane Andrew; which cost about 22 Billion dollars. 9/11/01 is probably going to cost 75 Billion dollars. Wow!

You may think that the company where you are buying insurance has no people insured in New York and you would probably be correct. However, all insurance companies purchase Reinsurance from other insurance companies. In other words no company takes all of a given risk. They simply cannot do it and in turn must buy policies of Reinsurance from these large carriers to cover them in the event of a large loss. The problem is there are only about 35 major Reinsurance carriers in the world. These were the people who bore the big brunt of the 9/11/01 disaster and of course now they will be raising their rates to stay solvent. What this means is that when your company goes to renew their Reinsurance policy for the upcoming year it will be higher. This increased cost of Reinsurance plus the decline in the company earnings from the stock market will most definitely make your rates go up. How much? We are not really sure. In most cases it may not be so bad. You will probably see companies try to use higher deductibles and such vehicles to try to defray the cost. Will all companies premium be going up? Yes. Not only in North Dakota: (which has for years had the lowest auto insurance rates in the United States) not only in the United States: but indeed throughout the world. It is really too bad that we can't access these costs to the insane idiot terrorists who caused this event but we cannot. I have listed below some strategies you can use to help keep your cost down as low as possible.

- Deductibles: Be sure you have as high a deductible as you are comfortable with.
- Insure to Correct Value: Be sure you are not insuring things for too high a value. In other words if you bought a new combine last year we want to only show it for the value it now has.
- Old Buildings: Do not insure old buildings that you would not replace anyway.
- Older Vehicles: Maybe go to liability only coverage on older vehicles.
- Reduce Losses: Look at ways to reduce losses. In other words try to patch a windshield instead of replacing it.
- Stable Carrier: Be very sure you are insured with a stable, solid, insurance carrier.

I am not doing this editorial to try to alarm anyone. What I want you all to know is that these things are in motion. They are industry wide and they will most likely be something you will need to look at. You can be assured that we will be in touch well before any changes on your policy hit you. In addition, if companies are going to change any coverage you will get notification of it before any of the changes take place. Be sure and be extra careful to read any of the company memos that come to you and if you wish

be sure and call us for clarification. If any changes are going to have a major impact on your contract we will be months ahead working on it to see the best way to deal with it. Above all give us a call with any questions. Western Agency, Inc. is now ranked as one of the very top agencies in the state and we are very well poised to get everyone through these times. We have a solid stable of excellent companies that are as strong as any in the industry and we have no doubt we will be able to keep you in an excellent contract throughout this crisis.

Thanks for your business.

Chuck