

Farm Insurance Corner

New Farm Program Figured Out: We have been sending our Farm Agents to every available farm seminar concerning the new farm program so we will be able to help our farmer clients understand it. At the present time we feel we are getting fairly well educated on the program but it seems to us that in so many ways, all this new program does is help get rid of a few more forests of trees. Do the new farm program rules need to be looked into? Of course. We have already seen situations where a farmer had a proven yield of 1700 pounds of sunflowers that would have gone down to 1100 pounds if he hadn't taken the time to do a new bale of paperwork. Even though it takes quite a bit of time to sit down and prove up these yields we can help you with it and it does make a huge difference on some crop yields. Sadly, we recently had one of our long term clients stop in and tell us he had finally figured out how to get through the maze of new paperwork, regulations, and hassles at the FSA office. He quit farming. I firmly think that if the people who design these programs had to go through the paperwork **themselves** to help **them** stay in business, we would find ourselves with a much simpler, user friendly system.

MPCI Information: We are in the final stages of helping our clients prove up their 2002 crop yields. If you haven't done yours yet be sure and give us a call so we can get together with you and get this process completed. We can go over the 2003 program with you at that time and show you any options you may want looked at. With the contract price of barley up this year the malting barley options may be something you will need to consider. Keep in mind that any changes need to be done by 3/15/03 and our crop meeting will be 3/10/03.

Westy Hat Contest

This Wear Your Westy Hat contest was won by Bruce Adams of Minot. Bruce was wearing his Western Agency, Inc. hat when he had his picture taken after shooting his elk this past fall in the North Dakota Badlands. The picture came into the possession of one of our secret, unknown, and all seeing judges who awarded him the prize. Not only was Adams wearing his Westy hat but it was one of our very limited edition Hunter Orange hats; making him the first winner wearing one of these models. Congratulations to Bruce for getting an elk and also for winning our Wear Your Westy Hat Contest. Adams will receive the usual prizes: a new hat, a new Western jackknife, a \$50 gift certificate to Perkins Restaurant here in Minot, and our thanks for wearing his Western Agency, Inc., hat.

Insurance Commissioner Gets High Marks

North Dakota is first in many things such as crop production, sunny skies, low crime, and other things. However, we as a state are now getting National recognition for having one of the most effective insurance commissioners in the country. As you know in past Newsletters we as a company tried to get you our insureds involved by telling you the importance of voting for Jim Poolman. Your confidence in him has been a very wise investment as he has been assuming a very key role in keeping the insurance environment

in North Dakota far more stable than many other states and far better than it could have been. Commissioner Poolman has traveled to other states to personally meet with heads of insurance companies to encourage them to continue to do business in our state and help attract other companies to do business here. This is helping the consumer get better prices through competition and also is helping in keeping lines of insurance available. Furthermore, the lines to the commissioner's office are open to the public. If you have a problem you feel you need to call the commissioner on the phone number is 1 800 247 0560.

Westy Shorts:

Western Agency, Inc., Privacy Policy: In view of recent legislation where we are required to inform our clients of our privacy policy every year; here it is again. We do not sell your name, give it out, let somebody use it, or divulge any information about you, or your business to anyone without your approval. Even if you bank calls us for information: which they do quite often. We first call you to see if it is ok with you. Your information is not divulged to anyone for any reason without your approval: period. Any questions? If so be sure and give us a call and we can cover this in more detail.

Contract Bond Information: Letters have went out to all of our contractor clients to be sure and get your contract bond information to us as soon as possible so we can get your bonding lines set up. As many of you know the bond market has really tightened up since Enron and it just pays to be ahead of things in this regard. Any questions as to how to proceed or if you want us to sit down with you and your CPA, or your banker, just give us a call.

Renting Anything: If you will be renting anything in the near future one thing to remember is this: call your insurance agent first. In many cases there is no coverage in force for these rented items; especially if the item rented is a snowmobile, boat, or major item of equipment. Can they be insured yes, and in most cases with little trouble. The key is to be sure and do it before you have a loss. We may have to put a temporary coverage in force for you to cover the event. Usually the cost is very minimal but whatever the cost it is far cheaper than an uninsured loss. We did some research on the insurance on rental snowmobiles and found that even though the rental place offered 'Insurance' it turned out all the 'insurance' covered was loss to the machine itself. There was no liability coverage included so if you hit another person or had a liability type loss there was no coverage available. If you have any questions on this rental issue, even if it is on a weekend, or even after business hours; call us. We want to be sure your assets are correctly covered.

Deer Slayer Award Announced: Western Agency, Inc. Commercial Insurance Manager, Casey Tompkins is the recipient of the first annual 'Deer Slayer Award'. Tompkins earned this award after hitting yet another deer on the stretch of road from Hwy 2 to his home 2 miles north. This is the second deer in little more than a year resulting in major damage to Tompkins' vehicle and he vows after this second hit that he will lower the speed limit on this deer infested stretch of road to 40 mph. He also reports it was a good thing he was headed home, as after having both air bags go off in his face he almost had two accidents.

Audits: Weather it be A blanket farm audit, a commercial equipment audit, a dealer blanket audit, or simply sitting down and going over your insurance program: Audits are important. The reason is that they establish what it is you are insuring and for what amount. Do they cost you money? Not necessarily. Maybe you insured a new combine last year and it is now not worth as much. You will not need to cover it for the same amount so your premium will go down. Remember, there is no sense insuring something for more than it is worth because the insurance company only has to repair or replace the item. If you have purchased more equipment and therefore need more coverage yes, your premium will go up. However, you need more coverage so what is the point of insurance if you don't have enough. My point is give us the time to sit down with you and really go over what it is you have insured. It helps us keep you correctly covered and in many cases it will save you money.

Umbrella Policies Revisited

In these times of high court awards for liability losses it is a super idea to own an Umbrella Policy. What does an umbrella policy do? It gives you a blanket of higher liability coverage over and above your current policies. For example if you now have a \$500,000 liability limit on your home, auto, boat, and motorcycle insurance and you buy a \$1,000,000 umbrella policy, this policy would give you \$1,000,000 of coverage over and above the other coverages you may have. In addition, if you end up getting sued for something where you have no underlying coverage your umbrella will in most cases be able to cover the loss. One thing to remember when looking at umbrella policies is to look at how the policy will cover those losses where there is no underlying policy. In these types of losses the umbrella will have a deductible. This umbrella deductible is called the 'self insured retention'. The problem with some companies is that they may have a cheap rate but have a very high self insured retention. Sometimes these deductibles may be as high as \$10,000. If you have any questions on this type of policy or would like to have your policy better explained to you give us a call and we can get out to go over it with you. Although the Umbrella policy is a complicated contract it is an important part of your insurance portfolio.

Company Spotlight: North Star Insurance

This quarters Insurance Spotlight would like to high light North Star Mutual of Cottonwood, MN. North Star is the largest writer of farm insurance in Minnesota and is one of the largest writers of farm insurance in North Dakota. North Star is an A rated company and continues to be one of Western Agency, Inc.'s leader companies. Western Agency, Inc. is the third largest agent in the country for North Star and is the largest agency in North Dakota for them. North Star has assumed this position by writing one of the best policies available for farmers and doing a superior job in delivering the product and paying losses when they happen. Our thanks to them their -----employees for the excellent job they do for us and our insureds every day.

Job Opportunities

In these days of our young people leaving North Dakota to go to other states to find jobs it may be a good idea for them to consider the Insurance Business as a career. We have several openings at Western Agency, Inc., and would be happy to give a job interview to any interested person. We have openings in Minot, Garrison and Oakes at this time. Some of these jobs are clerical in nature and some are sales jobs. Some are 8:00 am to 5:00 pm and some are available for flex-time. Medical insurance is offered as well as paid vacation, sick leave, and 401k. All of these jobs have excellent career paths and income potential. We give all applicants a personality test to see if they would be happy in an insurance career and if so to see what part of the insurance business they would be best at. This helps us to place our employees in a job they will most enjoy. Furthermore, we have very good connections with many insurance companies. Perhaps you know someone who may want to be an insurance adjustor or possibly an underwriter. If so we can give them names of people to contact for careers such as this. If you know someone who would be interested please give us a call here at the Minot office and we will set up an interview for you.

Please be Frank

The other day a person asked me my opinion on something and then added, "Please be Frank." This really puzzled me; why would I want to be Frank? I'm Chuck, I like being Chuck, Charles, Chas, never Chuckie, but certainly not Frank. Besides it would make my parents mad if I start being Frank. Furthermore, what in the world do I know about Frank? Maybe he doesn't even like the same foods I do. Does he even know how to sharpen a chainsaw? And maybe he has kids still in college. No, thank you, if anyone asks, I will be unable to be Frank. I think I will simply say what is on my mind and remain; Chuck.

Editorial: Coverage Versus Price

We had a very unusual thing happen the other day. We lost one of our long time clients. When we called them up to see why they had went to another agent they said they had called us and had gotten put on hold and that they had gotten a cheaper price from another agent. The first problem was something we knew we had to get fixed. Even though we have always told our clients to call us at home if they need to, we were understaffed in our front office and people were not getting talked to as soon as we would have liked. To remedy this we have hired two new full time people and now when you call Western Agency, Inc. you should not be put on hold. If you need us after hours call us at home, we feel we are on call 24 hours per day to see to it that your insurance needs and questions are taken care of. However, the second thing this client brought up was what made losing this client difficult to understand. The other agent had placed this clients business with a company that we too represent. However, the reason we had not even thought of placing this clients business with that particular company was that company does not write near as complete a policy as the one our client previously had. Furthermore, that particular company is not known for being easy to get along with on claims. Finally, they do not even write a blanket policy. An example of where a blanket policy is light years better than a policy without a blanket is in the case of a machine shed fire. A blanket policy will cover the many items that you will not have listed on your policy. A policy without a blanket will not because each major item has to be listed. Over the years we have had many machine shed fires and these losses get huge. Primarily, because of the literally hundreds of miscellaneous items you farmers all keep in your machine sheds. These are just a few of the things wrong with this other company's contract. Further, the policy this client had with our agency included on and off premises pollution coverage. The one he purchased from the other agent had only off premises pollution. The contract he had with us had Personal Injury Protection. The one he bought from the other agent had none. In addition, this client had a substantial loss a few years ago that was paid under the 'all risk' portion of the policy. The policy he purchased from the new agent does not even have this coverage. I really wonder if the new agent took the time to explain all of the coverage he had peeled out of this client's policy so he could come in 'cheaper'.

I guess the reason I put this article in my newsletter is to make you all aware we do have cheaper policies available. We do have companies who will cut coverage to get the premium down. If that is what you want we will be happy to sell you a 'stripped down' contract. However, before we sell you this type of contract we certainly will explain to you what coverage you are giving up. We may even have you sign a waiver stating you realize what coverages you no longer have, but we certainly want to keep you for a client and if low price is all that is on your mind we can do that for you. We would, however, far rather you kept your excellent contracts. What we are telling you now, what we have told you for years and years, is to adjust your premium with your deductible. Why not go to a higher deductible to keep the premium down but still leave the policy intact so it can pay whatever losses befall you? After all, what is the point of purchasing insurance if it is not complete coverage? I can tell you after 30 years in this business and thousands of losses: It is the unusual claim that gets you; it is the unusual claim that can put you out of business, and it is these unusual claims that a partial policy will not adequately cover. In the real estate business they say there are only three things you have to know to be safe: LOCATION, LOCATION, LOCATION. In the

insurance business there are three things also that you have to know: **COVERAGE, COVERAGE, COVERAGE.** Western Agency, Inc., did not get to be the largest farm insurance agency in the state doing bad work. We did not get to be this size by always being the cheapest price. We got this size by going out to our clients homes, farms, or place of business; when it was convenient for them; taking the time to go over their insurance policies, and making sure they were correctly covered: so when the claims come in instead of reminding you how much money you saved buying a poor contract; or giving you an excuse instead of a check; we can cover your assets.

Thanks for your business.

Chuck Tompkins