

3/15/02

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E Mails and WebPages

We seem to be having more and more things that are done by E Mail. If you want us to communicate with you in this method please let us know and we will try to accommodate your request. We are moving into automation, as fast as possible and with the state of the mail service these days maybe it is not too bad an idea. Also, we do put the newsletter on our website (address) and other pertinent information. Finally, if you think of a way that we can better do this automation for our clients please let us know. I do think automation is here to stay and it seems to me that we all need to learn how to use it effectively as soon as practicable. Is E Mail perfect? No: we recently lost a couple of 'in house' E Mails also. I guess it will remain to be seen if this new way on communicating is the way but none the less: We are committed to learning and using this new technology because we do feel it will become a big part of how we communicate in the future.

Spray Drift Becoming a Big Issue

Even though we insure hundreds of farms, a few years ago we would maybe record one or two spray drift related claims per year. In the last couple of years this is no longer the case. Probably due to the much-increased plantings of crops such as Canola, Mustard, Sunflowers, and Soy Beans we have seen a huge increase in spray drift losses. Furthermore, these are not small claims. In many cases the losses are very significant. Furthermore, it is not always at all sure who did the damage. We have seen cases where the farmer had residual chemical in the soil from years before that adversely affected the crop planted. This is especially true of Canola. If you have a spray drift loss where you feel your neighbors spray drifted onto your crop. Be sure and talk to him immediately. It is also a good idea to collect some of the plants and have them sent to the University to have them tested for chemicals. The same goes if you have drifted some chemical onto your neighbor. Get in touch immediately so we can get an adjustor out to test the plants and find out if in fact it was even you that did the damage. Another thing you can do to protect yourself on these losses is to keep meticulous track of wind conditions the day you were spraying your crop and the amounts and kinds of chemicals you were applying. Spray drift claims are here to stay, they are in many cases large losses, and it really pays to stay on top of them. Give us a call so we can help you do it.

The Mystery Picture Contest

The 'Mystery Picture' contest was won by Pat Murphy, of Berthold. When stopping in the office one day he simply looked at the picture and said. That is Don and Grace Brown's place. Excellent!! Don and Grace received their picture. Pat Murphy received a \$50 gift certificate to Perkins Restaurant. And photographer Tompkins was able to finally remember whose picture he had taken last summer. In Tompkins defense the picture was taken from Northwest of Des Lacs shooting to the South and as those of you know who know the Browns that would put the Des Lacs reservoir in the picture. Since you cannot see the reservoir from ground level it was hard to identify the farm. At least that is what Tompkins offered in way of an excuse.

Employee Spotlights

Western Agency, Inc. is one of the few agencies in the state which has all of their employees fully licensed and with Customer Service Representative, Fonda Kraft passing her insurance exams this past week Western Agency, Inc, has thirteen licensed agents. We will be licensing one more employee in May, which will leave us with everyone on the staff a licensed agent. Our purpose in licensing all our employees is to

upgrade the professionalism of our staff to the point that no matter whoever answers the phone when you call; it will be a person who is qualified to assist you in your insurance needs and questions. They may have to seek additional expert knowledge from one of our longer-term employees, but nonetheless they will have a good idea as to how to help you with your individual situation.

Insurance Industry Still Receives Failing Grades on Billing Notices

It has now been many years since the insurance industry began sending out their own billing notices by a process called Direct Billing. As all of us know none of them are very good at it. This reporter has been on countless 'advisory councils', and other such committees where the insurance agents are asked to help the company figure out how to 'do a better job servicing the client'. Usually the number one thing the agents bring up is "why can't you companies come up with an understandable, workable, practical, billing system?" We give them many examples such as a client getting a bill one day and a cancellation a couple of days later. The same old tired answer is; "We are working on it." I guess this has been going on for so long that the companies are simply numb to the problem and simply do not understand how angry and frustrated people get when they receive a vague, late, or misleading request to send money to someone far away. All I can tell you as the client is to call us on each and every billing question you might have so we can get the information on your billing converted to information that you can understand and work with. We are happy to do this and to me it seems like for now it is the only way. Western Agency, Inc. represents many companies and I honestly do not know of one of them, I could point to as an example of one who has a good workable system. This problem is industry wide with all companies and is not specific to any one company. As the eternal optimist I do feel the system will get better. My main purpose in mentioning this problem is to encourage all of you to give us a call whenever you receive a bill you don't understand; if you feel a billing is late; if you get a call from a bank requesting confirmation of coverage; or any other questions you may have on your various policies. It is up to us to make sure you understand your billings and we want to help you in this.

Coffee Crisis Abates

A minor crisis erupted in the Minot offices of Western Agency, Inc. earlier this week when someone accidentally brewed up a pot of regular coffee. Since the staff of the agency (and especially president Chuck Tompkins) have been drinking decaffeinated coffee for years this created quite an exciting afternoon. First indications of trouble were when employees realized they were talking twice as fast as they could be understood. People were noticed to be irritable, impatient, Tompkins had a huge headache and everyone was in a hurry to do every thing. When the problem had been diagnosed and decaf coffee was again brewing in the pot the crises subsided, the headache went away and the frantic pace did slow somewhat by days end.

Send Us A Client Contest Winner Announced

The 'Send Us A Client' contest was a big success at Western Agency, Inc. and many new insureds were written. The drawing for the winner of the contest was held 1/2/02 at the Western Agency, Inc. office and the lucky winner was Matt Grigsby, RR Glenburn. Grigsby has been contacted and will be the winner of two airfares and a week's stay in Kailua Kona, Hawaii. Since so many people sent us names we drew four other runners up. These winners were David Petry, Dan Crooksten, Jesse Zwak, and John Pitner. Each of these people will receive a \$100 cash prize. With the success of this contest it has been decided to continue the contest for next year. To enter, just refer us to someone in the market for insurance. Be sure and tell us whom you referred or have the person tell us. If we are able to write the persons coverage we will simply put your name in the hat for a drawing at the end of 2002. The grand prize will be the same as this year; airfare and use of a condo for one week in beautiful Kailua Kona, Hawaii. Thanks again to all who recommended insureds to us. And good luck next year.

Longest Western Agency, Inc. Insured Identified

Winner of 'Longest Term Western Agency, Inc Insured Contest' was Russell Hadler. Hadler has been an insured since the first days of Western Agency, Inc. and indeed was insured by agent Chuck Tompkins in the early days of Tompkins' insurance career in 1973. A close second place was won by Rex Lenton with nearly as long a period of being insured as well as third place winner Gary Jung, and fourth place winner Duane Miller. Only a few months behind these four was fifth place winner Bill Burke. These top five will be notified within the next few days and awarded their prizes. We thank these people and indeed all of you for believing in us all these years and letting us take care of your insurance needs and questions. Longest insured winner Hadler will receive a \$100 gift certificate, Lenton \$75, Jung \$50, Miller \$40, and Burke \$30. Gift certificates will be to Perkins Restaurant here in Minot. Western Agency, Inc., is known for not losing insureds and it was astounding when we did this study just how many of you have been our clients over the years. In the process of checking how many clients we lose per year it was found we retain over 97% of our clients each year. Of course we are very proud of this. It is our hope we can continue to 'cover your assets' in the years ahead.

Credit Reports

In the insurance business companies are constantly trying to find ways to identify the better client. In doing so they have made some monumental mistakes and have of course had some successes. In recent years the industry has been able to identify that people with better credit ratings traditionally make better insurance risks. No one has been able to figure out exactly why but the numbers seem pretty much for sure that clients with better credit reports have fewer losses. Therefore, many companies are now incorporating this data into their rating structure. For you the client, having your credit report in good shape will help you get better insurance rates in many cases. How to get a better credit report? If you have any questions on this just give us a call and we can give you some good pointers on how to do it. First of all you should probably request a copy of your credit report and we can help you read it. You may find in many cases it is not correctly done. I know on my own credit report a house loan that I had paid off years ago was still listed. This of course can adversely affect your report. I spent a few hours running around town to get the necessary corrections made. Sure it was time consuming, but having a good clean credit report is fast becoming a very good business practice to have. One thing that can immediately have a bad effect on your credit rating is paying bills late. Therefore, if you have a billing dispute with a business be sure and get it resolved. Even if you have to go to small claims court to get it resolved. Don't just let it go. You may find by simply not paying the bill you will harm your credit rating. We don't have all the answers on Credit Rating, but it does and will be a part of your financial portfolio that needs to be kept in good health. If you have any questions on it be sure and give us a call so we can help yours be as good as possible.

Westy Shorts

NOTE: Remember as spring arrives: motorcycles, jetskis, boats and boat equipment, ATV's, campers, and many other forms of summertime recreation equipment are NOT automatically covered. Give us a call to be sure you are correctly insured.

Westy Hat Contest Winner: Wear Your Westy Hat Contest winner this time is a double. First winner is Randy Bryans RR Carpio for seeing to it that the Westy had was well displayed at the North Dakota Class B tournaments this past week. Second winner is Kevin Sys. It is reported by our secret, anonymous, and all seeing judge, that Sys literally never leaves home without his black Westy cap. Of course thanks to both of you for wearing your Westy cap and of course both will receive a \$50 gift certificate to Perkins Restaurant here in Minot.

Editorial

As I sit down to write this Editorial the insurance industry has really had a crazy year. Not just nationally but in our state as well. To give you some quick numbers, up to 9/11 the largest ever, catastrophe loss for the insurance industry was hurricane Andrew which cost the industry 25 Billion. Compare this to the 9/11 loss which is going to run up towards 100 Billion. Closer to home, right here in our state, the storm in Bismarck last spring will go over \$300 million. In addition, the Bismarck storm was not the only one with many other areas in our state getting badly damaged as well. These are actually incalculable numbers and will send shock waves through our industry for years. Also, keep in mind the vast majority of these claims are being paid with private money, not government money. The good news is these claims are being or have already been paid. The money is going to the people who needed it and the system is totally stable. Not one of the companies represented by Western Agency, Inc. is in any danger whatsoever of insolvency problems due to either 9/11 or the Bismarck storm. However, the insurance industry will be doing many things to maintain its solvency. I recently looked at a list of over 30 companies, which have filed new homeowners rates and the average rate hike was nearly 20%. So of course there will be rate hikes. There is no way this amount of money can be spent without that happening. However, in most cases you as the client can usually defend yourself against this by using higher deductibles; which in many cases may very well leave you with a lower premium.

Also, and especially in North Dakota, in the attempt by companies to keep rate hikes to a minimum, coverage on things such as home insurance will be curtailed. Virtually all companies will be lowering the coverage on roofs of houses. In most cases a full replacement roof policy will only be available on the newer roofs. The old, wood shingle roof will likely have to be covered by an 'actual cash value' policy. What 'actual cash value' means is a 'depreciable' policy. In addition, water in the basement coverage will be revised by the companies and very possibly will be made more expensive. Actually, most casualty insurance in our state will see major changes. Most will not affect you too adversely; however, each one should be looked at individually to see how it would in fact affect your situation. Over the next year no matter where you are insured you will be receiving mail explaining these changes in your coverages. The best way to be sure you understand them is to give us a call so we can sit down with you and explain how each will affect you. There is simply no way anyone can print a message to you explaining how all of this will go because each of you will have a different situation. Therefore, as each of you get a letter from an insurance company telling you of the changes being made on your contract give us a call and we can come out and explain it to you.

What can you do about these changes? Probably more than you can think. The answer may be to raise your deductibles. Maybe it is to get rid of coverage you don't need on old unused outbuildings, maybe it is to drop full coverage on older vehicles. In addition there are other things you may not think of that should be considered. Even seemingly unrelated things like your Credit Rating can help you get a better premium rate. Many companies now use a client's credit rating to determine their insurance rates. We can help you build a better credit rating or look over your current one to see if it can be improved. Many times there may be a blemish on your rating you don't even know about. Driving records will be more scrutinized than ever and they will affect your ratings. Sit your kids down and talk about this. Better yet let us know when you want us to and we can have a chat with them. The upside of this stricter underwriting is it may even prevent a big accident if your children are driving a bit more carefully. The North Dakota 'Graduated Drivers License Law' for young drivers has actually helped decrease claims in young drivers this past year; maybe it was a blessing in disguise.

These are just a few ways you can keep your insurance costs and coverages in line. However, regardless what has to be done it is our job to be sure we position you to best ride out this period of changing coverages. Again, these changes are industry wide, they will affect all companies, not just the one you now have; but all companies. It is our job and we can and we will help you get proper coverage at an affordable rate; so whenever you have questions on these upcoming events give us a call.

As always, thanks for your business and thanks for letting us help you 'cover your assets'.

Chuck Tompkins