

Newsletter 22

June 2002

Escrow Accounts: It is a fact of life that nationwide homeowners premiums are going up. This is especially true in our state where we have been hit with millions of dollars of hail and other weather related losses. However, by reevaluating your deductibles in many cases you can keep your homeowners premiums at or near where they previously were. In addition, it really pays to watch to be sure your mortgage company is not raising your escrow contribution to 'anticipate' these higher 'insurance' costs. We have had calls from insureds where this has happened and the insurance rate had not gone up. If you see that your escrow account payment has risen due to 'increased insurance costs' be sure and call us up to see if in fact 'insurance' is really the contributing factor. It seems to me that in many cases this is not the case at all.

Change of Lending Institution or Loan Payoff: Let us know if you have either paid off the loan on your property or if you have gone to another lender. In many cases we do not know if you have made loan changes and of course until we are notified we are not able to do the necessary paper work to be sure you have the proper lender listed on the policy. By the same token if you have paid off a loan we want to get that lender's name off your policy so if you have a claim the check will come to you alone.

Credit Reports and Paid Off Loans: If you have paid off a loan it does not hurt to stop up to the courthouse and see if in fact the loan is listed as being paid off. Many times the lenders do not take the time to notify the courthouse of a loan being paid off. Therefore, you have paid off the loan, but it still shows on your credit report. It just takes a few moments to check. Look into it. You may be surprised at what you find.

Old Credit Lines: If you have a charge account or a credit card that you no longer use. Call up and cancel it. These unused credit lines do not do your credit rating any good. Another pitfall is taking out a credit card so you get a discount at the store you are at. Many times this happens when you are on a trip in a strange town. Probably you will not be back or use the card again. Credit lines and charge cards, good rule of thumb: If your not using it; get rid of it.

Claim Notes: Lightning Damage to Computer Systems: Lightning damage, its either there or it is not. Lightning does not 'weaken' your computer system. It either blows it out or does not damage it. Lightning damage to a computer is like being pregnant: it is or it isn't.

Reporting Losses: If you think you may have an insurance loss be sure and let us know. Don't wait to see if the other company is going to pay, or if the loss is not as bad as you think it is, or to see if the other person will expect you to pay. Give us a call and let us help decide what is to be done. It is very easy to lose your coverage by not reporting a loss in a timely manner, or by not taking proper steps to prevent further damage. This is especially true in Multi-Peril Crop Insurance where virtually every aspect of the coverage is time sensitive. However, it is true of all lines of insurance in varying degrees. Give us a call so we can be sure you don't run the chance of losing coverage due to an improperly reported loss.

Insurance Shorts:

Electronic Funds Transfer (EFT) is here to stay. If you would rather have your premiums paid in this manner it is easy for us to set up and really works. Just let us know and we can get your account set up this way if you so desire.

Web Pages and E Mails: If you haven't looked up our Web Site please give it a look at www.westernagencyinc.com. If you have some suggestions as to how to improve it give us a call. Also, our newsletters are on the web page. In addition, if you would like us to communicate with you via the web let us know your e-mail address and we will try to accommodate your request.

New Equipment, Land, Toys: If you have traded boats, purchased new equipment, purchased some new land, traded vehicles, built a new structure, bought a motorcycle, presented your wife or girlfriend with some new jewelry, or if you have made or completed most any major transaction: Please; we are reminding you again; give us a call. In some cases, the insurance you now carry will probably take care of the transaction. However, there is a very good chance your current program will not. Give us a call; we will check; and be sure we are able to 'cover your assets' when a claim arises.

Trampolines: There is no easy way to insure them. Can it be done? Yes. Should you call us before you buy one? Absolutely. Many companies will not insure a trampoline under any circumstances. Some will but usually with restrictions. Food for thought is that insurance is all about risk. If it is hard to insure something it means there have been excessive losses on that item. Maybe its time to realize that trampolines are dangerous,

there have been lots of losses on them: maybe a person should not be setting up one in the back yard even if the kids do want one.

Drinking and Driving Safer Than Cell Phones?

In a recent study by Transport Research Lab it was found that the reaction times of a person who was legally drunk were 30% faster than a person who was using a hand held cell phone. Even when a person was using a hands free phone the reaction times were slower than the legally drunk person. When compared to a sober person the person using the cell phones was on the average 50% slower on the reaction times. These are scary numbers. If you are using a cell phone and driving, or if your kids have cell phones please remember these numbers and give a thought to pulling over if you are on the phone.

Employee spotlights

Western Agency, Inc Customer Service Representatives Fonda Kraft and Jamie Kirchenheiter have both passed their State of North Dakota Insurance license exams. Kraft is located in the Minot office and Kirchenheiter is located in our Dickinson location. Both will continue their training by attending various insurance schools from time to time but the first most important step is now complete. Also, since both of them have passed their state insurance licenses the entire staff of Western Agency, Inc. is once more fully licensed.

Western Agency, Inc. Buys Bills Insurance

Western Agency, Inc., today announced the purchase of Bill's Insurance of Dickinson, ND. Bill's Insurance specializes in personal lines coverage's in the Dickinson area and has been in business there for many years. The merger with their book of business and Western Agency, Inc. will give Bill's Insurance clients access to the unlimited markets of Western Agency, Inc., as well as Western Agency, Inc.'s expanded expertise in the farm and commercial markets. Steve Wolff will continue as the manager of Bill's Insurance and will be assisted by Jamie Kirchenheiter, who is also a full time, fully licensed agent. With the extensive automation of Western Agency, Inc., Bill's Insurance is fully on line with the central office of Western Agency, Inc. and has access to all of their markets, expertise, and services. Western Agency, Inc. has a culture of leaving the management of their remote locations in local control and looks forward to many years of continued expansion and growth in the Dickinson area.

Ring Appraisals Discussed

When talking about appraisals on your diamond rings, or other fine arts you may have separately insured a word of caution would be sure and keep the values of the items current. In many cases your ring may be worth more than when you purchased it. Possibly it could have decreased in value. Either way you should check from time to time to see if it is correctly covered. If it is worth more you will be happy you increased the coverage in the event of a loss and if it is worth less you can save the extra premium you are spending to over insure the item. Either way it is good to check up on these things occasionally. In most cases the place you purchased the item can quickly give you an estimate as to current value.

Contests, Contests, Contests

#1 Western Agency, Inc Seeks Input on Better Service: In keeping with our sincere desire to constantly improve our service to our clients and knowing that most really good ideas on how to improve our service come from our clients, Western Agency, Inc. will be sponsoring a contest for ideas on how we can improve our service to our clients. If you have any suggestions as to how we can do this please simply drop us a note here at the office, send us a fax at 701 852 6272, or simply tell one of our employees. It is better to get it in writing though, as we are also having an employee 'good idea' contest and you don't want them pirating your idea, right? No, they wouldn't do that. The best idea will receive an award of \$200 and all best five ideas will receive cash awards. As your insurance professionals we want to do the best job possible. If you can think of a better way for us to serve you, jot it down and let us know.

#2 Send Us A Client: We need more good business and the best way to get good clients is to work with people recommended by our existing good clients. Therefore we are continuing our SEND US A CLIENT contest for 2002. Last year's winner of the SEND US A CLIENT contest was Matt Grigsby, RR Glenburn. He and his wife Shar will be going to Hawaii in November. Maybe this year's winner will be you. All that is needed is to give us the name of a prospective client. If we insure them we will put your name in the hat to win a one-week trip for two; airfare and condo to Hawaii. Another way to win is to simply recommend us to someone and tell him or her to let us know you recommended us to him or her. If we insure them we will enter your name in our contest. Send us a client: They will gain excellent insurance service; we will get more good insureds, and you may end up going to Hawaii on us.

#3 Westy Hat Winner Announced: This springs wear your Westy hat winner is Stan Vangness, RR Berthold. Vangness beat out several other contenders in this spring's contest by being sighted by not one but two of our unknown, secret, and all seeing judges

on the very same day. Vangsness will be presented with his \$50 gift certificate to Perkins Resterant in a ceremony later this week.

Crop Corner

Multi-Peril Crop Insurance: Crop letters have been sent out and all farmers now have this information in their possession. First on the Multi-Peril Crop Insurance Agenda is to get acreage reports done. Agents will be calling to get your acres recorded and if you are ready sooner please call us so we can get to you right away. Additionally, if you have any last minute added land let us know. One new thing for this year will be a form we are having signed which lists the amount of acres by crop for each county. When you certify take this sheet with you to be sure you certify the same acres you recorded. We are hoping this new form will help misreported acres, which can jeopardize your loss.

Hail Insurance: How does 9/11 affect farming? It has severely curtailed the reinsurance market for Hail Insurance. One of the restrictions put in place are much stricter procedures on binding authority. Hail insurance can only be bound by submitting a completed application. For a large farm it can take hours to complete an application. This can be a real problem if a storm is on the way. We are urging all of our clients to purchase hail insurance early this year: Before a storm is on the way.

Hail Insurance Continued: In addition, this year for the first time in many years there may be a capacity problem with many or all companies. What this means is each individual company will only place a certain amount of risk in a given township. This can affect you by making it difficult to secure adequate amounts of coverage if your township is filled up. Again, the only defense against this happening is for you to buy your hail policy early. Give us a call right away this summer. We can get out and get your program set up before it is too late.

Scholarship Winners Announced

Western Agency, Inc. has been committed to scholarship programs in area schools for many years and to date we have sponsored over \$30,000 in this type of education related sponsorships. This years winners of the Western Agency, Inc. scholarships are listed below and our congratulations go out to these young people. Berthold had two scholarship winners for this year. They are Carmen Laumb, who will be attending NDSCS in Wahpeton to be a dental hygienist and Tara Bryans who will be attending Minot State University. Sawyer winner Whitney Liebelt will be majoring in psychology at Minot State University. Glenburn winner Marie Shaefer will be attending Concordia College this fall as a pre-med student. Velva winner Ashley Haugen will be attending UND this fall majoring in Industrial Technology. However, she wrote us such an excellent scholarship application essay we feel she should be going into journalism.

Garrison's winner, Justin Tank will be attending BSC in Bismarck. Granville winner Ashley Overlie will be attending Minot State University majoring in nursing. Our congratulations to all the scholarship winners. It is our sincere hope that by helping you with your college aspirations you will be able to find work here in our excellent state and stay here and help build North Dakota.

Want to Sell/Buy

Sell: Wood and Mulch Chipper: Like new, five horse, \$150 Gas Water Pump: three horse, excellent shape, 1 ¼" output hose \$100 Ford Three Point Flail Mower: \$350

Buy: Machine shed, approximate size 50x80

Political Corner: Measure #2

As citizens it is absolutely necessary we get out and vote. In addition, this 6/11/02 there is an item you must be aware of. Measure #2 on the June 11 ballot is a referendum on the Bank Privacy laws enacted by the last session of the North Dakota Legislature. A yes vote on Measure #2 will keep insurance law as it currently is: Which is to say private, secure, and competitive. A yes vote on Measure #2 will keep things as they currently are.

The proponents of a 'No' vote would force insurance rates to go up by vastly complicating the process by which we could quote out your insurance program. As the law currently stands we are able to quote your policy with several carriers to be sure we are getting you a competitive price. If a 'No' vote prevails on Measure #2 we would have to contact you and get a signed permission slip to even start the quote process. Furthermore, what if we are insuring your business and you have many employees. We would need a permission slip from each and every one of them, for each and every company we were going to quote. Any way you slice it this will drive up costs, take a huge amount of time, and these extra costs will be passed on to you the consumer. It is seldom we get political with our newsletter, but this is one of those times we really felt the need to inform our clients of this impending situation. Please take the time to vote, and vote YES on Measure #2.

Editorial

Here we are almost done with the first half of the year. We will be expecting to talk to many of you as to how much frost you got on early crops and have set up our adjusting staff to get these losses settled. I guess what is normal in the insurance business is the abnormal. We have been renewing many of your policies and as predicted, by using higher deductibles, getting rid of unneeded coverage, and generally taking a good hard look at what and how you are insuring; we have been able in most cases to keep your insurance costs very near to where they were before. One thing that many of you may not know is that we shop your account with many carriers, usually far in advance of your renewal date, to be sure we have you with the most competitive company for your particular account. We have done this for years, but now, in these crazy times it is more important than ever to really look at your renewals to be sure there is no money wasted. This past year we have added four extra staff people and one of the big reasons was so we could be even more in touch with our clients as to taking care of their insurance needs and questions. You will most likely be getting a call from one of our people in the next few months. Our purpose in doing this review of your insurance program is to simply be sure we are insuring you correctly and that we have your account priced as good as we possibly can. Furthermore, this is a good time to explain any coverage questions you may have. We understand your insurance program is expensive and we want to be sure it is done accurately and correctly.

Western Agency, Inc., now has over 2800 clients in North Dakota, which makes us one of the largest agencies in the state. We have a staff of 14 and have offices in Minot, Garrison, Glenburn and Dickinson. I think one of the reasons we have grown to this size is the basic philosophy we have always had of putting our clients interests first, investing in the communities where we are doing business, and doing everything in our power to try and have your assets insured correctly. Even in these times of high costs and expenses it is not a good time to delete needed coverage, rather we are trying to educate our clients in the use of higher deductibles, and alternative coverage's to keep costs down. In so many cases, instead of leaving out needed coverage, by using a higher deductible you can still be insured for the big claim and not run the risk of a major uninsured loss. We want our clients to know that depending on your situation, it is not the first \$1000, \$2500, or even \$5000 of a loss that can break you; it is the \$100,000 \$250,000 or \$500,000 uninsured loss that puts you out of business. If we can all get back to being in the catastrophe loss business and not the warranty business we can and will keep insurance costs down. What I want my staff to do in the next year is to contact each and every one of you to see how we can make your individual insurance program as effective as possible while keeping the cost to a level you can afford

Why buy from us? Because we absolutely sincerely appreciate your business and we try every day to earn it. When you have a claim it would be our nightmare for you not to be covered. We want you to know that the main thrust of our efforts is to be sure we have

you precisely and correctly covered. We want to be there; when you need us, to cover your assets.

Thanks for your business,

Chuck Tompkins