

INSURANCE Roundup

December 2004



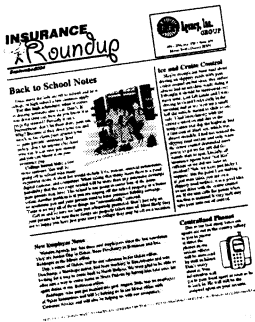
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Current and Future Homecomings Make For Happy Holidays

As I finish writing this newsletter it is a very nice 49 degree day in December. Wow! First it was cold all summer, now warm all fall. What is this, global warming in reverse? Anyway, after a scary wet spring and a cool summer, by and large it was a good crop wasn't it? It seems our state economy is stronger than ever and there sure seems to be many more new houses being built. Here at Western Agency, Inc. we are seeing many young people move back to this great state and they are getting excellent jobs. Many of these young people are finding out that after you have been to the big city it doesn't seem to matter so much how big a paycheck you get anymore. By having been in big cities they know there are many more factors to consider. The ones we hear the most are: "I don't have to spend so many hours in traffic to get to and from my job." "I can walk downtown to go shopping and not get mugged." "We are able to send our kids to school and know they will be getting a real education." "I can afford a nice house and not use my entire paycheck to pay for it." "It's not just how much you make its how much you get to keep." In this season of Christmas and New Years, it is



good to reflect on all of the blessings we enjoy. I hope as the winds of winter boom across our state you and yours are snug and warm with those you love. Our thoughts and prayers go out to those overseas and wish for their quick return. We are grateful to them for protecting our future and giving hope to those who have so little. From all of us here at Western Agency, Inc. to all of you...Merry Christmas and a Happy New Year!

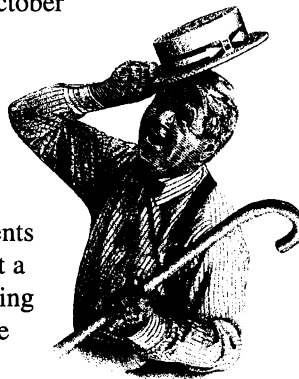


Western Agency, Inc. Newsletter Has Impact

In a recent Newsletter we discussed the problem of banks and their poorly designed drive-up lanes. You know, those with drive up lanes where the lane is too narrow and the steel guard posts too close to the cars. This problem has caused thousands of unnecessary dollars in damage to autos over the years but like many problems was not really noticed until this reporter damaged HIS auto. Who knows if it was the tremendous amount of discussion generated by the recent Newsletter, or just coincidence, but lo and behold, at least at one bank in this city has repositioned the guard poles. Our thanks, and who knows, maybe we should try and get an auto discount for the people who bank at United Community Bank in Minot?

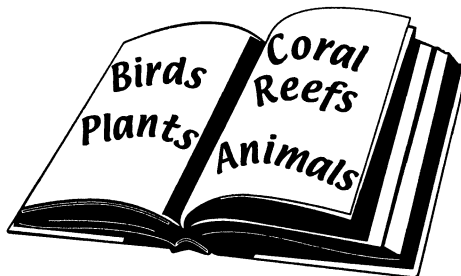
Claim Corner

Hats off to the staff and management at Dakota Truck and Farm for their speedy recovery from the disastrous fire in their business this past year. Owner, Mike Hemphill came to work that cold morning, October 14, 2003, to start one of the worst days of his life after unknown idiots first robbed the business and then in an attempt to cover evidence of the theft set the business on fire. Somehow, Mike was able to actually get his business up and operating the same day but it took almost a full year for all the damage to be fixed. After the loss was finished, agents Casey Tompkins, Lu Hanson and Craig Johnson got a call from one of the claims supervisors complimenting them on having super coverage in force which made settling the loss much easier.



Books for Giveaway

Recently Linda and I attended the Great Tomato Festival and I got to bidding on some books at the silent auction. These books are leather bound/special edition books. They are on various subjects such as birds, plants, coral reefs, and animals and are beautifully illustrated. The problem was I thought I was only going to get one book of each kind and instead I got a total of over 20 volumes. If you have a classroom that would like some of these books, or know a child who would like one, or some school library that needs books, or just want one for yourself, give me a call and I will try to get them to you. I would be happy to donate these books to a worthy cause and will give them away on a first come, first served basis so give me a call to reserve yours.



New Employee News

Western Agency, Inc., at long last has a full-time phone operator/receptionist. In line with our thinking that an automated phone system is a total waste of money but knowing we absolutely had to be able to get the many phone lines from all the offices answered quickly and correctly we have hired Karen Swearson and her sister Carleen Padley to take over the phone operator/receptionist job full-time. Reports are already coming in that phones are being answered faster and the rest of the staff is finding their stress level lower. Karen and Carleen are also very good at keeping the coffee fresh so if you have a chance, stop in and meet them and have a cup of Kona coffee. Also, we have hired another full-time Customer Service Representative Kristy Petty. Kristy will be an assistant to Dickinson office manager, Jamie Kirchenheiter.



The Great Parking Lot Fire

Although it probably didn't get into any newspaper, the great Western Agency, Inc., parking lot fire was exciting nonetheless. The event was precipitated by the huge sweet clover crop that was raised this year and the fact that when you are out in the field baling sweet clover it can tend to wrap up on the driveshaft of your vehicle. Such was the case with Lyle Solberg this past summer when he stopped in to our Minot office to visit with his agent Craig Johnson after being out baling sweet clover. After he left the field, Lyle had parked his pickup in front of our office when he went in to see Craig. Casey and I were standing in the front office when Casey happened to see smoke coming out from under the pickup. On looking closer we could see smoke pouring off a huge wad of sweet clover straw wrapped around the vehicle's drive shaft. Flames were just starting to form when we crawled under the pickup, took our trusty Western Agency, Inc. jackknives, cut the burning stems free, and stomped out the smoldering straw in the parking lot. Yet another fire loss prevented with the help of a good old Westy knife!

Westy Hat

Again, with this newsletter, we have multiple "Wear Your Westy



Hat" winners. First winner goes to Randy Henke, RR Sawyer. Henke, while wearing his Westy hat, actually got on TV while he was watching his boys Blake and Eric play in the State 11 man class A football tournaments this past fall. Blake and Eric are on the famous Velva/Sawyer Aggies team who again won the State Tournament this year. That makes 4 out of the past 5 years the Aggies have won State. Second winner goes to Jim Wald, RR Surrey. Wald had a "Westy" hat that was so old and worn out it should be in a museum. Farm manager, Craig Johnson got him a couple of the newer models. Finally, Gary Jung, RR Norwich was spotted by our all seeing, anonymous, and unknown judge wearing his faithful Westy hat so he too gets an award. As per tradition, all winners will get \$50 gift certificates to Perkins Restaurant, a new Western Agency, Inc. hat and, of course, a new Westy jackknife.

Westy Shorts:

Crop Insurance News: Agents have already been to several meetings concerning the 2005 crop insurance year. However, before that is of much concern, it is time for all of us to get in touch to get your proven yields in place. This process of proving up your crop yields is key to knowing where you will stand coverage wise on your Multi-Peril Crop Insurance in the upcoming year. Contrary to most agencies that simply send you out a form to fill out with your yields, we at Western Agency, Inc. are happy to come out and sit down with you to get this important paperwork in place. Plus, then we can give you the exact amount of coverage you will have on your 2005 crop. Many times, the difference in whether or not you will be able to collect on this policy is in how well it was drawn up in the first place. We are happy to help you get your proven yields done, get your acreage reports completed, sit down with you to look at how you have your units drawn up, or get written agreements done on crops where they are needed. We are in the process of doing yield reports right now. If you are ready to do yours let us know so we can get to you in the near future.

Contractor Insurance News: Bond season is just around the corner. For those of you who will be needing performance bonds in the upcoming year, now is the time to do some advance planning. If you want one of our bond experts to sit down with you, or you and your banker, or with your tax accountant, just let us know. Banking and Tax Planning decisions that you make this time of year can help or hurt you in getting increased bonding limits in the upcoming season. Stay in touch with us on these issues. In addition, when you get a request for a certificate of insurance, fax us a copy so we can see what the requestor is really asking. Many times this will save the need for a "corrected" certificate. Also, we are increasingly seeing requests for having someone else added as "an additional named insured" on your policy. In most cases this is easy to do and costs little. However, it does dilute your coverage and in some cases you may not want to add these people. Let us know about each situation so we can sit down with you and be sure things are being handled correctly.

Personal Insurance News: A couple of things here. First of all, once in a while, due to too many claims or too many driving violations, a person's insurance rates will go up. Not to the level of high risk pricing but higher than a preferred rate. The problem is that sometimes the companies do not have a good mechanism for remembering to take these higher rates off when the violations have been removed. We represent many companies and all of them are guilty of this from time to time. Although we try to watch for this problem ourselves, once in a while a person will be paying more premium than is necessary. So if you or one of your children had a bad record a few years ago, or if you have had a big loss on your home a while back it is a good idea to give us a call and make sure the company has taken the violation and surcharge off your policy. Also, if you have replaced your roof recently or made other improvements to your house let us know. In addition, if one of the kids got on the honor roll it can really help drop premiums. I guess what I want you to know is there are many ways to get a premium discount. It is just that so many times we simply do not know about what is going on with you. It just takes us a few minutes to check these things out; costs you nothing, and could well save you a pile of premium dollars. Give us a call.

Auto Insurance News: One more time, for all to remember, when you purchase an auto, truck, motorcycle, snowmobile, or any vehicle that has a title, be sure to title it in the name of the person or entity who is named insured on the policy. In other words, if you purchase a car for a son or daughter who is away to college, don't put the vehicle in their name only. If you have several companies with different names, be careful which name is on the vehicle title. If you have a company and purchase a vehicle, don't just automatically put the vehicle in your personal name. There are many little quirks in all insurance policies no matter what company the coverage is placed with. Most times it costs nothing to have a policy correctly drawn up. All that is required is to give your agent a call and be sure all the square pegs are in the square holes. We're here

24-7-365, if you have any questions, call us.



Editorial...

The Myth of Covering Deductibles

It seems a new twist has worked itself into the auto claims process. That twist is that certain body shops in the area offer to "Pay Your Deductible." Of course in times of many people carrying higher deductibles, this sounds really good doesn't it? However, like so many scams before it, the old saying "you get what you pay for" comes back to haunt you on this one also. First of all, body shops have been around since a couple of weeks after the first auto was sold. It is not a new business. Problem is when you are a new body shop in town how do you break into the market when there are already so many established shops around? Many of them with excellent reputations for doing very good work. Let's see, what if you offered to "give the person back their deductible." Maybe that would help business. I suppose that is how this scam got started. Problem is, there is no free lunch. If, as a body shop, you are going to give someone back their \$500 deductible, you will have to come up with the money somewhere. How do you do that? Here are a few examples we have seen in the past few months.

1. Insured was supposed to get a new fender on his car. He found out later he only got a used fender on the car. Furthermore, on inspection, it had almost a full inch of body putty on it to fill in old dents. This substantially downgraded the value of this person's auto. Of course he only found this out at trade in time. The decrease in value was far more than the \$250 he had "saved" by "getting his deductible back."
2. Another insured was supposed to get a new hood. He too found out it was a used hood. Not only that, but the frame damage his auto sustained had never even been fixed. The hinges on the "new" hood had been realigned and redrilled to give the appearance of everything having been fixed. He only discovered the unrepaired damage when his car started chewing up front tires. On further inspection the car was

found to not even be safe to drive. Of course he too had "saved" \$500 by "getting his deductible back."

3. Several people have reported to us that they found out after the fact that instead of OEM (original equipment manufacture) parts they found their auto to have been fixed with cheaper after market parts. In some cases after market parts may be ok but in many cases they do not fit correctly and this too can affect auto resale. As a consumer, if the company or the body shop is going to use after market parts in the repair of your auto, you should know about it in advance.
4. Still another insured found out that a bumper which was supposed to be replaced had not in fact been replaced at all. This person too found

out about the fraudulent work when he went to trade in the auto and had to suffer a substantial loss in value.

5. Finally, we had a client who found his paint did not match. Investigation found that the insurance company had paid the body shop for the paint to be blended, but this in fact had not been done. The body shop had saved the money for "giving the client their deductible back" by not blending the paint. In this case, the client was simply stuck with the resulting multi-colored car, and loss of value at trade in time.

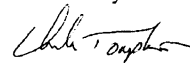
In many of the situations where the person is to "get their deductible back" we find out that the client actually has to write a check to the body shop and, of course, the body shop promises to "tear up the check." In this situation, the client is actually involved in the deception and in a case where he or she has a problem and is trying to recover damages from the body shop, this person

may well find they, the client, are considered to be fraudulent as well.

There is certainly much pressure on body shops to be competitive on their estimates of repair. Of course, we too as an insurance industry are under huge pressure to keep costs low. Hence many companies are trying to constantly chisel down body shop estimates. A good ethical body shop will take the time to talk to the adjustor and try to arrive at a workable settlement where the body shop can adequately repair your auto and still afford to stay in business. There are many good shops in our state and they are ready and able to meet this challenge. Furthermore, they will return your auto to you fixed and good as new. However, if you happen to have been drawn into one of these "chop shop" scams and have—as a result of an inferior repair—suffered a loss in value of your auto, we do have forms here at the agency that can be sent to the Attorney General's office to try and get your problem resolved.

A good body shop will work with you and your insurance company to get an excellent repair done on your auto, not just look for places to cut corners and give you an inferior repair job. If you have an auto claim, we would hope you look for a shop with a good ethical reputation. Hint? Most likely the ones with the best reputations don't have big signs out there advertising they "get your deductible back." We are your insurance advisors. We try to get your insurance claims and problems taken care of as quickly and painlessly as possible. In the last newsletter I said "Good friends don't let good friends be badly insured." In this newsletter I am saying good friends don't let good friends make repair decisions that may well cost them money later on.

Thanks for your business.


Chuck Tompkins