

INSURANCE Roundup

Winter 2008



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Spray Drift Coverage Discussed



In light of the many spray drift losses we have had in prior years and in

view of the higher crop prices, it is simply inevitable that we will be having larger spray drift claims in the upcoming year. We had one claim in 2007 that exceeded \$50,000, and over the years we have had many that have exceeded \$50,000 even with low crop prices. In view of this, we have been talking to our clients about having high limits of spray drift coverage in place. In my mind, the absolute lowest limit I would recommend is \$100,000. Not only that, but I like to see a policy in place where the defense limits are "outside" the policy, not "inside." The companies we represent have the defense costs "outside" the policy limits. This means the costs incurred defending you are in addition to the limit for spray drift you have on your policy. Some of our competitors are selling a policy that has limits of only \$50,000 for spray drift claims and the defense costs are "inside" the policy. In other words, if this company spent \$10,000 defending you in a spray drift lawsuit, and if you lose the case, there would be even less coverage available to pay the claim on your behalf. If you have an insurance agent telling you low limits of spray drift coverage are okay, ask them how much Malpractice Insurance they carry. We here at Western Agency, Inc. carry \$3,000,000. For that matter, if an agent REALLY had your best interests in mind, why or how could they possibly be trying to talk you into carrying less Spray Drift coverage than you already have?

Credit Ratings Discussed (Again)

It's the start of a new year. Of course this is the time for a bunch of resolutions which we may or may not follow through on. One resolution you may want to follow through on is get a copy of your credit report and make sure it is correct. In today's world, having a good credit report in place is one way to get better interest rates at a bank, in many cases secure a larger credit line, and it can sometimes help you get better insurance rates. Why? Well, in the case of the banks I think having a good credit report is self explanatory. In the case of the insurance industry, it simply has been repeatedly shown that people who take care of their personal business affairs are better insurance risks. This evidence is totally irrefutable and thousands of our clients are getting better insurance rates because of having a solid credit rating. Some things to check on to improve your rating:

1. Check to see if the loans you have paid off are really shown as paid off at the court house. Years ago, when you paid off a loan your bank would send notice to the courthouse that the loan had been paid. At this point this usually doesn't happen. Therefore, you may have a bunch of loans that show as not being paid off that actually are. All you have to do to check on this is get a copy of your credit report and see if the loans listed have not in fact been paid off.
2. Be sure you pay your bills on time. This includes loans, the water bill, the fuel bill,

credit card bill, virtually any bill. Having a record of paying them on time really helps your credit report.

3. Pay off loans ahead of time. This is a very good way to improve credit in a hurry. If you are responsible with credit, you can take a loan out on a small purchase that you wouldn't have had to borrow and then pay it off early. The point here is to establish a record of paying loans off on time, or even ahead of time, will dramatically improve your credit rating.

4. To get a good credit score it is necessary to have three credit lines available to you; however, don't have too many credit cards and charge accounts. It is virtually impossible to go to a major store and not have credit pushed at you. Most times the credit line offer gets you an additional "discount." However, if you have too many credit cards and charge accounts, it will get you an additional "charge" elsewhere. The advice here is to be careful about having too many charge accounts.

5. Don't let people run your credit score too many times. If you go to several car dealers looking for cars and credit, and they run your credit report a bunch of times, it can hurt your overall score.

6. Finally, it is a very good idea to only use up to a third of the available line of credit on your card. In other words if you have a line of credit on your card of \$10,000 only use \$3,300 of it at any given time.



Umbrella Coverage (Again)

In the last newsletter, I discussed the Umbrella liability policy and stressed the need to have one. In the past couple of months as Casey, myself, and the rest of the staff have been going over our clients' coverage, we have been blown away by the number of our clients who were critically underinsured by not having this much needed policy in place. Actually, we have sold over 85 Umbrella policies in the past three months to people that should have had

them in place years before. The cost to add \$1,000,000 or more of excess liability coverage is simply not that expensive. With court awards going to astronomical heights and medical costs continuing to escalate, you simply should not be jeopardizing everything you have by "saving money" by carrying too low of liability limits. Having to live the nightmare of having inadequate liability coverage in place when you cause an accident can really highlight the definition of being "insurance poor."

Editorial

It seems lately, I have been a bit too preoccupied with warning my clients against telemarketer and TV-type insurance. Of course, the “perception vs. reality” of this type insurance and the constant problems that people who buy insurance from these people are having in getting problem claims settled is becoming more and more evident. Why do you suppose these TV companies have to spend literally billions of dollars in advertising? Anyway, this editorial is more dedicated to discussing our staff here at Western Agency, Inc. and some of the ways we are different than the telemarketer, TV add type of agent. First of all we have a staff of 25 people who are constantly going to schools, seminars, and taking study courses to become more educated; and therefore, better able to help our customers be adequately and correctly protected. In addition, of these 25 employees, three are former insurance adjusters, with a combined total of over 33 years adjusting experience. Two of them were casualty adjusters (homeowners, auto, commercial) and one was a Multi-Peril Crop Insurance adjuster for many years. Also, to support our staff with proper products, we have a stable of excellent companies, four of which (Auto Owners, North Star, Allied and State Auto Milbank) are A+ rated.

My point in bringing this up is that at

Western Agency, Inc., we have a three pronged approach to adequately covering your assets which are a highly trained staff, combined with excellent carriers, supported by people on staff, who know and understand how to settle a loss and know if your claim is being properly handled. We monitor all losses that are being settled and are in contact with the companies involved to be sure the claim is not only being settled correctly, but it is moving along as fast as possible. We don't do any fancy TV ads with a skilled actor telling you how fantastic we are. We simply see to it that, IN FACT, your claim has our personal attention. As the client you many times do not know or see how much we are working to see your loss is correctly and quickly paid, but I can tell you this—there is a reason our clients stay with us for years and years. There is a reason our retention ratio—the number of people who stay with us year after year—is over 96%. Keep in mind, this 96% includes people we lose to death and moving away, as well as, competition. Years ago, one of my competitors said, “Western Agency, Inc. is like the Mafia—once you go in, you never leave.” He intended it as a slam, but hey—I took it as a compliment. We simply could not have this high of retention ratio if we weren't doing a good job for our clients.

The other point here is we have always

tried in the past, and will always try in the future to sell COVERAGE over PRICE. We are uncompromising on this. I would far rather sell you a BETTER policy than be obsessed with being sure you have a CHEAPER policy. The insurance business is now in what is called a “soft market.” Companies are cutting prices to retain market share. Due to this “soft market,” we have seen quite a few of our commercial clients get quotes that were quite a bit cheaper than ours lately. Yet, on closer examination in absolutely every one of these cases, there were substantial amounts of coverage that had been “left off” the lower quote. The old “get what you pay for” adage is still a good one to remember in a soft market. Are we competitive? Of course. We could never have grown to be one of the top five agencies in the state if we were not price competitive. Are we always the cheapest? No. Are we trying to sell our clients the best possible coverage? Yes. That is the way it has always been and it is how I intend to keep it. I will make you a guarantee that at claim time the last thing on your mind will be PRICE—the first thing will be COVERAGE.

Thanks for your business!

Chuck Tompkins

Westy Hat



In view of the fact that so many people are proudly wearing their Westy hats and it seems that these same people are usually known to have a good amount of healthy hair on their heads, there is talk afoot that just possibly wearing a Westy hat is conducive to healthy hair. I know this rumor has been around for years but with all the publicity about people wearing a Westy hat our own unknown, always present, but never seen, judge has conducted his own unofficial, unknown, and of course unproven survey on the matter. He did come up with the fact that the overwhelming number of the people spotted proudly wearing their Westy hats had healthy heads of hair. Furthermore, many who showed less than spectacular hair growth reported that “it seemed” their hair was doing better now that they were wearing their Westy hat. Rumor? Urban Legend? Who knows? Maybe one of the medical colleges will pick this up and do an “official” investigation into the possibility that wearing Westy hats actually improves hair growth.

Golf Game: Oh, in addition, does it improve your golf game? Hey, ask David Olson. Rio Salado Golf Course, Scottsdale, AZ: Traditional black Westy hat, 7 iron, hole number 4, 93 yards: hole in one. Yeah baby!

Hunting: How about your hunting ability? Ethan Stein, Florescent Westy hunting hat, first deer, 5x6 (much larger than dad Ron's)

Fishing: How about helping you catch trophy walleyes? Ace Fisherman, Kerry Fines never leaves the dock without his trusty “Westy” hat glued to his head. Does it help him catch fish? He won't say but the ever present judge says Kerry is rarely—if ever—without a full limit.

Football: Your College Team's scoring success? How about the new limited addition, NDSU Westy Hat. Fifty of these limited additions were ordered for the NDSU homecoming game, of course NDSU won. The 50 hats were gone in a matter of days but don't worry—96 more have just arrived.

A \$50 “Grant” Universal Gift certificate to Olson. Another gift certificate worth \$50 for a delicious meal at Perkins Restaurant for Stein. And, for Fines, another \$50 gift certificate for the world's best pizza at Sammy's here in Minot. For the idea of the super good looking NDSU style Westy hat, Jay Hight of Hight Construction here in Minot gets a \$50 gift certificate for awesome home cooking at Homesteader's Restaurant here in Minot.

Employee Theft Discussed

Does your business insurance cover you for employee theft? In many cases it does, but is seldom



automatic. Even if your insurance policy has some “automatic” employee theft coverage, it is most likely in a very limited amount. In all cases, it is a very good idea to check with us to see exactly what and how much employee theft coverage you have to see if your limits should be raised. Another thing to consider is employee theft is a very specialized type of coverage and does not cover all types of theft. We can sell you business insurance for the employee who is stealing inventory, money, or personal property. We sell policies for this type of employee theft and have claims from time to time on this coverage. But what if you are in a paper type of business? A business where the client information that you have gathered and paid for over the years, and the way you then transact business with these clients are your stock in trade. In this type of business, there are no physical things to take; only the information and client base you have built up with your clients over many years. Theft of this “information” is hard to prove, is virtually uninsurable and the only way to even moderately protect yourself from this type of loss is to put a Non-Piracy Clause in your employment contract. If you own a business with this type exposure, it would be a good idea to call your attorney and have him draft a specific one to protect your business. We did.

Westy Shorts

Just Say No To Automated Phones: Once more, you can count on us never having an automated phone system. When you call us, you will always get a real person on the phone who is concerned with getting your insurance problem taken care of.

Furthermore, our phone person will always be able to speak the English language well, and will be someone who is not sitting in some small cubicle in Bangladesh or Cleveland trying to pretend they know something about insurance.

Rental Snowmobile Coverage: No, it's not the same as renting a car. As a rule, the people renting you the snowmobile do not have adequate coverage available, and no one company does a great job of automatically protecting you. All I can say is if you rent a snowmobile call us, so we can get you correctly covered. What if it's on a weekend or after hours? Call us anyway; one of my clients did that last Sunday and although he didn't have an accident, if he had, he would have been adequately covered.

Grain Theft: Well, it sure has happened. The price of grain is up and so are grain thefts. We have had two reported in the past couple of months. If you have any doubt where you stand on grain theft coverage be sure and give us a call. Cost to cover grain is extremely low. Here is a good idea—go purchase a bunch of padlocks all with the same key and padlock your bins—especially the remote grain bins. Then if grain is stolen you will have evidence of a theft.

Custom Grille Guards: With many people putting fancy custom grille guards on trucks and pickups to alleviate damage from deer hits, I thought we should check to see if coverage is automatically in place. Surprise! Not in all cases. I've found that with some companies coverage is limited to \$1000. If the guard you have is worth a bunch of cash, give us a call so we can check coverage for you.

Stock Ponds and Sloughs: With the low water levels in many area sloughs, the water in some of them is reaching toxic levels dangerous to livestock. The county agent is telling us that toxic sulfite levels of 1,000-2,000 ppm (parts per million) is the maximum safe amount. Recently, we had one of our insureds test some of their sloughs and the test came back with 3,690 ppm of sulfites. Wow! Actually, in one of the sloughs tested there were 5,970 ppm of total minerals with 3,690 of them being sulfites. If we don't see water levels rise in the spring, it might be a good idea to have your sloughs tested if you have cattle drinking from them.

Kona Coffee

What is Kona Coffee? It is an award winning coffee bean grown in the Hawaiian Islands on the Island of Hawaii in the county of Kona. This robust coffee is typically grown at altitudes of 300' to 1200' and is considered one of the richest and best coffees in the world. I was lucky enough to get to know a large coffee grower on Hawaii in the past years and started shipping his coffee here to the office. Since so many of our Western Agency, Inc. insureds love coffee, and of course so does our staff, it is the only coffee we serve here at the agency. We grind it fresh for every pot, so if you are in the area stop in and get a cup.

We also have on hand some even more exotic Ka'u Coffee. This is grown in the Ka'u district, which is south of Kona, and is grown at typically higher altitudes. The Ka'u bean is slightly bigger and is even more robust than the Kona bean. How do you get this coffee? We have a limited supply on hand here at the office, or you can call Jim Hope, at Hope Family Coffee Farms in Hawaii for Kona coffee (808) 328-9231 or Grace Tabios at The Rising Sun Coffee Company (808) 929-9349 for Ka'u coffee.

Warning: (there are a couple) first warning: Hawaii is five hours behind us in time so call at 1:00 pm and it is 8:00 am over there. Second warning: too much coffee can make you unstable. The Westy staff will not let Chuck have Kona coffee after noon as he tends to overdose on it.



Delusional Journalist Files North Dakota Story

Wow! Have you read the January 2008 issue of National Geographic? What have these people been smoking? I guess it is just popular to describe North Dakota as a frozen wasteland where all the people have been forced to leave. As I read this misleading, off-base, and simply not true story, and looked at pages and pages of pictures of abandoned houses and desolate landscapes, I wondered how much longer do we have to apologize for our beautiful state. I wonder where the author of the article lives. Maybe in a big city? Gee, where are the pictures of all the slums, homeless people, crime, and abandoned buildings in his town? I guess if you only want to look at negative things you can find them anywhere can't you? Simple facts: North Dakota has less pollution, less unemployment, less crime, higher per capita income, lower cost of living, and more wonderful people than anywhere in the United States. We are one of only three states in the black financially, have a highly educated and motivated workforce, and are considered one of the absolute best places in the country to raise kids. Many times our cities have been rated in the top "best places in the US to live." Here at Western Agency, Inc. we have hired eight people who were living out of state. Why did they come back? See "Simple Facts" above. If you have a son or daughter who has moved out of state and wants a good career to come back to have them give us a call.

Office Remodel

It is pretty obvious that finally we have decided to update and remodel the office. Maybe it was the infusion of new blood with Ryon and Bruce coming on board, maybe it is because Ryon's wife, Kristen, is an architect, but you will soon see a massive overhaul of our Minot office. We will once again have all of our people under one roof and will have eliminated the stupid "west wing" where part of our staff was housed in a separate building. Furthermore, we will now have our own conference room and will be able to have more farm seminars on site without going out to rent space. As soon

as the project is completed we will be having what? An open house? Looks like a good excuse to have a party. Stay tuned.

Employee News

With the addition of three new employees we are once again at full staff here at Western Agency, Inc. First to come on board was Melissa LeBlanc. She and her son, Nico, had been living in New York where Melissa was a mortgage broker and she wanted to get back to the sanity, safety and low cost of living here in North Dakota. With her years of office experience she is a welcome addition to our staff. Next to come on board was Maggie Bennett. With many years of inputting experience she will be assisting in the inputting of our crop insurance book of business. Finally, our newest addition is Cherisse Pullen. Cherisse will be assisting Brenda Vollmer, Annette Foss and Julie Kuhnhen in our Personal Lines department. Also, since Cherisse is from the Kenmare area she will be helping us open our Kenmare operation in the near future.

Personal Injury Coverage Discussed

Basically, Personal Injury coverage is to cover you for claims brought against you for libel, slander, false accusation, and false advertising. A new use for this coverage is what if your son or daughter is chatting online and puts something bad or hurtful about another child in print? We hear more and more of this happening, and there can be severe legal



consequences. Having personal injury coverage in place can protect you from this happening. This type of coverage is not very costly and can save you when you or yours accidentally defames someone. I have been seeing to it for years that we sell Personal Injury coverage to our clients. If you are not sure if your policy has this needed coverage, give us a call and we can check it for you.