

LAUTUM *news*

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- Mutual News
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Chairman's Message

Ronette Payne
Frontier Mutual Insurance Company

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Ronette Payne

Due to recent vacancies created in the Chairman and Chairman-Elect positions, I have advanced to the position of Chairman. I am honored that the membership elected me to the Vice-Chairman position at IAMIC's annual convention last August and want to assure the membership that I am up for the task that lies ahead in my new role as Chairman. I'm also pleased to announce that Jim Wright has accepted the Vice Chairman position for this year.

The Board of Directors met in early December, 2006, at their retreat for strategic planning. Goals were identified and last year's progress was evaluated. We identified our goals for this year as: 1) Continue to increase awareness with mutual insurance policy makers and improve effectiveness of our advocacy; 2) Enhance the effectiveness of our programs—meaningful and timely; 3) Grow member satisfaction; and 4) Build on the successful track record of IAMIC. I plan to evaluate on a regular basis our progress in achieving these goals. My commitment to our membership is to lead IAMIC as a progressive association with integrity. Please feel free to contact me with any questions or concerns regarding our association. ❖



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From the Executive Director's Desk

I never would have guessed how much my life would be different while bringing in the year 2007 than it was on New Year's day of 2006. I have always been optimistic and have enthusiastically entered into each year—dreaming for great things—yet I had no idea that 2006 would bring such a fantastic career move for me! One of the greatest things about my position, I am still working with all the people who I have grown to respect as peers—and treasure as friends. Although I am no longer dealing directly with the insurance, I still am able to contribute in the efforts of upholding the “Mutual” concept. I am very passionate about our industry and have always believed the benefits brought to our communities are endless. I also recognize the importance of involvement—IAMIC can not survive without our volunteers.

As 2007 marches on, I have many new tasks at IAMIC—planning convention and seminars, monitoring the general assembly, developing the *LAUTUM News*, in addition to the daily duties and request from our Board of Directors. One very important task this year is member visits; I plan to stop by each Mutual office to extend an invitation for each Mutual to utilize their membership. IAMIC does serve a purpose . . . are you getting everything you need from your association? I want to know if there are ideas or suggestions on

how we can improve.

The Board of Directors continues to seek new benefits for our members as well as ensuring each member's views are heard. Perhaps there are benefits available that you didn't realize—my goal is to make sure each Mutual is not only aware of these benefits—but knows how to access them. Our Web page is becoming stronger every day and vital information can be exchanged in a fast and efficient manner. Are you logged on? If you have forgotten your log in information—contact me, I'll be glad to assist you.

Our data base is desperately in need of updating and I will be asking each Mutual to participate in providing me with current information. (You will find the Company Data Form located on the next page) Please take a moment from your busy schedule to help us with this project. This will enable us to accurately contact you with association business.

As I begin my journey, I will strive to merit the confidence that our Board had when choosing me for this position. My goal is to hear everyone's concerns and help the board of directors address these concerns. I look forward to working with each of you! Please join me in making this year a success! ❖



Jackie Rakers

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Legal Counsel



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Illinois Farm Mutual Insurance Companies for over 25 years

Eric (Rick) Grenzebach

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Company Data Form

Name of Organization: _____

Address: _____

City: _____ State: _____ Zip Code: _____

Phone: _____ E-mail: _____

Fax: _____ Website: _____

Please list below the names of those individuals who should receive our mailings. Please include their home address only if they prefer to receive these materials at home. If the address is not included below, the information will be sent to the company address listed above.

Please include e-mail addresses for all names listed below. Utilizing e-mail instead of the U.S. Mail saves time and can help to decrease expenses for the association, thus helping us keep your dues in line. Please note: E-mail addresses are used for official association business only and are never sold to third parties. Any e-mail of a commercial nature (promotion of an education program, for example) from IAMIC will be identified as such in the subject line.

Staff & Directors

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| <i>Home Address</i> | | <i>City</i> | <i>State</i> | <i>Zip</i> |

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| <i>Home Address</i> | | <i>City</i> | <i>State</i> | <i>Zip</i> |

Photocopy this page if you need more space for additional staff members. Mail or fax completed Data Forms to the IAMIC office. Thank you!

2007 Legislative Update

Illinois

Senate Bill 1688—Presented by Senator Don Harmon—*Requires an insurance producer to disclose in writing certain information to customers prior to binding coverage, disclose to each customer its compensation relating to that customer's policy prior to binding or renewing coverage, and disclose to each customer at the end of each calendar year all compensation received during the preceding year or anticipated to be received.*

IAMIC—Opposed

This would include commissions and contingencies that agents receive. Although the concept of revealing these funds seem trivial . . . the added paperwork and time involved in separating out agencies contingencies, notifications changing after a mid-year change of coverage, etc., will be very time consuming. Who is going to monitor this law and ensure compliance?

Senate Bill 795—Presented by Senator Don Harmon, Emil Jones, Jr.—*Requires a public disclosure of a wealth of financial information by insurance companies.*

IAMIC—Opposed

The original bill itself came out of the first committee as a shell bill and then this amendment was dropped onto it by Senator Harmon when placed back into that senator's committee. The reporting requirements seem onerous, and there are penalty provisions that are attached for noncompliance.

Gross Receipt Tax—*This bill is deceiving as it appears to be aimed at large corporations who have found loopholes in the system and are not paying their fair share of taxes, however, it will ultimately be passed on to each and every business in the state. The perfect example I can give to you is our vendors/suppliers—Office Max/ Staples—these companies will have to increase cost to cover all the changes the GRT affects—so*

you and I will be paying extra on any goods we purchase. The main concern we must look at is businesses leaving the state and the effect on our total economy if they do. Indiana had a GRT once—they removed it. Needless to say, they are hoping ILL takes one on! If enacted, the proposed statutory rate in Illinois would be the highest GRT rate in the country.

IAMIC—Opposed

** In addition, there are 28 technical bills which we are monitoring to see what they produce. You can monitor the Illinois General Assembly by going to www.ilga.gov.

Federal

McCarran-Ferguson Act—(originally approved by Congress in 1945)

The law gives states the authority and responsibility to regulate the business of insurance—not the business of insurance companies. It allows activities that have increased competition and provided significant benefits to America's consumers. Now they are trying to repeal this act.

S 618/H 1081

IAMIC—Opposed

These bills could change or repeal the existing limited antitrust exemption afforded FARM MUTUALS under this Act. The changes being discussed will have a **major impact** on small and medium based farm mutual insurance companies. Megan Heeg, and Attorney in Northern IL and a Director for one of our Farm Mutual wrote a letter to her Congressmen and I would like to share a few points she makes:

"We would be unable to use standardized policy forms created by ISO and AAIS, will regularly incur significant expenses each and every time our policy forms are amended; and, because the ISO and AAIS forms are
—continued



(LEGISLATIVE—continued from page 5)

standardized forms—tested by the courts—it will be more difficult and costly for us to rate the risks we are being asked to assume.

“In addition, these bills propose to limit or end a farm mutual’s ability to have access to loss history data bases or to utilize CLUE reports. Needless to say, although the large insurance companies may have the ability to incur the expense necessary to collect this information via other methods, the small and medium farm mutuals cannot afford to gather this necessary information in any other way; and I believe that ending the use of these data base services will result in the small and medium farm mutuals being the “dumping grounds” for bad risks. If this happens, it will not be long before the small and medium farm mutuals are forced to close their doors.”

Please watch for alerts that are sent via email—take a moment to write your local representatives and let your voice be heard—ask your Mutual Manager to make sure they pass these alerts along to you so that you can be an active member.

NAMIC President, Chuck Chamness made this statement:

“When we come together to work in unison toward a common goal, progress is made. We may not be able to fully solve the problem or completely overcome the challenge, but when we go home in the evening—or at the end of the week—we know we have made a difference. Please join us in making a difference!” ❖

Please watch for alerts that are sent via email—take a moment to write your local representatives and let your voice be heard—ask your Mutual Manager to make sure they pass alerts along to you so that you can be an active member.

Providing the Tools and Protection Needed in Today's Environment

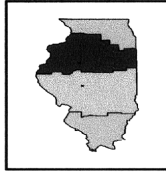


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Mutual News

Announcements

- Central Illinois Mutual Insurance Company, Villa Grove, IL
Harold Von Behrens has retired from after serving for over 40 years. Manager Dee Reinhart stated, "Harold was a very reliable board member who always attended meetings. He was very well respected by his peers. When Harold spoke, you listened." The Mutual presented an appreciation plaque to Harold at a Luncheon in his honor.
- Nokomis Farmer Mutual Insurance Company, Nokomis, IL
Katrina Boliard is the new Manager for Nokomis Farmers Mutual. Katrina has been a licensed agent for 7 years and has been working in an agency office. Please help us welcome Katrina to the IAMIC association!

Member Benefits

- The *Lautum News* publication has always been considered a benefit for our membership. With rising printing and postage costs, we looked at eliminating the printed form of our quarterly newsletter and providing it in electronic form over the Internet. Recognizing that many rural members don't yet have access to high-speed Internet service, the Board of Directors of IAMIC has decided to continue mailing hard copies at no additional cost to our members. Members who had "purchased" hard copies have been refunded. We will continue to offer the *Lautum News* electronically to the few members who elected. We hope the added value of the printed format will enhance communication to all our members. ❖



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IAMIC Underwriting Seminar

April 24, 2007 • DoubleTree Hotel, Bloomington, IL

Agenda

08:00 – 09:00 Registration & Continental Breakfast

09:00 – 09:10 Welcome—IAMIC Updates

09:10 – 10:10 **Grain Complexes**

Presented by: Randy Holthaus, Growmark

This program will help our attendees understand a risk that they often insure but seldom really understand. From the small to the large, we will discuss what to look for in underwriting these major exposures.

10:10 – 10:40 **Condos**

Presented by: Bill Peck, Horse Prairie Mutual Insurance Company

Condominiums are becoming more common in smaller towns and increasingly are being insured by the Farm Mutual. This program will feature a discussion on how this risk is different from stand-alone homes and how to properly underwrite them.

10:40 – 10:50 Refreshment Break

10:50 – 12:05 **Mine Subsidence**

Presented by: Kathy Morgan, Illinois Mine Subsidence Fund

Unfortunately, a survey shows that a majority of agents and Farm Mutuals do not understand how this program works. Representatives from the Illinois Mine Subsidence Fund will clarify this coverage for us.

12:05 – 01:00 Lunch

01:00 – 02:30 **A Video Inspection**

Presented by: Bev Fick and Linda Wares, Bradford Victor-Adams & Belvidere Insurance Companies

Many underwriters never actually do an inspection. Many can not visualize what they are underwriting or do not know some of the items listed on applications that they are insuring. This video inspection will take us through a farm inspection, emphasizing the farm blanket and the items listed on it. Discussion will include what items are, their risks, how to determine their values and depreciation of the items.

02:30 – 02:45 Refreshment Break

02:45 – 03:45 **Vineyard Risks**

Illinois is rapidly becoming a known location for fine vineyards. But what are the risks to a Farm Mutual? What exposures are there on the property and liability sides during each phase of creating a vineyard? A vineyard owner will discuss these aspects from planning to growing to harvesting. We will wrap up the program with a wine tasting opportunity.

Registration

The registration fee includes course materials, continental breakfast, refreshment breaks and lunch.

| <u>Members</u> | <u>Non-Members</u> |
|----------------|--------------------|
| \$150 | \$220 |

Accommodations

We have made arrangements for a block of rooms at the Double Tree Hotel located at 10 Brickyard Drive, Bloomington, IL for the night of April 23, at the special group rate of \$95 single/double. Please phone the hotel directly at 309-664-6446 to make your room reservations.

Continuing Education

IAMIC has applied for 7 hours of continuing education credit from the IL Division of Insurance. A report of all attendees earning CE credit will be submitted to the DOI by May 24, 2007.

Please complete the Registration Form on the next page and fax to IAMIC at 217-529-8388 by Friday, April 20, 2007; or call the office at 217-529-8383.

Underwriting Seminar Registration Form

Please register the following individuals for the 2007 IAMIC Underwriting Seminar:

Company: _____

Phone: _____

Special Dietary/Accessibility Needs: _____

Emergency Contacts (Name/Phone): _____

Enclosed is check # _____ payable to IAMIC.

Please charge my: MasterCard Visa AmEx Discover

Cardholder Name _____

Card # _____

Signature _____

Exp. ____/____ Card Security Code (CSC) ____ _

Should you be unable to attend this seminar, refunds will be given according to the following schedule: **Before 4/22/07** — 50% Refund; **After 4/22/07**— No Refund

Please return this form with fee (or register online at www.iamic.org) by **4/10/07** to:

IAMIC, PO Box 3125, Springfield, IL 62703-3125

Questions? Contact us at 800-694-2642 or leadership@iamic.org

IAMIC Anti-Trust Statement

The purpose of IAMIC is to promote the best interests of the mutual insurance community, and particularly the best interests of policyholders of mutual insurance companies. To this end, IAMIC programs and activities are planned and implemented with the objective that policy holders will benefit from the best products and services.

It is not the intention of IAMIC to provide a forum for standardizing products or rates, dividing markets, fixing profit levels, or categorizing customers to whom insurance products may be sold.

If you have any concerns about the prohibited activities in connection with any IAMIC activities, please contact the president or any IAMIC Board member immediately.

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Congressional Contacts Program – Washington D.C., May 16 & 17

Getting involved in the legislative process and ensuring the success of your industry is imperative . . . and it is your responsibility. You cannot and should not rely on the efforts of others to get the message out to our Congressmen and women about the mutual industry and our many concerns. Don't just take responsibility for the success of your mutual; take time to get involved and make a difference in the industry as a whole.

The Congressional Contacts Program (CCP) is the avenue through which you can make this difference. By bringing members of our industry together with our elected officials, the Congressional Contacts Program is making a difference in our industry—our Congressmen and women are much better educated about the state of our industry and the needs that our companies and policy-holders have.

The 2007 Congressional Contacts Program will be held May 16 - 17, 2007. We will be staying at the Hotel George, 15 E. Street, NW, Washington, D.C. Room rates are \$279 per night and must be scheduled before April 13, 2007. Please register as early as possible on line or call the office at 217-529-8383. When making flight reservations, please note that Briefings will be at the NAMIC office on May 16 beginning at 3:00 p.m.

To provide some financial assistance, the Board of IAMIC will provide two \$500 scholarships. Estimated total cost is \$600–700 for airfare and one night lodging. Please try to participate in this year's mission. Feel free to nominate someone who you know would attend if the financial burden was eased. ♦

WE NEED YOUR HELP!

Congressional Contacts Registration

I would like to participate in the 2007 Congressional Contact trip. Please enter my name (or nominee's name) to win the 2007 Congressional Contacts Scholarship.

Please print clearly:

Name/Nominee: _____

Company: _____

Address: _____

City: _____ State: _____ Zip Code: _____

Phone: _____ Fax: _____

E-mail: _____

Fax this form by April 13 to 217-529-8388 or call the IAMIC office at 217-529-8383.

IAMIC 2007 Calendar of Events

| | | |
|----------------|-------|--|
| April | 23 | Board Meeting – Doubletree Hotel, Bloomington |
| | 24 | Underwriting Seminar – Doubletree Hotel, Bloomington |
| May | 16-17 | Washington, D.C. Legislative Contacts – Washington, D.C. |
| June | 5 | New Managers Meeting – IAMIC Office, Springfield |
| | 6 | Board Meeting – IAMIC Office, Springfield |
| August | 1 | Board Meeting – IAMIC Office, Springfield |
| | 12-14 | 126th Annual Convention – Hilton Hotel, Springfield |
| October | 2 | Board Meeting – IAMIC Office, Springfield |

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