

INSURANCE Roundup

March 2006



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Minot, North Dakota 58701

More Identity Theft Information

Most insurance companies are now offering some sort of identity theft type of coverage. This coverage is limited to a preset amount, has to be requested by the insured, and only pays for extra expenses incurred such as extra lawyer fees, missed wages, research fees, costs of reproducing documents, loan application fees, notarizing and such things. Basically it seems that this coverage is by and large an extra expense type of coverage. Costs to add this coverage to your homeowner's policy will run from \$25 to \$50 per year, for coverage from \$5000 to \$25,000. However, costs and time necessary to recoup losses due to the theft of your identity can be very significant. Furthermore, after some crook has trashed your credit it simply takes lots of time and effort to prove you are who you are and correct damage done by these thieves. Again, as to identity theft the best defense is a good offense. Try not to give your personal financial information, or your social security card, or driver's license number out to anyone who doesn't have a very good (and provable) reason for having it. Examine all billing records for even small suspicious charges. The reason for this is some thieves will charge small amounts to a credit card number they have stolen to see if it is being monitored. If it is not they will go for bigger charges later. Order a copy of your credit report at least once per year and study it to see if there are loans still listed that have been paid off. Furthermore, be sure to check for any late payments and see if in fact it was your fault they were late. Limit online purchases and only deal with a reputable dealer. Again, **ONE MORE TIME**, do not respond to online or phone requests, to "verify" any personal account information. There is currently one more Credit Card scam out there where the caller tells you "there may have been some fraudulent charges" made on your account. The correct way to respond to this call is to not give ANY information to this caller. Hang up the phone and call the customer service number on the back of your credit card. They will tell you if anything is up. The important thing to do is for YOU to initiate the callback. That way you are sure the person you are talking to is legitimate. One other thing you can do is consider buying an inexpensive paper shredder to shred tax information, and credit card receipts that may be used to steal your identity. As always, if you have any questions on this type of coverage or want us to add it to your policy, give us a call and we can go over it with you.



Bad Weather Business as Usual

I was going over some emails I had received over the winter and this one really hit home. Basically, its message was about the huge blizzard we had early in the fall of 2005. If you remember, this blizzard dropped over 24" of snow across the region and caused a power loss to thousands of people at a time when temperatures were quite cold. It was earlier than normal and since it was so unusual at this time of year to have such a huge blizzard, I suppose it could have been called a blizzard of "Biblical" proportions. If you remember, thousands of trees were toppled, power lines were downed, and thousands of people had no power for many days. Buildings were damaged, thousands of motorists were left stranded and of course most major roads were closed, some for long periods of time. Not only that, but we had very little warning the storm was coming. Anyway, this email compared this blizzard with some of the

storms down south and made a few comparisons. First of all the President didn't come and visit us, FEMA staged nothing, none of us got \$2000 credit cards, no one got a FEMA trailer, no one looted anything, Phil Cantori from the Weather Channel didn't show up, and Geraldo Rivera didn't move in. The email pointed out that it seems we up here in the North Country tend to try and take care of our own problems most of the time. Convoys were sent out to get the stranded motorists, we fired up generators to supply some power, took chainsaws and cut up the downed trees, got the wood stoves stoked and by and large tried to go on with business as usual. I sure don't mean to trivialize the storms down south; we, like most folks I know, sent donations to try and help out. Certainly the Blizzard of 2005 can't be called a hurricane. But then again no one ever froze to death in a hurricane either did they?

Editorial...Honor Still Exists Out West

Maybe we're not too "progressive" out here in the Old West. Call my clients and I "old fashioned" if you will but out here in the West we still do handshake deals, our word is still our bond, and we don't let our clients be treated badly in a loss situation. We USED to represent a company that thought the client was not smart enough to know when they were not getting a fair settlement on a loss. After one of these cases where the client had to go to court to get even a simple loss settled fairly we parted ways with this...so helpful... company. Another incident with this company would be the time they demanded the body shop use a poor fitting, "after market," "non-certified," halogen light assembly because of course this non-certified light was less expensive. The problem with this "cheaper" light was the bracket it came with was not as flexible as the OEM (original) part the car came with. Thus the non-certified part was too rigid and vibrated constantly when the car was in motion. Have you ever met a car at night and the car's headlights seem to be wiggling around, almost blinking, like they were shorting out? If so it was most likely from a cheap, non-certified light such as this that had been installed after the fact. Oh, and by the way, the candlepower of this particular non-certified part was way lower so the light was not near as bright as the original one either.

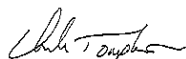
In the auto repair business there are certified parts for a reason. The reason is that these parts have to conform to certain specifications of strength, accuracy, and performance. Most likely by far the best choice in collision repair is to use OEM or Original Equipment Manufacture parts. These parts are manufactured to exact factory specifications and are arguably the best. Second choice would be at least a CAPA certified after market part. These parts too are by and large going to do a totally acceptable job and are in most cases cheaper. This is good for you the consumer and the insurance companies who are trying to remain price competitive. In many cases your car was not brand new anyway and if a comparable used part can be located it too will do the job perfectly. However, trying to force the consumer to be using non-certified parts from questionable manufacturers, most of who are offshore, out of the country, can't pronounce the name places, is irresponsible, dangerous, and should not be done anytime, anywhere by anyone. I wonder if this is why in a recent survey by Collision Week, an auto body industry magazine, Progressive Insurance did so poorly. Collision Week asked collision repairers to rate insurance companies based on the fairness of their reimbursement policies, and how efficiently they handled claims. Gee whiz, Progressive Insurance Company received the lowest approval factor (34.2%) of any of the companies listed. Remember folks, Collision Week is a magazine for the Auto REPAIR Industry.

The huge problem I see here is that if some companies can get away with forcing the body shops to put out less than professional quality repairs, eventually repairs done poorly with non-certified parts will become accepted practice. If some companies can get away with this and sometimes be "cheaper" on their premiums because of it, why would not the other companies do the same? I guess one fact that comes to my mind here is that it is not up to the insurance company to decide how your damaged car is fixed or what the repair will cost anyway. The insurance company is not in the body shop car-repair business. They are in the business of selling insurance. The job of knowing what is needed to fix a damaged auto and how much it costs to do that job is the job of a professional body shop. The company's job is to see that they get the car fixed "correctly" at a "competitive" price. A good insurance adjustor will accomplish exactly this. He will see to it that the car is fixed correctly at a price that is fair to body shop, customer and company.

The reason I bring up this subject is that due to the incredible amount of advertising by a certain few companies, there is a movement in this country by many uninformed consumers towards this type of insurance. The problem here is that these consumers don't realize the jeopardy they are placing themselves in until after the shoddy repairs have been done. Furthermore, if they don't get their auto repaired by a reputable body shop who will explain to them what is happening, they don't even know how badly they were taken advantage of until the poor part fails, they have a crash some night because they couldn't see well enough, or they go to trade in their auto and get far less value than they expected because their auto was poorly or inadequately repaired. All of these cases are bad and all hurt the consumer. And yes, sadly there is little or no recourse for these consumers after the damage has been "repaired." The... "oh, so caring" company, or a...MAY be cheaper lizard...that caused the poor work in the first place will simply blame the body shop or tell the consumer to go seek legal advice, knowing of course that they, the big huge insurance conglomerate will be largely untouchable. And the poorly served consumer they were supposed to "care" so much about? Oh, well, if he doesn't like the way we settled his loss, he can go find another agent can't he? Our gigantic advertising programs will bring us a bunch of new clients in the morning anyway. Why do you suppose there is such an incredible amount of money spent on advertising by these companies? Could it be that after the loss they have a harder time retaining clients?

What can you the consumer do? First of all, talk to your agent about this. Put your agent on the spot by asking what company this agent represents that does the best job at CLAIM TIME. Certainly, your agent needs to get you a competitive price on insurance, but that comparative quote should be balanced against how the company handles claims. Secondly, ask your agent if the company being quoted is a company that will listen to reason. In other words, if a problem develops with the loss will they allow the agent to help you and the adjustor arrive at an acceptable loss settlement? Thirdly, ask your agent if your coverage is being placed with a company that will use a good reputable body shop to do your auto repairs or if it is a company that will force you to go to a less than professional shop. After this exchange of information then, and only then, will you be able to make a solid, informed buying decision. And yes, some of this responsibility for purchasing a good insurance product does fall on you. If you as the consumer are willing to make your insurance buying decision based on a smooth canned speech given on TV by a professional actor, or by someone over the phone, who does not know you, who does not live in your town, and cannot help you at claim time, you will get and deserve exactly what you paid for won't you?

As always, thanks for your business!



P.S. Oh, by the way, just in case you wanted to know...we never did represent Geico Insurance and are in the process of moving all the clients we had insured with Progressive to other carriers as soon as is humanly possible. If you wish to buy insurance from a green lizard or an "oh so helpful" telemarketer; the phone numbers are on TV virtually any time of the night or day.

Westy Hat Contest

It seems the "Wear Your Westy Hat" phenomenon is spreading across North Dakota. Our roving judge first saw evidence of this while enjoying an outstanding broasted chicken dinner at Cline's Cafe in Oakes. Between courses of homemade soup and delicious chicken he spied Oakes Insurance insured Gary Skjette wearing one of our brand new Westy Camo hats. Traveling still further our all seeing, but unknown judge was in Westhope and happened to see one of Beau Deschamps clients, area contractor Ken Radke with one of our hats perched proudly on his head. Later, on a trip to the south the invisible judge encountered Parshall area farmer Jim Wahner, again with the special Camo Westy hat. In the southwest corner of the state the travel worn judge spotted Dickinson area resident, Victor Kadrmaz, with the brand new tan and blue edition hat. Several days later our much traveled but never known judge found out Makoti farmer, Bryon Schenfisch had made a stop at our Minot office to get another black Westy hat as his was worn out. Finally, while on a short side trip to Kenmare, the eagle-eyed, but invisible judge spotted Kenmare area farmers, brothers Tom and Ed Pullen wearing two of our ever-in-style hats. It is doubtful the travel weary judge will be traveling quite so far afield in the next newsletter's edition. But no matter, wherever the secret judge goes he finds style conscious North Dakotans simply don't think they are properly attired unless they have on their Westy hat. Our thanks, congratulations, a new Westy hat, and \$50 "Grant Universal Gift Certificates" will go out to all the winners.



BE SURE TO CHECK WITH US FOR YOUR INSURANCE NEEDS.



Westy Shorts:

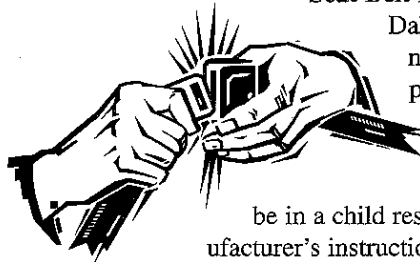
New Roof? Many insurance companies offer discounts for new roofs on houses. If you have replaced the shingles on your house be sure and tell us about it. Better yet, talk to us before you order your new roof. Some companies offer discounts for certain types of roof coverings, but by the same token some types of roofing have higher premiums. We are available 24/7/365: Call us.

Snowmobiles, Boats, RVs, and Equipment: Most of the insurance on this type of property is written on an Actual Cash Value basis. In other words, the insurance company will only pay for the current value of the piece of equipment or property destroyed. However, the premium on this type of property is figured by the stated value of the item. Therefore, it makes no sense to pay premium on an amount more than the property is worth. For example, if the cost of a new snowmobile was \$8000, the premium would be figured on that amount. As the machine ages and is worth less money in most cases it would be a good idea to lower the coverage amount since if it was totaled in an accident the company would only pay the actual value at time of loss. If the machine were a few years old it would likely not be worth the \$8000 even though, if the value of the machine had not been lowered, the premium would still be based on that amount. Due to this fact it is a very good idea at least once per year to really take a hard look at what you have your various personal property values at to see if they should be adjusted. We try to get sit down with all of you at least once per year and do this. If we haven't gone over this enough with you give us a call and we can look over your various coverage amounts.



Seat Belt Laws: Just a reminder: As of 8/1/05 North

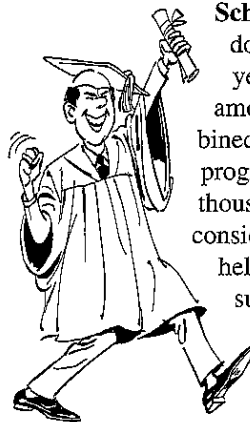
Dakota's seat belt law was changed. As the law now stands, anyone under the age of 18 must be properly secured in a seat belt or child restraint car seat or booster seat. Also, unless they are more than 80 pounds and 57 (4'9") inches tall, all passengers younger than the age of 7 must



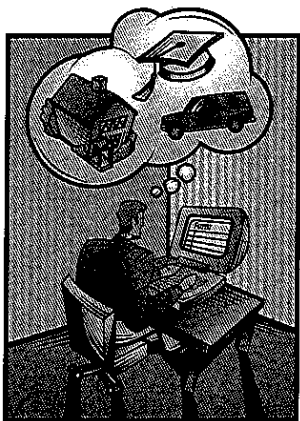
be in a child restraint car seat or booster seat following the manufacturer's instructions. This law applies to all seating positions; front seat and back. The driver has the responsibility for ensuring that all occupants younger than 18 are buckled up in the appropriate restraint. The penalty for each violation is a \$25 fine and one point against the license of the driver. Just a notice to those of you that are young drivers, it only takes a few points to cause you to lose your driver's license! NOTE: State law: The penalty for those over 18 not properly restrained is a \$20 fine and no points against the license of the driver however the fine may vary city by city.

Scholarships: Western Agency, Inc. has done scholarships in many towns for years. These scholarships vary in amounts from \$300 to \$1000 when combined with some area "Dollars for Scholars" programs. Over the years we have awarded thousands of dollars of these scholarships and consider it one of the best possible forms of helping in the communities we serve. Be sure your

graduating student picks up one of our scholarship forms and submits it for consideration at their school.



Audits, Inspections, Surveys, and Other Company Junk



Just to reiterate this yet one more time. In an effort to feed their ever insatiable appetite for more data, we have several companies who will once more be sending out "surveys" on various types of insurance. Or they may be calling you for "additional information." All companies do this from time to time and I suppose it is a necessary evil for these forms and calls to be sent out. The problem is many times the consumer will fill in a form wrong, or misunderstand what it was the company wanted or in some cases simply not return the form at all, which too is bad. I think there is only one way to see to it that these forms are filled out correctly and get done on time. If you get one of these forms in the mail, give us a call and we can come out and help you get the form filled out correctly. We are happy to

help you do this so please let us help you on this. This would include "telephone surveys." If someone calls you and wants to do a "telephone survey" how do you know it's not a scam or some form of "identity theft" anyway? Furthermore, even if the phone person is a bona fide representative of the insurance company, many times these "survey" people are outsourced help and often they don't know any more about the problem than the client they are calling. Just tell them you want your agent to be present and help you correctly answer the questions they are asking. We can come out to your house and get on the phone and keep the information flowing: correctly: the first time.

Rumors and Myths



The other day I was telling a friend of mine that where ever I go anymore, if I order chili for lunch it seems the restaurants keep wanting to put cheese on it. Since I am a past North Dakota State Fair Chili Contest judge and consider myself somewhat an authority on chili, I was commenting that I far prefer chili without the cheese. Well, here it turns out that this friend of mine thinks he actually INVENTED putting cheese on chili and he thinks it's great! Well, of course it won't affect our friendship, and I guess if you too like cheese in your chili you can thank Bill Burke.

Agent Benefits from Quotes

I know we are constantly telling our clients about the fact we represent many different companies and we check the



markets to be sure we have your coverage placed competitively. We routinely are checking customer's accounts in an effort to be sure this competitive edge of ours is maintained. However, sometimes we forget to check our own coverage for the same reason. Western Agency, Inc., Commercial Insurance manager, Casey Tompkins found this out recently when he checked into his own homeowners and auto coverage. He had personal lines CSR Julie Kuhnnehn check to see if there were any better ways he should be insuring his property and auto. Kuhnnehn found that by packaging his auto and homeowner's policy together with the same carrier, and using a slightly higher deductible, there was a savings of over \$600 per year available for Tompkins. Needless to say he quickly did the deal.