

Minnesota Insurance

**Insurance
Finds a
Place For
Wounded
Warrior
Jack
Zimmerman**

BEST WORST
IN MINNESOTA INSURANCE
FOR 2014

Young Agents' Group Reboots

**Chubb, Travelers, Hanover,
and Riverport Battle for Anoka
Schools' Insurance Business**

**Rothman in Middle of
Non-Insurance Controversy**

Minnesota Insurance
1107 Hazeltine Blvd.,
MD 16
Chaska MN 55318
Return Service
Requested

Presorted
Standard
U.S. Postage
Paid
Little Falls
Permit No. 9

A READY-MADE MARKET FOR AN INNOVATIVE NEW LIVING BENEFIT.

Introducing the BenefitAccess Rider, available with PruLife® Universal Protector. And coming soon on other policies.

Alzheimer's disease. Stroke. Cancer. Clients who have provided care for loved ones with conditions like these may be more likely to seek financial protection for themselves.

Adding the optional BenefitAccess Rider to a UL Protector policy, for an additional cost, means getting multiple levels of protection. UL Protector provides a guaranteed death benefit. And with BenefitAccess, clients can advance up to 100% of their death benefit if they ever become chronically ill, or they're diagnosed with a terminal illness.

- **No receipts required.** After certification, clients receive monthly income to use however they choose. Recertification required every 12 months.***
- **Care can be received at home** from anyone, such as a family member or health care professional.
- **Financial strength you can count on.** Prudential Financial companies paid more than \$3.5 billion in individual life death benefits last year.†



Call **1-800-800-2738** to request our kit or visit prudential.com/benefitaccess to learn more.

7 IN 10

people 65 and older will need care for a chronic illness during their lifetime**



Prudential
Bring Your Challenges®

*BenefitAccess covered by U.S. Patent No. 7,958,035, which was issued on the insurance product management system for an accelerated benefit provided in response to a medical condition, where the benefit is paid to the policy owner without restriction on use of proceeds. **U.S. Department of Health and Human Services: National Clearinghouse for Long Term Care Information, 2013. ***Certification by licensed health care practitioner required. †Prudential Financial, 12/31/12. PruLife® Universal Protector is issued by Pruco Life Insurance Company in all states except New York, where, if available, it is issued by Pruco Life Insurance Company of New Jersey. All guarantees are based on the claims-paying ability of the issuing company.

This rider is not long-term care (LTC) insurance and it is not intended to replace LTC.

The BenefitAccess Rider is available for an extra premium. Additional underwriting requirements and limits may also apply. Obtaining benefits under the terms of the rider will reduce and may eliminate the death benefit.

Benefits paid under the BenefitAccess Rider are intended to be treated for federal tax purposes as accelerated life insurance death benefits under IRC §101(g)(1)(b). Tax laws related to the receipt of accelerated death benefits are complex and may be taxable in certain circumstances. Receipt of benefits may affect eligibility for public assistance programs such as Medicaid. Accelerated benefits paid under the terms of the Terminal Illness portion of the rider are subject to a \$150 processing fee (\$100 in FL). You should consult your tax and legal advisors prior to initiating any claim.

A licensed health care practitioner must certify the chronic or terminal illness to qualify for benefits. Chronic illness claims will require recertification by a licensed health care practitioner. Other terms and conditions may apply. The rider may not cover all of the costs associated with chronic illness. The rider is a life insurance accelerated death benefit product, is generally not subject to health insurance requirements, and may not be available in all states.

Accelerating your death benefit will reduce the death benefit on a dollar-for-dollar basis. Full acceleration will eliminate the death benefit and your policy will terminate.

© 2013 Prudential Financial, Inc. and its related entities.

FOR THE EDUCATION OF PRODUCERS/BROKERS ONLY. NOT FOR USE WITH THE PUBLIC.
0247700-00004-00

Grow your business... **Retain** your identity with



COURI INSURANCE ASSOCIATES

Hear what our associates are saying
about our focus on agents
and our great commissions!

Visit

www.couriagents.com/raves/
or

Scan this
with your
Smartphone QR
Reader App.



Search "QR Code"
in your App store
to download a
mobile reader.

Or Ask one of these strategic partners about Couri Associates' value



This is just a sampling of the quality carriers Couri represents.



COURI INSURANCE ASSOCIATES

Interested in becoming part of the Couri family? Visit our website,
couriagents.com or give Steve Albinger a call at 800-444-1215

Minnesota Insurance Magazine

www.meuseypublishing.com

Minnesota Insurance is published monthly at 1107 Hazeltine Blvd., MD 16, Chaska MN 55318. Phone number 763-208-2924. Subscriptions are \$24 a year. For advertising or editorial information contact Jack Meusey, publisher. Assistant publisher: Jim Meusey. Staff Writer: J. Michael Edwards. Photographer: Jana Noonan. Graphic Design: Brian Smith. Web Designer: Karla Caspari. Email: jack@meuseypublishing.com.

December 2014 Vol. 32	Issue 12
Jack Meusey Column	Page 6
Farm Mutuals Are Big	Page 10
Best /Worst for 2014	Page 11
Young Agents Reboot	Page 13
Whispers & Shouts	Page 14
Jack Zimmerman Profile	Page 16
Inside The Numebrs	Page 18

KNOWLEDGE.
RELATIONSHIPS.
TRUST AND CONFIDENCE.

If you're having trouble finding an insurance partner that can give you all the pieces of the puzzle, you're not talking to RPS. With over 900 insurance professionals and a network of offices from coast to coast, we are able to leverage our local knowledge, regional experience and national relationships to deliver winning proposals to each agent and broker we serve.



WE OFFER

- Binding
- Wholesale Brokerage
- Programs
- Standard Lines Aggregation
- Analytics and more!

Find the missing piece of your puzzle—**contact RPS today.**



Your Wholesaler of Choice contact_us@rpsins.com

7300 Metro Boulevard, Suite 355 | Minneapolis, MN 55439 | 952.938.0655 | 800.862.6038

For More Information about our publications:

Minnesota Insurance
Minnesota Claims
Engineering Minnesota
MN P/C Directory
MN Engineering Directory

Visit meuseypublishing.com

OR CALL 763-209-2924

We Are The LEADER In SAFE Auto Glass Replacement & Repair!



*Your Safety.
Our Business.*

Visit www.cityautoglass.com for complete information.

**AUTO GLASS
SAFETY COUNCIL**
MEMBER

**We work daily
with all insurance
companies**



We Are Your
Solution to
INCREASED
MARKETS



Be A Part of It.

When you become a part of the Insurance Associates of America family, your agency keeps its unique style, familiar identity, and personalized customer service.

What we offer is access to over 30 carriers along with industry expertise and support to help you grow your agency. You'll retain 100% ownership of your agency, while benefiting from the shared strength of all of our Insurance Associates of America members.

Sell more. Make more. Stress less.

- 100% Retained Ownership
- Increased Markets – Over 30 Represented
- Retain 90% of Commission
- Knowledgeable Support Staff
- Commercial Assistance – Placement
- Increased and More Stable Contingencies
- Preferred Agency Contracts

www.IAAnetwork.com

For more information call Steve Anderson **866-789-9712**



Not all markets are available in all states.

FIT TO PRINT

By Jack Meusey, Publisher
Minnesota Insurance Magazine

The second term is when political chief executives, from presidents, to governors, to mayors review their staff because it is a convenient time to make changes. For Commerce Commissioner Mike Rothman the timing could not be worse as Gov. Mark Dayton starts his second four years in office.

Rothman, by most accounts from insurance people an acceptable



Non-Insurance Scandal Could Affect Rothman's Future

appointee—especially by a DFL governor—has been under scrutiny for something that has nothing to do with his insurance oversight. He is being scrutinized for an alleged lack of action in the scandal involving Community Action Minneapolis, a non-profit whose main goal is to provide money to help low-income people pay their heating bills. ➔



Gov. Mark Dayton



Mike Rothman

APOLLO INSURANCE | C.O. BROWN INSURANCE | JOHNSON MCCANN



We can help you reach a larger scale, enabling you to provide the services your clients need. If your P/C or Benefits agency generates \$500,000 plus in revenue, talk to us about how we can help.

- More markets
- A viable succession plan and access to resources and capital
- An opportunity to pull some or all of the equity out of your business
- An expanded suite of client services; full time wellness, HR, and safety consultants
- Staying within a MN based independent agency group managed by fellow owners
- Stay in the "game"

FOR MORE INFORMATION, CONTACT: PAT MCCANN
651-486-2182 | PMCCANN@JOHNSONMCCANN.COM

In a class by itself.

Over **5,000** Member Agencies Signed
Over **\$5 Billion** Written Premium

SIAA®

THE **TOTAL** SOLUTION
FOR THE
INDEPENDENT AGENT



info@siaa.net | www.siaa.net



Merwyn Larsen
Jennifer Larsen

Minnesota's Oldest Family Owned Regionally Focused Managing General Agency.
6425 Sycamore Court N. Maple Grove MN 55369-6028 763-535-0055 www.ericksonlarseninc.com

Erickson & Larsen Provides coverages for transportation, professional liability, D&O, property, inland marine, crime, brokerage and more.

Minnesota Insurance Historical Highlights Presented by Erickson-Larsen Inc.

From Files of Minnesota's oldest family owned insurance magazine:
Minnesota Insurance

From the Files of the Minnesota's oldest regionally focused, family owned MGA: Erickson-Larsen

1984

30 YEARS AGO

Andrew Czajkowski, president of Blue Cross of Minnesota, announces a new AWARE GOLD program to compete with the growing number of Health Maintenance Organizations (HMOs) in the state. Insurance lobbyist Bob Johnson said the Republican take over of the state House for the first time in a decade was very important for the industry.

1994

20 YEARS AGO

John Lynch retires from The St. Paul Companies after 46 years. A Minnesota Department of Commerce study says that the state insurers are not charging home owners in poorer neighborhoods more (called redlining.) John Turner, CEO of NWNL Companies, received \$730,000 in compensation. Tim Ray, a former health official, said in a speech that it would not be surprising if Congress lets Minnesota, California and Maryland experiment with single-payer health coverage similar to Canada's.

2004

10 YEARS AGO

The Minnesota Big I and the Minnesota Glass Association form a partnership as an alternative to the national networks that insurance companies are using. Ex-Minnesota Viking Fran Tarkenton's company joins with an Iowa wholesale general agency to provide annuities, life insurance and long-term-care policies to retail agents.

30 YEARS AGO

Dale Bergstrom is the staff member who oversees property and inland marine. Sus Vos does long-haul trucking and claims. Linda Elstad handles accounting. Receptionist Dawn Robins is the first person visitors see when they come to the office at 7101 Northland Circle in Brooklyn Park.

20 YEARS AGO

Employees decide it would be a good idea to have a company slogan and come up with: "Excellence and Leadership," which not coincidentally ties in neatly with the initials of the agency's name. "Our employees have really become committed to the ideas in the slogan," said owner Merwyn Larsen. "I think it is the reason we are having such a good year. Premium is up in all three divisions: The Brooklyn Park office, the Fargo office, and ELCO Managers."

10 YEARS AGO

Owner Merwyn Larsen says that nearly 40 years in the business has taught him that growth must be controlled. That is the reason the agency does not try to grab every dollar in a hard market, he said. Rather, E&L has adopted the practice of working with A-rated carriers, using technology to improve efficiency and building relationships with agents.

30 Years

the story has filled the front pages of the Star-Tribune. But it is another news operation favored by liberals, Minnesota Public Radio, that has really gone after Rothman. MPR reported that Rothman failed to curb problematic spending by Community Action of Minneapolis despite years of warning signs. That news caused some Republicans—including the incoming House speaker—to say that, if the allegations are true, Rothman should resign. More important was Dayton’s comment that “I am withholding judgment until the facts have been determined and disclosed.”

In a lengthy report Dec. 11, MPR’s Tom Scheck said that Rothman had ignored warnings that CAM’s CEO Bill Davis was mispending more than \$1 million in energy funds, much of it going to his extravagant life style, including \$226,679 in un-allowable expenses for travel to places like the Bahamas, food, alcohol, golf, spas and bonuses.

CAM was closed following an audit by the state Department of Human Services.

Scheck said internal documents and interviews with people who worked with Davis detailed how state officials for years ignored complaints about Community Action of Minneapolis while Davis used his Democratic political ties, a heavy handed managerial style and his standing in the African-American community to keep the taxpayer money flowing.

When Commerce employees questioned Davis’ spending, he accused them of racism, Scheck reported. Davis reportedly has deep ties to Rothman, the DFL party and many of the state’s powerful Democratic politicians, including Gov. Mark Dayton, who appointed Rothman in 2011. Davis was a featured guest at a 2010 fundraiser at Rothman’s Minnetonka home during Dayton’s first run for governor, the report said.

Rothman and Deputy Commerce Commissioner Bill Grant acknowledged in an interview with MPR that politics was part of their internal discussions over whether to continue funding Davis and Community Action of Minneapolis.

But they say that talk was focused on how to navigate the political mine fields to en-

sure Minneapolis residents continued to get services. Pulling the contract, Grant said, would have brought political push-back from Community Action’s board. The board included Minnesota U.S. Rep. Keith Ellison, state Sen. Jeff Hayden, Minneapolis City Council Chairwoman Barb Johnson and other city council Democrats. They resigned after Davis’ lavish spending came to light earlier this year.

Rothman said he’s known Davis for years but that their relationship has only been in a professional capacity since he became commerce commissioner in 2011. After Commerce discovered the misused funds in 2011, Rothman said the department forced Community Action to pay back \$100,000 to the government. Energy companies also paid back \$292,935 in unused credits, the MPR report said.

-0-

Rothman has had a comparatively clam four-year term as far as the insurance industry is concerned, especially considering he was appointed by a DFLer, who generally are perceived as not as friendly to the industry as Republican appointees are, although there have been surprisingly few DFL appointees in the past 30 years or so.

Mike Markman, who was an insurance insider, was the insurance regulator under Republican Gov. Al Quie from 1979 through 1982.

It was DFLer Rudy Perpich who brought in Mike Hatch as his insurance regulator in 1983. Hatch actually was very benign in that role. It was when he became state attorney general in the 1990s that he really went after insurance companies.

Ironically, it was Hatch—when he was commissioner—who moved to consolidate Commerce so that one commissioner had massive authority over real estate securities, insurance and other functions, including ultimately the energy responsibility that is bedeviling Rothman.

After Perpich, Republican Arne Carlson appointed business-savvy commissioners, as did Tim Pawlenty from 2002 through 2010. It was the Independent Party’s Jesse Ventura whose picks in 1999 brought turmoil. His first choice was a former Min-

neapolis city councilman Steve Minn who could not get confirmed. He then turned to Jim Bernstein who wound up presiding over the exit of about 1,000 State Farm employees to Lincoln, Nebraska after he charged the insurer with unfair trade practices because it was sending its insureds to its own network of glass repair shops. State Farm settled the charge for pocket change of \$75,000. The following year it closed its huge Woodbury campus—and jobs left. ■

NOW HIRING



Insurance Solutions for Long Term Care are *All We Do!*

Newman Long Term Care is growing! To accommodate our opportunities in 2015, we have immediate openings in our Richfield office for:

- New Business Case Manager
- Part-time administrative assistant
- Long Term Care Insurance specialists
- Marketing Interns (paid)

Learn more and apply today at www.NewmanLTC.com/careers



Minnesota Farm Mutuals: Together, a Lot Bigger Than You Think



Paul Stueven



Stu Henderson

Some of the most important insurance players in Minnesota are also some of the most overlooked: farm mutual insurance companies. Because the companies operate independently to serve small geographic areas, their cumulative size is not obvious. But collectively the 94 member companies of the Minnesota Association of Farm Mutual Insurance Companies (MAFMIC) insure over 70 percent of the state's farms and rural properties with more than \$70 billion worth of property protected. The companies serve 160,000 policyholders who pay annually a combined \$250 million in premium. That premium is comparable to what American Family does in Minnesota homeowners' insurance each year.

Farm mutuals began in Minnesota around 1860 as a source of insurance for farmers who did not fit standard companies' underwriting requirements. That same need remains today, points out MAFMIC CEO Aaron Cocking. "Farm mutuals are the embodiment of the concept of neighbor helping neighbor," he said. "Our members understand the issues and needs of farmers. You could say our motto is: We Find A Way. For example, wood stoves are common in rural areas but most standard companies don't want to write them. Our members will. I think a big plus for us is our mutual status. We are not influenced by stockholders."

That Minnesota's mutual insurance companies are important has never been more evident. Stu Henderson, president Western National (that does \$400 million in annual premium) is serving as current president of the 1,400-member National Association of Mutual Insurance Companies. Paul Stueven, president of the Fairmont (Minnesota) Farm Mutual, next year will succeed Henderson as president. In a remarkable sequence of national leadership, that NAMIC presidential post is the same position Jerry Zenke, who heads the Mount Prairie Mutual in Houston, Minnesota, held in 2012, giving Minnesota three leaders of a huge national association in four years.

Henderson described the crucial role of mutuals in a speech to the national association: "More than anything else, we are a service business, and a people business. As I tell my employees when explaining our business, we put lives back together. In my mind, that is what makes the mutual form of organization so preferable—we focus on people. Mutuality has succeeded as an insurance structure in the U.S. since Ben Franklin in the 1750s, and with good reason."

While the association members are too dispersed to have a signif-

icant conspicuousness statewide, locally they are very influential because they provide many good jobs and are a source of pride. So when they do converge on a political issue, they have impact, points out Cocking. For example, when the state legislature tried to impose a \$5 surcharge on auto and homeowner insurance policies several years ago, the farm mutuals played a major role in preventing the legislation. One state law favored by the association that did pass recently increased the area in which farm mutuals (who were once called township mutuals) could provide coverage to 20 contiguous counties. The change reflected a consolidation in farm ownership in the state as well as a corresponding decrease in member companies. Fifteen years ago, Cocking points out, there were 115.

MAFMIC members use their own general agents as well as independent agents to sell competitively priced coverage. Eighty-three are so-called chapter 67A companies, which means they package their high-risk, wind-peril programs with reinsurers North Star, RAM and Grinnell. Eleven companies, such as Hay Creek, Heartland, Mower County and Fairmont among others, retain their wind coverage.

-0-

In September, Aaron Cocking became Chief Executive Officer for the Minnesota Association of Farm Mutual Insurance Companies, which has its headquarters in St. Joseph, near St. Cloud.

He previously served as the association's Director of Governmental Affairs.

Prior to that he was Committee Administrator for the Minnesota State Senate's Commerce Committee. Additional experience included serving as Research Director for the Republican Party of Minnesota and as Director of Legislative Assistants for the Minnesota Senate. In 2008 he worked on Republican Norm Coleman's campaign for the U.S. Senate that resulted in a recount that gave the election to Al Franken.



Aaron Cocking

Cocking, 32, is a native of Marshalltown, Iowa who graduated from the University of Northern Iowa where he studied public administration. It was a stint working as a page at the Minnesota legislature, however, that got him involved in his political career. Lobbying remains his major responsibility as MAFMIC CEO. He feels at ease in insurance because his father was an inspector for Hartford Steam Boiler. He is also comfortable working on farm issues because his wife is the daughter of dairy farmers. ■

Best/Worst 2014

Best name for an insurance fraudster: Ace Boogie. That was the nickname of Marlon Moore who was charged with five counts of felony forgery after acting as a GEICO agent and deceiving applicants into thinking they were actually buying insurance.

Most inventive fraudster: Travis Scott. Facing a prison time after being convicted of committing \$11.4 million in insurance fraud through his business, Scott hit on the idea of faking his death by suicide. He wrote a good bye note, drove to Lake Mille Lacs and tried to create the impression that he had loaded his body with weights, canoed to the middle of the lake, then shot himself in the head with a shotgun, with his body falling into the lake never to be found because of the weights. Investigators quickly discerned a shot could not have been fired from the gun and that there was no vehicle on the shore, which would have been needed to transport the canoe. Scott was later arrested in Canada.

Worst premium surprise: The Crookson homeowner who opened an envelope thinking his premium would be about \$800 and saw that it had increased to \$5,800.

Most Exciting Golf Outing: Hands down it was the PIA's at The Wilds in Prior Lake that was interrupted by law enforcement personnel who moved around golfers on the course looking for a murderer who was supposedly last seen at the nearby Mystic Lake Casino.

Best (And only) TV Series About Minnesota Insurance Agents: FX channel debuted Fargo that featured agent Lester Nygaard as a character. The series has been renewed for a second year.

Worst Use of a Life Insurance Benefit: 18-year-old Jonas Nelson of Mankato wanted to use the \$425,000 benefit to pay for attorneys to defend him against the charge that he had murdered his father, who had made Jonas one of the beneficiaries.

Worst Insurance Purchase: Vikings quarterback Teddy Bridgewater bought a \$10 million disability policy while playing at Louisville University to protect him in case he was injured before the NFL draft. The value of that kind of coverage for even a top potential NFL player has been challenged. "Disability protection sounds tremendous, and there is some value to it, but the reality is, because of advancements in medical coverage and technology, a permanent disability is becoming rarer," Warren K. Zola, a sports law expert, told a reporter. "We're primarily talking about full paralysis in order to collect under a permanent disability policy, he said."

Best New Name: The Minnesota Self Insurers Association changed its name to the Minnesota Employers Workers Compensation

Association to better reflect the organization's singular focus on workers' compensation.

Worst April Fool's Day Prank: A caller phoned in a bomb threat that resulted in the evacuation of Federated's home office in Owatonna. The threat was an attempt to divert police from arresting the caller's friend.

Best Quote: "Jeesh, that's a lot of money," from former Minnesota Twins' baseball player Michael Cuddyer when he had to pay \$300,000 in taxes on his \$1.85 million signing bonus after the Minnesota Twins made him the ninth overall pick in the 1997 draft. Cuddyer has used a financial advisor ever since.

Best Display of Bravery: Scott Leitz, CEO of MNSure, appearing before the Minnesota Association of Health Underwriters. The group has been in the frontline of the rollout of the troubled health insurance exchange.

In Memoriam

Insurance people who died in 2014: **Ray Haugland**, 67, Freedom Services. **C. Murray Hunt**, former owner of Hunt Agency in Fergus Falls. **Merlin Rengstorf**, 86, Rochester life agent; Insurance specialist **Robert Ball** of Ghent, at 45; **Orv Lundbohn**, 60, East Gull Lake. **Fran Kaitala**, 69, SFM; **Dick Bargman**, 76, SFM; **Tony Zweber**, 90, life agent; **Dave Vonch**, 82, Red Wing, life agent. **Robert Thompson**, Danvers State Bank agent, 72; **Jim Loonan**, bank agent in Easton, 82; **George Sartain**, 67, owner of Heritage Claim Service in Brooklyn Park; **Bob Hasling**, 84, Minnesota Mutual Life; **Bill Cawley**, 88, retired Federated vice president of marketing; Former agent **Russ Bankson** at 88. Agent **Ted Domeier** of Fairfax at 68. Former agent **Daniel Workman** of Chaska at age 80. **Derva Withers Hanson**, the first woman adjuster for Tri State Insurance, at age 69 in Henning. **Bob Quirk**, 85, formerly with Midwest Life insurance. **Bob Marciniak**, CLU, Paynesville at age 75. Former agent **Robert Dahl**, 83, Murdock. **Ivar Awes**, 93, founder of the Awes Agency in Edina. Former Hartford and David Agency employee **Fred Lounsbury** of Minnetonka at 93. **John Oliphant**, former C.O. Brown agency employee, 103. Insurance defense attorney **Stephen Foley**, 55. **Nancy Grossman**, former PIA and Big I staff member at 59 in Battle Lake. Agent **Duane Oftedahl**, 65, in Ghent. **Gordon Johnson**, 79, founder of Valley View Insurance Agency. Richard Pfeifer, 73, former agent at Northern Capital. **Norma Buxton**, 84, wife of the late former Federated CEO Roger Buxton. **Roger Hjelle**, 86, founder of the Hjelle Agency in Deephaven. **Allen Prosch**, Independent Order of Foresters agent, at 73 in Nicollet. ■



Perpetuate
the Industry?
✓ Check.



**Don't wait until the office is empty to find new talent
– support InVEST and find new recruits now.**

InVEST is a free, classroom to career program designed to increase awareness of the insurance industry with high school and college students. And, InVEST has been making huge strides over the last year. With a new student center, career center and more scholarship dollars than ever before, InVEST is touching more and more students daily.

InVEST, a 501 (c)(3) non-profit, is supported by financial contributions from insurance companies and individuals, in addition to the active involvement of hundreds of insurance professionals. For volunteer and donor opportunities visit www.investprogram.org.

10 Reasons to Attend the Big "I" Young Agents Leadership Institute September 24-25 at the Fairmont San Francisco

1. Find answers to social media questions—from time management to ROI
2. Find out how to tap your inner creative side to increase sales
3. Make connections with other young agents—share your successes and challenges
4. Hear from top insurance carrier executives on issues important to your agency
5. Network with industry and association leaders
6. Take away tools to help you work smarter
7. Discover new marketing best practices
8. Spend time with good friends and get great ideas
9. Play a little jeopardy with our friends from the ACT
10. Check out the sights and sounds of San Francisco, Calif.



www.independentagent.com/events



Rebooted Young Agents Add 100th Member



Stephanie Thiel



Jack Moores



Charlie Christensen

In the summer of 2013, some members of the Big I's Young Agents organization met with then association president Chad Bjugan, who—at 40—was a fellow member. A decision was made to reboot the group, making it more vibrant. This past April current-members were asked to reapply and a new emphasis was begun to attract those who wanted to be part of a more active organization.

Within six months the chapter was welcoming its 100th member.

The immediate positive response was surprising to some given the perception that there are not many under 40 years old in the agency business today. "As a young agent it is easy sometimes to get the feeling that you are on your own island, so there definitely is a need for what we are doing," said Jack Moores, a member of the Young Agents' leadership council. "Most of the highly visible people in our industry are in their 50s and 60s."

Moores, a member of Moores Insurance Management in St. Paul, owned by his father, has been in the business since graduating from Iowa State University in 2010. As a council member, he organizes group activities that have included such things as hosting a social after the annual MIIA Convention and a visit to the Bauhaus Brew Labs in northeast Minneapolis. "We offer a combination that is pretty hard to beat," he said, "we have a lot of fun . . . and there is no cost to join."

While fun and cost are important considerations, Moores said, the clear major attraction is the networking and career development that accompanies membership. In that regard, the Minnesota Young Agents set up interactions with insurance company person-

nel as well as other young professionals groups including: Minnesota Society of CPAs; NAIFA (National Association of Insurance & Financial Advisors); and the Minnesota Bar Association as well as their Young Agent counterparts in Wisconsin. "We want to make sure we're bringing value to our members each time we meet," Moores said.

The chapter also sponsors quarterly sales training meetings. The fall meeting was at the Midland Hills Country Club in Roseville that featured self-improvement expert Roger Seip. That event also included recognition of the 100th member, Nick Zitek of the Insurance Producers Network, as well as the 101st: Kaci Graves of the Atlas Insurance Brokers agencies.

Stephanie Thiel of the Blakestad Private Client in Minneapolis is president of the Young Agents. Others on the leadership council are Mike Wilman of BW Insurance in St. Paul, who handles membership; treasurer Charlie Christensen of the Christensen Group in Minnetonka; Matt Caselius of Choice Insurance; and Laura O'Neill of Cornerstone Insurance Agency in Victoria.

Frank Whitcomb is the Minnesota Independent Insurance Agents and Brokers Association staff member who works closely with the young agents. At the Midland Hills meeting, he noted the chapter is stilling looking for additional members. Membership is open to anyone under 40 years old who works for a Big I member agency. "This group is where the next leaders of our industry will be coming from," he said. For more information contact Mike Wilman at: Mike.Wilman@bankofthewest.com ■



Laura O'Neill



Mike Wilman



Matt Caselius



Nick Zitek



Kaci Graves

Whispers & Shouts

North Risk Partners, St. Paul, has merged with **Thune Insurance Network** with offices in Thief River Falls, Roseau, and Baudette. Thune is a multi-line, 40-year-old agency with 25 employees. North Risk Partners is a multi-line firm that has 150 employees and \$400 million in annual premium. It is privately held by four independently operated agencies: St. Cloud-based Apollo, Rochester-based C.O. Brown, St. Paul-based Johnson McCann and now Thief River Falls-based Thune. It has satellite offices in Albany, Alexandria, Austin, Baudette, Hastings, Lake City, Mankato, Melrose, Monticello, Red Wing and Roseau.

Financial services firms **DS&B**, Woodbury and **KNW Group**, Minnetonka have merged. DS&B, headed by James Delamater, has been in business for 30 years. KNW is a subsidiary of NFP, a national provider of retirement and benefits services.

James Roberts, 90, a long-time employee of MSI died Dec. 2. He flew on 22 bombing missions over Germany in World War II.

David Zylstra, 63, Maple Lake, died Nov. 21. He owned Zylstra Insurance Agency and co-managed the Cokato Mutual Insurance Company.

Robert Barker Sr. died Nov. 12 at 81 in Fergus Falls. He was a principal in Barker Williams Insurance Agency, which became part of what is now the Midwest Agency.



Pat McCann, North Risk Partners, with merger partner Mark Thune of the Thune Insurance Network.

Russ Hanson, 94, a long-time employee of Allied Insurance, who taught economics classes to CPCU candidates, was featured in the Eden Prairie News for the 70th anniversary of his wedding to wife June, 90. The couple moved to Eden Prairie in 1973.

Direct Benefits Inc., St. Paul, has launched www.spiritdental.com, an easy-to-use website for shopping for individual dental and vision insurance. “We knew that millions of Americans would be losing their dental benefits this year,” said Tom Mayer, CEO and founder of Direct Benefits. “As these consumers joined the other 123 million Americans without dental benefits and started looking for affordable dental insurance, they discovered how difficult it is to find trustworthy information and reliable products. We designed spiritdental.com to educate consumers and take the confusion out of the research process. The site provides fast, accurate quotes with side-by-side comparisons as well as access to a licensed insurance professional by phone, email or chat.” Spirit Dental offers stand alone plans that feature no waiting periods, \$3,500 annual maximums, guaranteed acceptance, three cleanings a year, complete choice of dentists and coverage for implants and other major services. Founded in 2003, Direct Benefits and Spirit Dental provide dental coverage through 5,500 independent agents nationwide.

Travelers Insurance held its sixth annual Consumer Insurance Education Symposium Nov. 14 in St. Paul. Co-sponsors were the St. Paul Chamber of Commerce and the Insurance Producers Network. The event featured a discussion on how consumers can lessened or prevent losses. Panelists included Matt Amack, president



At Travelers Consumer Insurance Education were Chad Banken, Mortgages Unlimited; Matt Sahar; Oak Tree realty; Joan Woodward, Travelers Institute; Matt Amack, Insurance Producers Network; Charlie Klauer, Virginia Tech Transportation Institute; and Daniel Lee, Claim Manager, Travelers.



EideBailly
CPAs & BUSINESS ADVISORS

**YOU DON'T NEED
MULTIPLE FIRMS
TO GET A
MULTI-TALENTED TEAM.**

From audit and tax to ERM and technology consulting, Eide Bailly connects you with solutions that will help you make decisions with confidence. Experience the Eide Bailly difference.

www.eidebailly.com/insurance

Your Long-Term-Care Insurance Resource

We have been providing group and long-term care insurance to Minnesota agents since 1984. We are a leader in marketing LTCI to more than 180 banks. Working with banks' valued customers means that we must provide

the absolute highest service as well as the best products. We will do the same for *your* clients.

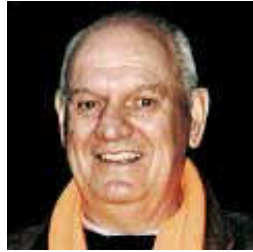
We also provide Life Insurance, Group and Individual Medical Insurance, Final Expense Policies, Medicare Supplements, and Disability Income Protection



Contact: Jerry Dock, wildcard@GreenhavenMarketing.com 763-421-1993
www.GreenhavenMarketing.com 2621 Fair Oak Ave., P.O. Box 98, Anoka MN



James Roberts



Robert Arthur



Robert Barker



Walter Lehrke



Bob Nabb

of Insurance Producers Network in Eden Prairie, and Daniel Lee, a Travelers Claim Manager based in Kansas City. Keynote speaker Virginia Tech research scientist Charlie Klauer polled the audience composed of chamber members and others. Among her discoveries was that 65 percent responded that they owned a personal umbrella policy and 74 had actually documented the contents of their houses for insurance purposes.

Travelers President **Jay Fishman**, 62, has been diagnosed with a neuromuscular condition that might require him to use a cane, but otherwise will not affect his ability to preside over the company that has 2,700 employees in Minnesota, a news report says. Fishman ran St. Paul Companies just before the 2004 merger with Travelers.

Walter Lehrke, 92, who founded the W. J. Lehrke Reinsurance brokerage firm in Edina in 1973, died Nov. 9. He worked in the brokerage that was later run by his son Tom until the elder Lehrke had a stroke three years ago. The firm merged with reinsurance broker Holborn Corp. in 2013. Lehrke's main clients are Midwest insurers. Son Tom is a vice president with Holborn.

Robert Arthur, 67, who spent most of his career with the Rooke,

Johnson, Renslow Agency of Minnetonka, died Nov. 6 of cancer.

Belinda Seitzer has joined GUARD Insurance Companies as a senior field representative for Minnesota and Wisconsin. She will be responsible for identifying prospects for agency appointments while offering a wide range of services to existing members of the company's distribution network. Seitzer spent most of the past decade as a business development manager with Risk Administration Services. GUARD has entered more than a dozen states in the past two years.

The number of agents and brokers listed in **MNsure Assisters Network** has dropped to 566 this year compared to 2,348 last year, according to one report. The network helps people buy on MNsure.

Hamilton Ross, died Nov. 21 at 94. He spent 40 years in the insurance business and was a partner in the Caswell Ross agency in Edina.

Robert Nabb, 83, a longtime aviation insurance specialist, died Nov. 23.

Continued on page 19



Hamilton Ross



Jay Fishman

EDUCATE

EDUCATING THE AGENT
From PIA's annual Education Day to additional educational opportunities throughout the year, PIA is committed to your professional development.

Excel with PIA!

www.piamn.com | 866-694-7070

MINNESOTA

Insurance Finds a Place For Wounded Warrior Jack Zimmerman

Growing up among 800 people in the small southern Minnesota town of Cleveland, 20 miles northeast of Mankato, Jack Zimmerman's childhood was typical. He hunted, fished and played baseball, basketball and football in high school. After graduating in 2007, he studied to be an electrician, eventually working for Hunt Electric in Mankato. Then he did what a sizable number of other 20-year-olds typically do, he enlisted in the U.S. Army.

In 2010 he was sent to Afghanistan as an airborne infantryman. Nine months later while on patrol, he stepped on a land mine. Boom. The explosive blasted off his right leg and shredded his left. His arms were battered, too. He was quickly loaded into a helicopter where medics worked to stop his blood loss while sticking fluid-filled IVs into any place they could find. He survived, but was in a coma for days.

When he awoke, he quickly realized that his life would no longer be typical. Not only were his legs gone, his natural right arm was not going to be of much use.

Zimmerman was flown to Texas for care that eventually included 20 surgeries. Then it was to the Brooke Army Center in San Antonio where he began intensive rehabilitation. One of his toughest challenges, he notes, was learning to write with his left hand. Brooke was also where he received a Purple Heart for military



His boss was thinking desk job, But Zimmerman had other ideas that included doing some 'leg work.'

valor that was pinned on him by another similarly injured Minnesota war veteran John Kriesel, who has spoken at a number of insurance gatherings.

When he finally was able to return to his hometown, Zimmerman received a hero's welcome at his high school's homecoming game. "I couldn't have asked for a better hometown to be from," Zimmerman told WCCO-TV, which covered the event. "I really mean that. It's pretty incredible."

In 2012 Zimmerman retired from the Army, thankful that his only injury had been physical. His lifelong, upbeat personality and positive attitude was still intact. He began working with Wounded Warriors, an organization serving injured military personnel. Equipped with a wheelchair and a vehicle with hand-controls, Zimmerman regained his mobility that enabled him to take the veterans hunting and fishing, among other activities. Creating a network of support for them is crucial, he explained, because a number have significant problems readjusting to civilian life. That has not been a problem for Zimmerman, who married his high school sweetheart Megan shortly after returning from Afghanistan. The couple are now the parents of two boys, the youngest Benjamin born Oct. 28. Zimmerman's other activities have involved organizing a fund-raising motorcycle ride for Tom Block, a soldier from nearby Waseca who also was seriously wounded in Afghanistan. Another project was starting a competitive trapshooting team for Cleveland High School that attracted 30 students.

Zimmerman also became involved in local politics as part of Jim

Zimmerman and his wife Megan added another son to their family Oct. 28



Hagedorn's campaign this year for the Republican nomination in the First Congressional District to oppose Democrat Tim Walz. Zimmerman gave a speech nominating Hagedorn for endorsement at the GOP's district convention.

He did not realize it at the time, but that speech would send his career in an entirely different direction.

In the audience was Scott Weilage, owner of a Mankato financial services firm, who was impressed by the 25-year-old speaker's poise and enthusiasm. Chatting afterward, Zimmerman mentioned to Weilage that he was planning on attending Rasmussen College in Mankato to study finance. Weilage responded by inviting Zimmerman to visit his office.

Several conversations later Zimmerman found himself Vice President of Brokerage Distribution at the Weilage Advisory Group. "My job is to make all those who want to easily facilitate the purchase of non-medical term life for their customers know that we have an easy, one-step process to do it," he explained, then joking "I guess you could say I am doing the leg work for our agency."

Now four months into his new role, Zimmerman's primary responsibility is growing Weilage's Brokerage Division. "Weilage is currently doing business in about 12 states but we want to grow this even further," says Zimmerman. Beyond general life/health related products, he has been overseeing Weilage's 1Click life insurance product that can issue up to \$350,000 of life insurance coverage within five minutes without any insurance exam. "In addition, Genworth's Life Quick Response program remains competitive for fully underwritten life insurance," Zimmerman continued. "Both these programs are a great fit for P/C agencies, banks and credit unions. We also work with Advisor Direct, which is a program designed for the P/C Agency that is simply too busy or doesn't have the staff to provide comprehensive financial

planning for their clients. We do 100 percent of the work and add significant revenue to the bottom line of the agency. There is information at www.AdvisorsOnly.com."

On a recent day, his schedule called for a visit to Wells, about 35 south of Mankato. He jumped in his specially equipped pickup and—using those special hand controls to drive—was off to visit prospects. . . . to the surprise of his boss. "Initially, when I thought of hiring Jack, I thought this would be an excellent desk job for him," Weilage said. "But I was surprised to quickly learn Jack's real strength and desire is to be everywhere but the office." Zimmerman says he approaches his work with enthusiasm, determined to stay upbeat despite his injuries. "I am fast learning the financial services business," he said. "In many ways it is just like the military . . . you sink or swim. You have to learn fast and not be afraid to get your hands dirty. I like that." ■

 **Newton Bonding**

Surety The Right Way

- Contract Bonds
- License & Permit
- Probate & Civil Court
- Fidelity/ERISA
- Hard to Place/Poor Credit

Please contact Nick Newton at:

nick@newtonbonding.com

Phone: 651-432-1480

Fax: 651-432-1763

5620 Memorial Ave N, Suite E, Stillwater MN 55082

Carriers Cut Prices to Gain Anoka Schools' Insurance

There was some hot competition for the Anoka Hennepin School District's property insurance this year, as well as its liability coverage. The result was a 16 percent decrease in premium for 2015 compared to 2014, according to a news report.

The school district's own insurance consultant Georgie Schulte recommended at the Dec. 8 board meeting that the board again let Chubb Insurance provide coverage for district property valued at \$920 million, five percent higher than the previous year to reflect inflation as well as the building of additions to six elementary schools.

Chubb's bid of \$485,582 for 2015 was 10.8 percent lower than the previous year despite the higher valuation, according to the report in the local ABC newspaper by Olivia Alveshire. The board accepted Schulte's recommendation even though Travelers offered a slightly lower bid of \$484,863. The reason, Schulte said, was that Chubb provided lower deductibles for band equipment, laptops and other items. In addition, she said, the insurer had provided quality service in the past. "They're very prompt in answering any coverage questions" Schulte said. "I'm also a big fan of their claims service. They're ready and willing to settle our claims and work



Chubb keeps property with \$485,582 bid; Hanover gets liability coverage.

with us on values." The district has made a few large claims in the past when hail and wind storms wreaked havoc, Schulte was quoted as saying.

Four Bid On Liability

Four insurers were interested in covering the district's general liability, the board members' D&O, and auto. Markets were interested that before wouldn't consider the district because of past loss experience, Schulte said. Anoka-Hennepin's losses have been low the last three years, she said.

The current provider Riverport offered a price for general liability of \$390,737 that would drop to \$320,662 with a \$25,000 deductible, according to Alveshire's report. The Hanover Insurance Company, however, offered a \$349,746 premium with the additional enticement that the board's \$25,000 D&O liability deductible apply to losses—not the defense and investigation expense as it would with Riverport. In addition, Schulte told the board, if the district's loss ratio is below 40 percent, Hanover would keep its premium flat for 2016. As a further indicator of the current competitive market, the news report noted,

Hanover's bid was \$104,000 less than the district's 2014 premium. The other liability bidders were the New York-based Wright Insurance Group, recently acquired by Brown & Brown, and Maryland-based United Educators.

-0-

In a related action, The Anoka-Hennepin School District approved its insurance broker contract with Willis of Minnesota for another year at \$40,000, a \$5,000 increase from the previous year. The fee is for the marketing and placing of the school districts liability and property insurance. Anoka-Hennepin Chief Operations Officer Chuck Holden told the school board that Willis had saved the district substantial money for the current year.

Big Claims Send St. Louis Park to School Insurance Pool

The St. Louis Park School District, which faced an excess of claims this year, is switching its coverage to the Minnesota Insurance Scholastic Trust. It had been with New York-based Wright Risk Management.

David Howard, a broker with the Arthur J. Gallagher office in Bloomington, told the district's board of education that MIST, a pool of Minnesota school districts, delivers broader coverage. According to a report in the St. Louis Park newspaper, the school district's director of business ser-



- State-of-the-art-equipment
 - Certified technicians
 - 24-hour towing
- Lifetime warranties
 - Free loaners.
- More half a century at the same location.

SEND YOUR INSURED TO US WITH CONFIDENCE.
Pat and Donna Mulroy



3920 Nicollet Ave S.
Minneapolis 55409
612-823-7257

www.mulroysbodyshop.com
donna@mulroysbodyshop.com

Hazeltine Gates Office Building
1107 Hazeltine Boulevard • Chaska, MN 55318

- Five story 105,000 square foot office building
- Building recently renovated – Outstanding views of Chaska Par 30 golf course
- Easy access to Highways 5, 41 and 212. Corner of Hwy 41 and Hazeltine Blvd.
- 200 - 25,000 contiguous square feet available for Lease
- Building amenities include on site management, underground parking, conference room(s), deli, travel agency, salon & day spa

For Lease Opportunities
Contact Chad Aleshire at 952.361.8099
caleshire@thegoodmangroup.com

vices Sandy Salin said MIST's base premium would be \$137,000, plus a \$75,000 contribution to the pool's loss fund, a total of \$212,000. This compared to \$211,000 to Wright's offer.

The loss fund pools money among member districts to cover claims of less than \$75,000. The school districts each have a deductible of \$5,000 for property claims and no deductible for liability claims, Howard told the board, according to the report.

St. Louis Park earlier this year paid a total of \$200,000 to families of three youngsters who either died or were seriously injured in a mud slide while on a school field trip. The district also settled a discrimination case with its former human resources director for \$14,771. In addition, the district faces a wrongful death lawsuit in the case of a 12-year-old who drowned in one of the district's school pools.

The district did not obtain "any actual hard quotes from insurance companies" before making the decision to switch to the Minnesota Insurance Scholastic Trust program, Salin was quoted as saying. However, at an Oct. 27 meeting in which the board approved the switch, she said that any alternative products for insurance would be "much more expensive" with less coverage and much higher deductibles.

"Clearly, this is the best option for this year," Howard said. Salin said in a Nov. 20 email, "The information that we got from the insurance companies showed a \$250,000 deductible for any claim. The



David Howard, A. J. Gallagher, broker for the St. Louis Park said the base premium was \$137,000 plus \$75,000 for the pool's loss fund.

MIST program provides a much better deductible of \$5,000, as well as much better coverage than what the district had in the past." she added, "The district's insurance broker did not anticipate that other insurance companies would provide a better premium than what the MIST program provided. Therefore, with the difference in the deductible and better coverage, as well as the opportunity to get any unused loss fund contributions back to the district, it was clear that the better option for the district was to join the MIST program," the published report quoted her as saying.

Chanhassen Saving on Health Costs

Chanhassen city officials have found budget savings in an unusual place. Health insurance costs, which they had projected to climb in 2015, are actually going to be less compared to 2014. As a result of a recent bid, the city is expected to save \$80,000 compared to projections this fall. The low

bid was from Blue Cross of Minnesota with a 6 percent decline compared to the 2014 contract, according to a Nov. 24 staff report.

Whispers & Shout

From Page 15

In an article in the Sta-Tribune, State Sen. **David Hann** (R-Eden Prairie) noted some of the projections made by Jonathan Gruber, an MIT economist about MNsure were "way off." The state had hired Gruber, who got notoriety for calling American voters stupid. Hann noted that Gruber said in 2011 MNsure would serve 1.3 million people by 2016; reduce costs for individual plans by 34 percent; and decrease the insured by 60 percent. Instead of attracting 600,000 private market enrollees, Hann wrote, only 55,000 have signed up. And premiums are climbing by 20 percent this year alone.

The former accountant for **Kathy Schoenborn-Atkins** Farmer's Insurance Agency in Stillwater will be sentenced Jan. 15 after pleading guilty to one count of felony theft by swindle. Carol Lynn Greethurst, 52, Bayport, is accused of bilking the agency of about \$130,000. According to a criminal complaint, an agency employee called police in July to report a theft, which appeared to have occurred over three years. An investigator's audit showed Greethurst had padded her paychecks, withdrawn money from a line of credit and received false reimbursements, the complaint said. She allegedly used the money for boat slips and other personal expenses. ■

Subscribe to MN Insurance

24 issues, 2-year \$39

12 issues, 1-year \$24

**Email your request to:
info@meuseypublishing.com,
or call Jack Meusey at 763-208-2924
and we will get you set up.**

Advertise in Minnesota Insurance

**Contact Jack Meusey,
763-208-2924 or email:
info@meuseypublishing.com**



The Power of AgMax[®]

**Specialized commercial
agriculture insurance.
Customized for you.**

Large commercial and diversified operations have distinctly different exposures than traditional farms and ranches. That's why we created AgMax specifically to serve the unique needs of commercial agriculture operations and related businesses, including:

- Large farm operations
- Dairy operations
- Producers who process, retail or direct market
- Equine and kennel operations, including boarding, breeding and training
- Agritainment and agritourism
- Hunting and other farm-based recreation

To learn how we can help you maximize your insurance protection, visit AgMaxInsurance.com to find a representative near you.

To learn more about offering AgMax coverage to your clients, call 800-958-2619.

AgMax[®]
www.AgMaxInsurance.com