

March 2009 MIC GROUP INSURANCE AGENCIES

First we will be best & then we will be first

NEWSLETTER

Midwest Insurance Corporation

Richardson-Hanson

Vondracek-Hotz

**Serving you in
four locations**

NEVADA, IA

1601 South B Avenue
Box 58
Nevada, IA 50201
515-382-3541
1-800-729-4341
FAX 515-382-3844

MAXWELL, IA

93 Main Street
Box 337
Maxwell, IA 50161
515-387-8725
1-800-944-1828
FAX 515-387-1275

COLLINS, IA

209 Main Street
Box 139
Collins, IA 50055
641-385-2203
1-800-677-4012
FAX 641-385-2241

MOUNT VERNON, IA

306 Hwy. 1 SE
Mt. Vernon, IA 52314
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1-800-759-3407
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TYPES OF COVERAGE

Written and
Serviced by MIC

- ★ AGRI-BUSINESS
- ★ MPCGI
- ★ CROP
- ★ LIFE
- ★ HEALTH
- ★ ANNUITIES
- ★ DISABILITY INCOME
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- ★ ASFMRA PROGRAMS
- ★ AUTO
- ★ HOME
- ★ MOTORCYCLES
- ★ BOATS
- ★ PERSONAL &
COMMERCIAL UMBRELLA

MIC ANNOUNCES NEW
RISK MANAGEMENT
SERVICES

COMPREHENSIVE VS COLLISION

What does it all mean?

Collision and comprehensive car insurance coverage options provide a financial safety net should your vehicle ever suffer physical damage and need repairs. Both of these coverages are on an actual cash value basis. This means depreciation is taken at the time of loss.

Collision coverage, as it implies, provides a means to pay for damage repairs after a collision with another vehicle or object while you were driving the car.

Your premium for this coverage is based on a number of factors. One is the deductible you wish to choose. A deductible is an amount that you agree to pay out of your pocket before the insurance company pays. A higher deductible requires more out of pocket but lowers your premium. Conversely, a lower deductible will require you to pay more each month in premiums.

Another factor is your driving record, which affects all auto insurance coverages. Are you a safe driver? Or do you have previous accidents and speeding tickets on your driving record?

Do you need this coverage? If you fully own or drive an older vehicle with a lower value, you may not want to pay for this optional coverage.

Comprehensive coverage will pay for damage to your vehicle caused by events other than an accident, such as glass, hail, flood, vandalism, or theft. As with collision, comprehensive premiums are calculated based on the amount of deductible you choose.

To better understand your auto insurance coverage needs, contact one of our agents. MIC agents will also assist you with other insurance needs and questions.

Fun Thoughts on Car Color and Personality

Stories and anecdotes help to reinforce the urban legend about black or red cars getting more tickets and that they are more expensive to insure. However, there is no evidence to support these ideas. The lack of statistics makes it impossible to say which color cars get more tickets, but police and insurance companies deny any link between car color and an increase in tickets or accidents. Some people have suggested that insurers use the Vehicle Identification Number (VIN) to determine the car color and use that information, in part, to set the rate for each car. Car color is not one of the details encoded into a VIN.

In general, driving the speed limit is always a good idea, no matter what color car you drive.

Color and Personality--It may not affect the number of tickets you receive, but what does your car color say about your personality? British researchers looked at the psychology behind your choice of car color.

Silver: calm—symbolize luxury

Black: aggressive—authority and power

Red: rebel—full of energy

White: extrovert—status-seeking

Blue: serene—cautious

Green: hysterical—natural and organic

Gray: calm and sober—dedicated to work

Source: www.insurance.com

Would you prefer to receive future MIC newsletters electronically? Email us: info@midwestins.com. We appreciate those of you who responded to this option in our Winter Newsletter.

You may also view a copy of the Newsletter on our webpage at www.midwestins.com



PRESIDENT'S CORNER Rick Hugdahl

How is your investment portfolio performing? Are your investment goals related to retirement, short-term accumulation, education funds or estate building for transfer to heirs?

- Your product selections should depend upon your goals.
- Your retirement accumulation vehicles should be diversified to handle the ups and downs of the market.
- Many annuities have performed well over the past year and could offer a companion to stock market and other investments.
- The purchase of permanent life insurance products with the proper ownership and beneficiary designations may help to transfer greater amounts of dollars to your heirs.
- The purchase of a long term care product may not only help cover your future care but may also protect the assets of your estate.

In today's economic climate, an annual financial checkup is as important as an annual health checkup. I urge you to contact your MIC agent to assist you in making the proper product selections to best meet your goals.

FARM INTERRUPTION ENDORSEMENT

What does this endorsement cover and how would it benefit my farming operation?

Let's look at Farm the Interruption Endorsement; this coverage applies to the farm buildings designated on the endorsement. It covers loss of earnings which arise as the direct result of the necessary interruption of the farming operations covered by an insured loss to the building covered by your policy. Also the company is only liable for a maximum of 25% of the dollar amount shown on this endorsement for 30 consecutive calendar days or the total limit shown, this dollar amount is chosen by the insured. This endorsement will continue to pay until the building is repaired or rebuilt which ever is the shortest time needed to continue the normal use of this building. An example would be a hog finishing building that was damaged by a windstorm and could not be used to finish the pigs already in the building and the hogs you should be finishing. Let's say the building had to be replaced and was going to take four months to get up and in operation. Your contract was for \$10.00 profit per pig and it was a 1,000 head finish building which would represent a loss of income of \$10,000 per every four months. You would need to have a limit of \$13,335.00 insurance on this endorsement to cover the four months needed to get back into operation. Remember this endorsement will only pay up 25% of the sum insured for each consecutive 30 days which would be \$3,333.75 X 4 months = \$13,335.00.

This is a simple example of the endorsement. Each company has its own endorsements and language so it may differ for each company and they may not even offer these coverages. If this endorsement interests you, please contact your agent to review coverages and availability.

What Can A Homeowner Do To Be Prepared?

How does someone find out what is and what is not covered? Read the policy carefully. It's not likely to be fun reading, but the good news is that if you read and understand your policy before it is needed, this knowledge may save unexpected financial losses should a problem occur. It is always best to talk with your insurance agent for a complete explanation.

Home Inventory

One never knows when a disaster may strike—but it pays to be prepared with a home inventory. A home inventory can help

- Buy the amount of insurance needed.
- Get insurance claims settled faster.
- Verify losses for an income tax return.
- Keep track of all the things accumulated over the years.

There are many ways to create a home inventory.

- Notebook.
- Video a walk through, describing contents.
- Take photos and burn to CD or print and write on the back.

Keep receipts when they are available and note the cost for the item, when purchased, and other information about the make and model. For many items like books, CDs, linens, or pots and pans, make an estimate of number and value. Also, whenever you make a significant purchase, remember to add the information to the inventory while the details are fresh in your mind.

Don't feel overwhelmed! Find a way that works for you. It can be room by room, category by category, from newest to oldest items, or from most expensive to least expensive purchases.

Some items like jewelry, computers, and art work may need to be insured separately. Ask your insurance agent whether a floater might be needed for your homeowner's policy.

Store a copy of the inventory in a safe place outside of your home—with a friend or in a safe deposit box. Electronic files may be burned on a CD. That way you'll be sure to have something to give your insurance representative if your home is damaged.

Source: Insurance Information Institute

WELCOME OUR NEW EMPLOYEE

NIKKI BALL



Nikki Ball joined the Nevada MIC office the first part of December 2008. She graduated from Iowa State Univ. in 2006, and she has worked in the insurance field for three years. Nikki lives in Nevada with her husband, Nathan, and daughter, Taylor.

She enjoys being with family and friends, traveling, cooking, camping and other outdoor activities.

Nikki's goal is to learn and become an expert for farm products.

Gap Insurance

Owing more than the car is worth is often referred to as "being upside down in the loan or lease." For insureds, still owing money after a car has been totaled is extremely frustrating. Fortunately, there are endorsements available in both Personal Auto and Commercial Auto that solve the problem.

The number of insureds who face a gap in their auto loan/lease and insurance is significant and growing. According to an article in the Wall Street Journal, approximately 22% of buyers who trade cars this year still owe money on the loan. The average amount owed is \$2,163, and that amount has skyrocketed from two years ago when the average amount owed at trade-in was \$617.

Fortunately, there is a relatively simple solution. Both the Personal Auto and Business Auto Policy have endorsements available to provide a remedy for this coverage dilemma. The endorsement is referred to as "Gap" coverage because it "fills the gap" between amounts owed on a loan and the actual cash value settlement paid by the insurance company for a total or partial loss vehicle.

Contact a MIC agent for a more detailed discussion of Gap or loan/lapse coverage. Auto dealers may offer gap insurance, but it may be more expensive.

Source: www.iiaba.net

Water & Sewer Backup Coverage

There's nothing worse than coming home to find that sewage or water has backed up into your basement. Homeowners and business insurance policies do not cover water backup unless a specific endorsement for "water backup of sewer & drains/failure of sump pump" coverage is added to the policy.

Water/Sewer Backup—a storm or sanitary sewer backs up into your home and usually comes in through a drain, sump well, washtubs in the basement, or toilets in the basement. However, the damage can happen anywhere in the house.

Sump Overflow—inability to remove water that's entering the basement. Remember, if your electricity goes out, so does the pump. Check the sump pump periodically to make sure it is working properly to avoid mechanical failures.

Homeowners are encouraged to carry the water backup endorsement as part of their homeowner's policy. Limits should be reviewed with your agent to ensure adequate coverage, especially if you have an improved basement.

Flood Coverage

The coming of spring can signal the increased risk of flooding because of seasonal storms and snowmelts. It is a good time to review your risk of flooding. Most property is vulnerable to floods. Over 20 percent of all flood insurance claims are filed in low-to-moderate risk areas. Homeowners and Business Insurance does not cover flood damage. Only flood insurance will cover your losses in the event of a flood. Federal flood insurance policies can be purchased directly from an independent MIC insurance agent and are available to communities that participate in the National Flood Insurance Program.

Remember to inventory & photograph to document damages for both of these claims.

MIC cares for you, your security, and your success.

Information in this newsletter is for general knowledge. Specific details should be discussed with your agent. www.midwestins.com. Click on Contact Us.

SPRING CROP INSURANCE DEADLINE NEARS NO FEDERAL DISASTER AID WITHOUT CROP INSURANCE

March 16 is the deadline for farmers across the country to buy crop insurance on many spring planted crops. It is especially important this year because eligibility for federal crop disaster aid is now dependent upon having crop insurance.

Any producer who wants to be eligible for the new federal Supplemental Revenue Assistance Program (SURE) in 2009 must buy crop insurance coverage on their insurable crops. SURE is the provision of the 2008 Farm Bill designed to replace ad hoc disaster assistance programs.

March 16 is also the deadline for making any changes to existing crop insurance policies.

Some of the crops that share the March 16 deadline are: corn, soybeans, wheat, oats, forage seeding, and many varieties of fresh and processed vegetables.

Which crops are insurable and what kinds of policies are available vary from state to state and county to county. To make sure you are eligible for SURE contact your MIC crop agent before the March 16 deadline. MIC writes crop/hail insurance. Give us a call.

Source: agweekly.com

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