

# Spring 2010

# 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  
319-895-8633  
1-800-759-3407  
FAX 319-895-8226



### DISTRACTED DRIVING

The dangers of distracted driving, especially those associated with emailing and texting while driving, have become hot issues. Substantial progress has been made, and society has changed the culture, with respect to drinking and driving. Drinking and driving have effectively been stigmatized. However in our multi-tasking-obsessed society, many drivers are unwilling to give up their driving diversions. Recent statistics indicate:

- Distracted driving extends a driver's reaction as much as having a blood alcohol concentration at the legal limit of .08 percent. (University of Utah)
- Drivers that use cell phones are four times as likely to get into crashes serious enough to injure themselves. (NHTSA, Insurance Institute for Highway Safety)
- 10 percent of drivers ages 16 to 24 years old are on their phone at any one time.
- Driving while distracted is a factor in 25 percent of police reported crashes.
- Distracted driving can reduce the amount of brain activity associated with driving by 37 percent (Carnegie Mellon)

There seems to be growing interest in distracted-driving legislation that will lower accident rates and insurance costs. Please continue to consider your safety and the safety of others while driving.

Source: nationwide.com



### MIC IS NOW A

#### TRUSTED CHOICE® AGENCY

Trusted Choice® agencies are insurance and financial services firms whose access to multiple companies and commitment to quality service enable us to offer our clients competitive pricing, a broad choice of products and unparalleled advocacy.

As a Trusted Choice® agency, we are dedicated to you and are committed to treating you as a person, not a policy. This commitment means we shall:

- Work with you to identify the insurance and financial services that are right for you, your family or your business and use our access to multiple companies to deliver those products.
- Guide you through the claims process for a prompt and fair resolution of your claim.
- Help you solve problems related to your coverage or account.
- Explain the coverages and options available to you through our agency, at your request.
- Return your phone calls and e-mails promptly and respond to your requests in a timely manner.
- Provide 24/7 services for our customers, offering any or all of the following: emergency phone numbers, Internet account access, e-mail and call center services.
- Use our experience and multiple company relationships to customize your coverage as needed.
- Commit our staff to continuing education so they may be more knowledgeable in serving you.
- Treat you with respect and courtesy.
- Conduct our business in an ethical manner.

We pledge this to you, our clients and ask that you let us know if we fail to meet our commitment, so we may take corrective action.

## HEALTH CARE REFORM

By Jon-Scott Johnson

On March 23, 2010, President Obama signed the Patient Protection and Affordable Care Act (PPACA) into law. The question that everyone is asking is, "How does the PPACA affect me?" The short and long answer is, "It depends on your status as a consumer of health care."

The PPACA is a very complex 2000 page document. There is a lot of information on the Internet and in the news, much of it vague, incorrect and just plain overwhelming! It is best to think of the PPACA as a living document that will be interrupted and changed as implementation moves forward. The most informative site comes from the Kaiser Family Foundation. [www.kff.org](http://www.kff.org). See publication #8061, 13 pages. As interpretations are issued, they will send updates.

The first thing to know is that most "changes" will not go into effect until September 23, 2010. The PPACA also applies fewer requirements to employer sponsored plans that were in effect on March 23, 2010. Most changes for those plans go into effect on January 1, 2011.

What are the significant changes?

- No-lifetime Limit for "essential benefits" e.g. hospitalization, prescription drugs. The Department of Health and Human Services will define essential not the insurance companies.
- Restricted annual limits will be gradually removed until 2014. e.g. \$10,000 annual max on mental health services.
- Extension on coverage to adult children under age 26. Married dependents can also be covered.
- Pre-existing condition limitation does not apply to children under age 19. Applies to both group and individual coverages.
- New "plain English/Spanish" summary of benefits and coverages.
- Waiting periods for coverage can no longer be more than 90 days.
- Subsidies for small employers to provide coverage.

More updates will be provided as issues are resolved.

MIC is investigating expanding our communications avenues into social media channels. Let us know what you think. Would you appreciate and use FaceBook, LinkedIn, and/or blogs? Email us at [info@midwestins.com](mailto:info@midwestins.com).



## PRESIDENT'S CORNER

Rick Hugdahl

The MIC Group motto is *First We Will Be Best-Then We Will Be First*. What does this really mean?

To some clients *best* may mean the lowest premium. We know price is important but what is the price of an unpaid claim? We take a risk management approach to *best*. We listen to what you want to accomplish by your insurance program and provide options for your choice. You make the final decision of what is *best* for you at the time.

What does it mean to be *first*? To our clients and prospects, it means that you will trust us to provide a proposal for a new or expanded insurance need *first*. Many times we will be able to offer proposals to satisfy those needs. There are times, however, when a specialty market may be your *best* choice. We will also try to help you find that market.

To better serve you we always welcome our clients' comments.

What does MIC do?

We work with puzzles



We help piece together financial security.

## DID YOU KNOW?

By Kathy Mens

Did you know that "FIRE" is covered in your HAIL policy and not your MPCCI policy? If your combine catches your field on fire, you WILL be covered by your hail policy. Don't get left uncovered by HAIL or FIRE. Give MIC a call today for great rates in your county.

Would you prefer to receive future MIC newsletters electronically? Email us: [info@midwestins.com](mailto:info@midwestins.com).



## THE IMPORTANCE OF INSURING TO VALUE

By Nikki Ball

I am sure everyone would agree that the property they own and worked so hard to get is very important. This is why it is necessary to make sure that you are not underinsured.



I know it seems like just an extra expense and you think it won't happen to you, but losses do happen and can be very devastating. The last thing you want to worry about is not having enough coverage to bring you back to where you were before the loss. A loss could be a tornado, a hail storm or a fire. No matter the cause of the loss, it is a tragedy to lose everything; and things are made worse if you are struggling to get back what you lost.



Many people do not know if they are not insured properly, they may be penalized at the time of a loss. Most companies have a co-insurance or insurance to value clause requiring the insured to carry a certain percentage of replacement cost. This can be anywhere from 80% to 100%. The formula used is (HAVE / SHOULD HAVE) X LOSS – deductible.



For example most homeowner's policies have an 80% to replacement value clause. If your home has an actual replacement value of \$100,000, the minimum amount of insurance that should have been carried is \$80,000. If your home was insured for only \$60,000 with a \$1,000 deductible, and you had a \$30,000 loss, the payment formula would be:  $\$60,000 / \$80,000 \times \$30,000 = \$22,500 - \$1,000 \text{ deductible} = \$21,500$ .



You should also know that you can insure your property at either a replacement cost valuation (the cost to replace the property with like kind and quality using today's standards) or Actual Cash Value (replacement cost of the item at the time of loss, less the depreciation).

Your renewal is a great time to review this information. If you have questions regarding your policy, please contact your agent. Your agent will be able to help you determine if your property is insured properly and whether it is insured at replacement cost or actual cash value.



### MTD Partnership with MIC Group-Mt. Vernon

MIC Group, Mt. Vernon, would like to take this opportunity to announce a new service we are providing to all of our Mt. Vernon area clients. We have partnered with Mike Thomsen and his son Jake Thomsen of MTD Insurance and Financial Services. Mike has 38 years of experience serving people in Iowa providing them with Life and Investment Products. Mike specializes in Financial Strategies for the protection, accumulation and distribution of assets as they relate to both personal and business assets. Mike will also assist in programs to minimize tax liability. This will also include the ability to assist you with IRAs, Rollovers and Pension Planning.



Mike represents New York Life and Transamerica (Life Investors) just to mention a few options. Jake is presently making calls to set up fact finding appointments. We feel that this completes our circle of services available, and we appreciate your continued business.



**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](http://www.midwestins.com). Click on Contact Us.

## INVOICES VS. STATEMENTS

**By Elisa Gibson, Accountant**

For our customers who receive invoices from Midwest Insurance Corporation, we would like to clarify the difference between the information on your “invoice” and “statement”.

An **invoice** is generated each time an installment or change is processed for your policy. In some cases you may receive more than one invoice per month. The balance due on the invoice is the balance due for those items listed on that invoice.

At the end of the month a **statement** is generated. This will list all invoices that have not yet been paid. The **statement** balance is your account balance as of the **statement** date.

If you have a question regarding your account balance, contact your customer service agent.



## PROTECTING YOUR IN-HOME BUSINESS



As an owner of a small in-home business, you have many important decisions to make about your operations. Protecting your assets is critical. Many home-based business owners make the mistake of assuming that their standard homeowners insurance will cover all events of accident, injury, or loss. A home business endorsement, which is a rider to your homeowner's policy, provides coverage for small businesses being operated from the home. The endorsement provides the basic coverages needed by most small home businesses, and optional coverages can be selected to tailor the policy to your specific needs.

The following list illustrates some of the items that would make your in-home business ineligible to be covered by your homeowners insurance:

- ★ Receipts exceeding \$250,000 annually.
- ★ More than five employees, excluding owner[s].
- ★ Existence of a fixed business location away from the residence from which operations are being conducted.

Some home businesses that are typically eligible include accounting, advertising, beauty shops, book/magazines sales, cake decorating, dog/cat grooming, handcrafted products, household products, photographers, tailoring/alterations.

A home business endorsement can be reasonably priced and worth your investment. Carefully consider coverage for the type of work you are doing, the product you are selling and the amount of interaction you have with the public.

Please call your agent for details.