Fairmont Farmers Mutual Messenger

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FAIRMONT FARMERS MUTUAL insurance co.

A GRINNELL MUTUAL MEMBER®

NOTICE OF ANNUAL MEETING

Fairmont Farmers Mutual Insurance Company

You are hereby notified that the 135th Annual Meeting of the Fairmont Farmers Mutual Insurance Company will be held:

TUESDAY, APRIL 2, 2024 - 10:00 A.M.
Knights of Columbus Hall ~ 920 East 10th Street
Fairmont, Minnesota

The purpose of the meeting is hearing reports, the election of directors for the terms of three (3) years, and to conduct any business that may properly come before said meeting.

The three-year terms of the following directors expire at this meeting:

Darian Hunt, Le Center, Minnesota
Chad Ostermann, Mapleton, Minnesota
Alexandra Kiecker, Madelia, Minnesota

In accordance with the By-laws of Fairmont Farmers Mutual Insurance Company, nominations for director must be filed with the Secretary at the home office at Fairmont, MN in writing at least 90 days prior to the April 2nd Annual Meeting. The purpose of the meeting is for the election of officers and transacting such other business as may properly come before said meeting.

A member may cast his or her vote in person or through proxy. The Secretary has made Proxies available at the Fairmont Farmers Mutual Insurance Company home office located at 118 Downtown Plaza, Fairmont, Minnesota. Proxies must be filed with the Secretary a minimum of five (5) working days prior to the meeting. The Proxies will automatically terminate at the conclusion of the meeting for which authorized.

Coffee and cookies will be served.

John Schmidt, Secretary

This is an IMPORTANT NOTICE

to all policyholders regarding a change in your coverage

Effective with the renewal of your policy, the **Identity Theft Expense Coverage (GMIL 4722)**, which provided coverage for expenses incurred due to identity theft, is being discontinued. This coverage has been removed from your policy.

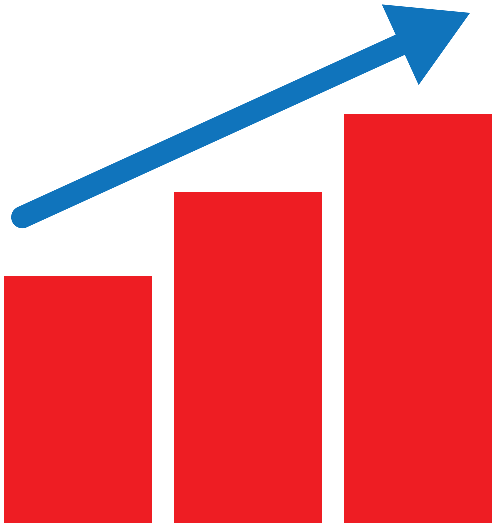
If you feel these changes do not meet your needs, you have the right to cancel this policy by contacting your agent to complete this request.

If you have any questions, please contact your agent as we want you to be completely satisfied with your insurance protection and service.

The Rising Cost of Insurance

The attached article was written by Aaron Cocking of the Insurance Federation of Minnesota. If you watch the Twin Cities news channels, you may have seen interviews or references to Aaron or the Insurance Federation. Any reference made to commercial lines in this article would be applicable to farm property and the references to Minnesota also apply to Iowa. He does not reference it in the article, but we need some calm weather years before we see any significant changes in the current experience and rate pressures.

The Rising Cost of Insurance
Aaron Cocking
President/CEO – Insurance Federation of Minnesota



Anyone who has opened their mail recently and found their insurance renewal has probably been surprised at the amount of the new premium. Whether home, auto, or commercial, nearly everyone is seeing the price they pay to protect their property increase. We are all left asking the same question – why?

While there are aspects of insurance that can be confusing and technical, the basic premise of insurance is incredibly simple: insurers collect premiums from all their policyholders and then pay claims from those collected premiums. Insurance is a product different from any other because, unlike buying a television or computer, the true cost of the product is not known until well after it is sold.

Insurers do their best to anticipate what they might have to pay out in losses each year. They evaluate past losses and look at predictive modeling to help them make their decisions. However, when the losses are higher than expected, insurance companies must raise premiums to cover the cost of the losses.

Insurers are paying out significantly more in losses than they are collecting in premium, across to the country and especially here in Minnesota. Much of the biggest losses are being driven by changing weather.

Minnesota is facing more frequent storms that are stronger and more severe than we have ever seen According to the National Centers for Environmental Information, Minnesota has the second most extreme weather of any state in the nation – trailing only California.

In 2023, the U.S. experienced 28 separate weather events that cost at least $1 billion. That is the highest number ever. That figure includes the "happy hour hailstorm" that hit Minnesota on August 11th.

While we are experiencing more storms that are doing more damage, we are also facing increased costs to fix the damage. The cost of materials and the availability and cost of labor to complete the repairs both contribute to significantly more expensive claims.

Those losses impact commercial insurance in much the same way they impact personal lines. One way insurers measure if they are losing money is using a "combined ratio." Simply put, losses plus expenses divided by collected premiums give you a number. Anything less than 100 means a company made money while

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The Rising Cost of Insurance

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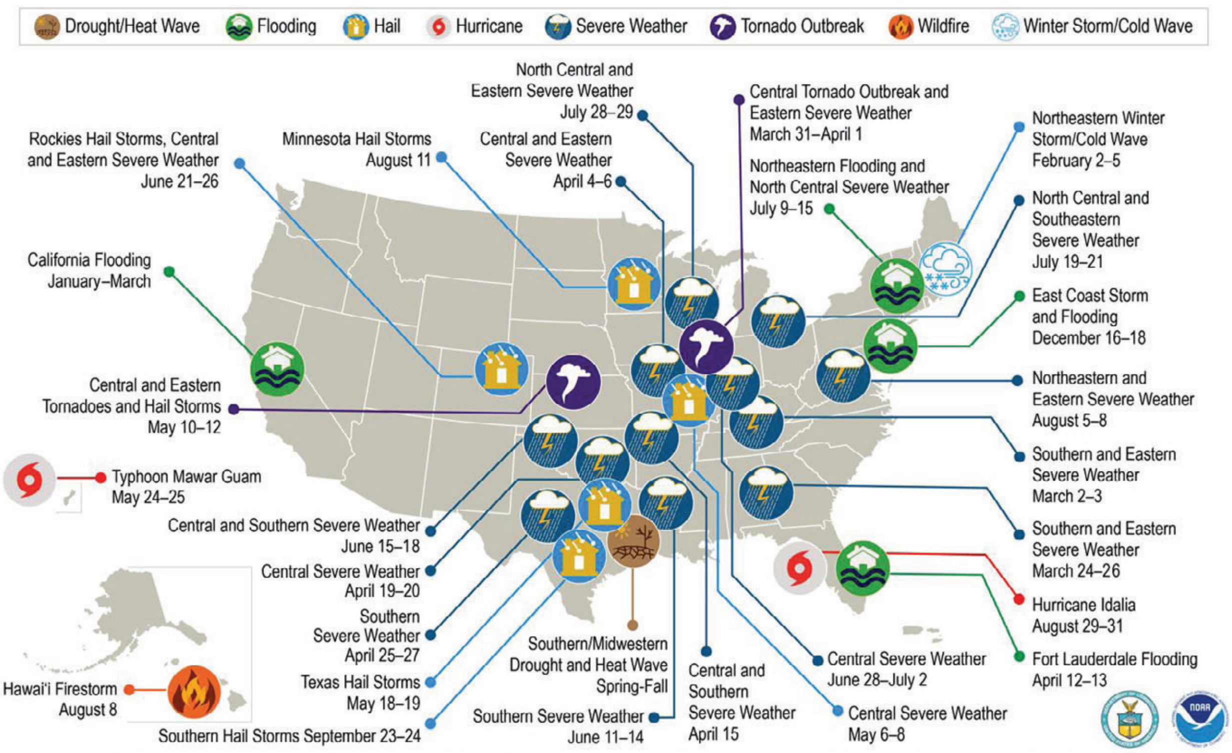
anything over 100 means a company lost money. The combined ratio for commercial multi-peril lines has exceeded 100 for the last eight years.

Insurance companies also buy insurance, called reinsurance, to protect themselves from these losses. The cost of reinsurance has been rising dramatically - including some 50% increases on January 1 - as a result of global reinsurers losing money five of the past six years. When reinsurance companies lose money, the availability of capital to fund the reinsurance product constricts, which is what happened in 2022. Global reinsurance capital contracted by 12 percent. And when resources are scarce (in this case reinsurance capital), the price goes up. Those higher costs must then be factored into the price of policies sold to consumers, sending costs even higher.

The insurance industry wants insurance to remain available and affordable, which is why we advocate to allow companies to bring innovative products to market in a timely fashion and why we are always working to develop ways to keep losses from happening in the first place. The likelihood of facing a loss due to severe weather has never been greater. Insurance brings the peace of mind of knowing that when a loss does happen, your property will be protected.

U.S. 2023 Billion-Dollar Weather and Climate Disasters



*This map denotes the approximate location for each of the **28 separate billion-dollar weather and climate disasters that impacted the United States in 2023.***

NOAA National Centers for Environmental Information (NCEI) U.S. Billion-Dollar Weather and Climate Disasters (2024). https://www.ncei.noaa.gov/access/billions/

We will be closed

Fairmont Farmers Mutual's office will be closed to observe the following holiday:

President's Day – February 19, 2024

What to do before a winter weather event

Last-Minute Actions

Winter weather can be harsh; keep your family safe and your building prepared. When severe winter weather is forecast, take these last-minute actions.

STAY INFORMED & ACTIVATE PLAN

❑ MONITOR THE WEATHER

- Find a reliable source for severe winter weather information. Follow the National Weather Service (NWS) Weather Prediction Center (WPC) on Facebook or X, and your local NWS office. Tune in to local news often when winter weather is forecast.
- Enable wireless emergency alerts on your cell phone. What to listen for:
  - Winter Storm, Winter Weather, Blizzard, Wind Chill
  - A **WATCH** means be prepared.
  - A **WARNING** means take action.
- Have a weather alert radio that broadcasts emergency alerts from the National Weather Service nearby.

❑ ACTIVATE YOUR EMERGENCY WINTER PLAN

- Ensure emergency contacts have been added to your phone.
- Communicate with your family. Ensure they are familiar with the plan.
- Determine where to go in case your home gets too cold.
- Bring pets inside or provide adequate shelter and unfrozen water.
- Fill your car's gas tank or ensure it has a full charge.
- Have the emergency supply kit ready to live without power, water, or gas.
- Keep your phone charged.

PREPARE YOUR HOME

❑ PREVENT PIPES FROM FREEZING

Indoors

- Set your thermostat to a minimum of 55°F (12.8°C).
- Open cabinet doors where piping is present, especially when pipes are next to an outside wall.
- Let all faucets drip during extreme cold weather.

Outdoors **(If you haven't already done so)**

- Remove hoses attached to your home, drain them, and store them away.
- If you don't have frost-proof outdoor faucets, shut off the valves and insulate them. Note: Homes built before 2010 typically do not have frost-proof outdoor faucets.

❑ TURN ON HEAT CABLES

- If you have an ice dam prevention system, turn it on before the snow begins to fall.

❑ Ensure you have plenty of supplies, such as:

- Fuel for generators.
- Snow removal equipment such as shovels or a snow blower.
- De-icing products for walkways and parking lots.

❑ Create a home inventory video

- Use your cell phone to video each room to show your belongings. Documenting your belongings is easier before a disaster happens.

To learn more visit ibhs.org/winterready

What to do after a winter weather event

Recover

Necessary recovery actions from a winter storm can vary from snow removal to repairing damage to your home or property. Follow these steps after a winter storm, making sure to stay safe.

❑ BEGIN REMOVING SNOW RIGHT AWAY

- Safety first! If it's warm enough and safe to go outside, fresh snow is easiest to clear. Shovel after each snowfall. Take breaks to avoid overexertion.
- Shovel or use a snowblower to clear the front steps, sidewalks, and driveway of snow and ice.
- Apply a de-icing product on walkways and stairs to prevent slips and falls.
- Clear snow from your home's furnace exhaust vent.
- Place non-slip mats in your front entryway to prevent slipping.

❑ WATCH WINTRY ACCUMULATION AND CLEAN THE ROOF

- Monitor your roof's snow load to ensure it does not exceed maximum capacity and clear ice dams.
- Clear the snow from your home, shed, and garage. For safe removal that won't damage your roof, hire a snow removal contractor.

❑ USE YOUR GENERATOR DURING POWER OUTAGES

Follow the manufacturer's recommendations for proper generator use.

Portable generator

- Portable generators should be operated outside in a well-ventilated area and away from windows. Use extreme caution when determining where to operate the generator.
- Portable generators should never be run unattended and while running, should be checked periodically.
- Portable generators should not be fueled while hot.
- Do not let snow accumulate on top of a portable generator.

Permanent generator

- Permanent generators are more self-sufficient than portable models but should also be monitored periodically while they are in operation.

❑ ASSESS YOUR HOME AND DOCUMENT ANY DAMAGE

Inside

- Watch for signs of snow load damage, such as creaking sounds, a sagging roof, cracks in the ceiling or walls, water stains and doors or windows that no longer open and close correctly.
- Check for flowing water from faucets. If water isn't flowing and you suspect frozen pipes:
  - o Shut off the water supply.
  - o If you have power, open cabinet doors to let heat in to affected area.
  - o Call a plumber to make repairs for any burst pipes.

Outside

- If a utility line is damaged or may become damaged, call the utility company. Stay away from any downed power lines.
- Assess downed trees or large limbs that may fall.
  - o If the tree/limb is located on your driveway or yard, call a tree care professional.
  - o If the tree/limb is located on a road or sidewalk, call your municipal public works department.

Document

- Create a list and take photos or videos to document any property losses.

❑ CONTACT YOUR INSURER ASAP, IF YOUR HOME IS DAMAGED

- Contact your insurance agent as soon as possible. Have information ready to provide such as your name, contact info, policy number, type and date of loss, a description of the loss and your home inventory. You should be assigned a claim number, and an adjuster who will work with you.
- If you need to relocate, keep records and receipts for additional expenses. Most insurance policies cover emergency living arrangements such as a hotel or temporary housing.
- Keep receipts and documentation for any services rendered or purchases. Consider creating an electronic file for this information in a cloud storage account so you can access it from anywhere.
- Adjusters may tell homeowners to hire a professional cleaning service or purchase a tarp for your roof. Keep these receipts.

❑ TAKE STEPS TO MITIGATE FURTHER DAMAGE

- Mitigate further damage by hiring a reputable roofer to place a tarp over your damaged roof and/or a restoration service for water removal before mold becomes an issue.
- If it's safe to do so and recommended by your adjuster, remove any salvageable belongings to a safe, dry space like a storage unit or a family member's home.

To learn more visit ibhs.org/winterready

FAIRMONT FARMERS MUTUAL
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LOYALTY IS IMPORTANT

Fairmont Farmers has been your dependable local insurer for more than 134 years. And life's always better when you're with someone you trust.

Trust in Tomorrow.®

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