



Rockford Mutual Insurance Company

Putting Lives Back TogetherSM

March, 2013

President's Message



Joseph DeChatelets

With a new year comes new thoughts and ideas. Many of us have already broken our New Year's resolution, but some are hanging in there.

A short while ago, one of our agents and I were having a conversation about changes he is seeing in the industry. He mentioned that he is looking into doing a book transfer from one of his companies and was working with our underwriting department to make that happen.

He explained that one of his companies – a West Coast company – recently announced a change. They had determined that approximately 10 of 100 quotes done by the public turn into actual policies written. Therefore, they announced a change.

The company was going to open up their website to public quoting. Anyone who wanted a policy would be “assigned” to an agent. Now, there is nothing new here, but then they threw in a wrench. These policies that are “assigned” to an agent would offer ZERO commission the first term, 5% the second term and 10% the third!

Although they aren't taking the independent agent out of the picture, they may well be!

Things are changing in our industry each and every day. It is sometimes hard to keep up with all the changes.

The one constant is the independent agents. The value you add to the people you work with cannot be made up by call centers in who knows where or computer technology. People don't know what they don't know, and that is where you provide value to the public.

Our commitment to you, the independent agents, is strong! Keep up the great work!

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Check us out
on Facebook.

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GO GREEN WITH ELECTRONIC DOCUMENT DELIVERY

Go green with Electronic Document Delivery; get it in your inbox today! Start electronic delivery of policy declarations and bills by registering today. You asked for it, now you can view and print RMIC dec pages and bills. This is available today and includes all lines of business that we write at RMIC.

From Agent Access just click "Your Policy Activity" on the menu. You may notice a delay and a white page; this is normal as it searches in real time to find your recent activity and populate the page. There are numerous ways to search for a particular policy; policy number, name, or process date. You can also narrow the search with transaction type, product and/or state.

By registering, you immediately improve your customer service while at the same time eliminating the expense of mailing policyholder decs and bills to your office. You also no longer need to do the tedious filing or worry about mailing copies to the insured or mortgagee ever again!

The Activity Log lets you see yesterday's activity at a glance. A real time saver knowing what items processed and how it will affect you and your insured customer. If you processed something and it is not on the activity Log, you can quickly resolve the issue by contacting RMIC for assistance.

When you click on "Register User," your user name will display and you can choose to also see what your sub-agents are processing. You can verify your email address and tell the program if you want daily, weekly, or monthly delivery intervals. Please indicate if you want to receive bills in your delivery, receive personal lines only, or all lines.

The next step is to indicate if you want an email reminder which includes a link to your most recently available download or you can choose to go online and download these documents when needed.

You decide how you want this to work for your business! Call RMIC Tech Support at Ext. 3291 and **we'll help you set up your agency today so you can start taking advantage of the electronic document delivery.**

New RMIC Co-Op Advertising Slicks

We now have two different advertising slicks available to agents in both color and black and white. If you qualify for our Co-Op advertising program, we will pay 50% of the ad placement up to your allotted amount. Just contact Diana Davis at ddavis@rockfordmutual.com or call her at 815/489-3158. Even if you do not qualify for Co-Op advertising, the ad slicks will still be available for all of our agents to use.

Summer Travel Safety Tips

The summer months are quickly approaching, which means many families will be embarking on vacation getaways. Summer travel and readying the car for trips can be the most stressful part of the vacation.

RMIC recommends the following packing and driving tips for families hitting the road for vacation this summer.

Don't Overload

With the loading of suitcases, coolers, strollers, bicycles and passengers, the car can become filled quickly. To ensure your safety, spread out the load so the weight is evenly distributed.

Keep a Clear View

When packing your vehicle, especially SUV's, make sure you maintain a proper line of sight. Ensure that nothing (i.e. suitcases, strollers, coolers, etc.) obstruct your view in the rearview mirror.

Ready the Roof Rack

If you have a roof rack on your vehicle, know your racks weight limit by checking the user's manual. Recognize the height of your vehicle after packing to prevent damage or accidents.

Be a Prepared Parent

Avoid road trips traumas by packing snacks, extra clothes and entertaining items that will keep your little ones in the back seat happy. This will also to reduce distractions for the driver.

A Little Break Goes a Long Way

When traveling long distances, it's important to take frequent breaks to help maintain focus and avoid fatigue.

Know Your Load

Summer road trips result in a heavier car due to luggage and other extra items. Leave extra room for braking as your vehicle will take longer to slow down.

Know the Route

In order to avoid distractions while driving, familiarize yourself with the route before leaving for your trip. Don't rely solely upon GPS, as this can sometimes lead to dangerous last minute turns or lane changes. Preset the radio station, MP3 devices and climate control, so the driver can focus on the roadway.

Use Cruise Control Carefully

Cruise control can be a helpful tool, when properly used on long trips, but be careful as it also can make it easier for drivers to lose focus and become distracted.

Secure Your Pet

Inside the vehicle unsecured pets can become a distraction. Secure your pet appropriately and never let them run about the vehicle.

These are just a few tips which we hope will assist you in your vacation traveling when you plan to drive.

ROCKFORD INSURANCE AGENCY, INC.

IT'S NOT TOO EARLY TO WRITE HOLE-IN-ONE COVERAGE!

We have an admitted market for this coverage.

Here are some of the highlights:

- Competitive rates (on the app)
- Reinstatement of coverage option
- Promotional signage to promote the event
- Up to \$20,000 prize limit on our quick rate, or higher limits available on a referral basis



VACANT BUILDINGS ARE A HOT TOPIC!

We have an admitted market for vacant buildings. Here are some of the highlights:

- Coverage available for general liability and property (monoline or package)
- Can be vacant up to 2 years
- Total insured value up to \$2,000,000 per location
- Age of building – less than 25 year old
- Available in IL, IN and WI
- Options up to 12 months for the policy term
- Premium is not fully earned
- Protection classes 1-7

We also have a non-admitted market:

- Will consider vacant over 2 years
- Age of building – NO age limitation
- Options: 3, 6, 9 and 12 month options
- Protection Classes 1-10
- Premium will be fully earned for most policies

Email us for an application.

Susan Leoni sleoni@rockfordmutual.com

Nicole Hamilton nhamilton@rockfordmutual.com

Revisions to Direct Farm Program

Equipment Breakdown Coverage is now available for Direct Farm Program!

Equipment Breakdown Coverage (99-532)

This endorsement provides up to \$50,000 of coverage for loss to covered property caused by mechanical failure, electrical failure caused by artificially generated electric current, or failure of pressure to covered equipment.

Covered equipment includes but is not limited to:

- air conditioning units
- computers and peripheral equipment
- heating equipment
- security systems
- swimming pool and sauna equipment
- home entertainment equipment
- home gym equipment
- kitchen appliances
- washers and dryers.

Sum all coverage limits for coverages A through G to determine the premium.

Coverage A-G Limit	Deductibles				
	\$500	\$1,000	\$2,500	\$5,000	\$10,000
\$0—\$499,999	\$35	\$34	\$32	\$28	\$23
\$500,000-\$999,999	\$54	\$52	\$48	\$42	\$35
\$1,000,000-\$1,999,999	\$80	\$77	\$71	\$63	\$52
\$2,000,000 and over	\$120	\$115	\$106	\$94	\$78

We have reviewed our current business and will be implementing a rate increase.

These changes will vary by customer.

Highlights

- Revised Liability rates
- Revised Blanket rates
- Revised rates for Silos and Outbuildings

Based on our analysis of the current marketplace we feel that we will continue to remain a competitive option for your new business.

We strongly value our partnership with you and are genuinely committed to earning your business.

If you have any questions, please feel free to contact your underwriter or marketing representative.

Manuals

We will not be distributing hard copies of our updated manual .

Please visit our website at www.rockfordmutual.com for an updated copy of our manual or you can acquire a hard copy by contacting our Supply Department at extension 3155.



Homeowner Underwriting Change

We continue to look for ways to improve the results of our homeowner business. Situations that we experience frequently are roof losses that have exceeded their life expectancy or are very near that state. Our insured may have actually been hoping for a loss to get the roof replaced.

We are changing our underwriting guidelines for homes with roof ages 15 years or older to require Actual Cash Value Loss Settlement Windstorm or Hail to Roof Surfaces (HO 04 93). This will apply to new business immediately.

This change will also apply as we review our homeowner renewal business. We will communicate to you if the roof coverage needs to be changed to actual cash value for a renewal.

RMIC Holiday Hours



FLOOD COVERAGE

Nationwide, only 20% of American homes at risk for floods are covered by flood insurance. The lack of flood insurance can be detrimental to many homeowners who may discover only after the damage has been done that their standard insurance policies do not cover flooding.

Flooding is defined by the National Flood Insurance Program as a general and temporary condition of partial or complete inundation of two or more acres of normally dry land area or two or more properties (at least one of which is your property) from: Overflow of inland waters, unusual and rapid accumulation or runoff of surface waters from any source, and mudflows.

This can be brought on by landslides, a hurricane, earthquakes, or other natural disasters that influence flooding, but while a homeowner may, for example, have earthquake coverage, that coverage may not cover floods as a result of earthquakes.

The National Association of Insurance Commissioners (NAIC) found that 33 percent of U.S. heads of household still hold the false belief that flood damage is covered by a standard homeowners policy. FEMA states that approximately 50% of low flood zone risk borrowers think they are ineligible and cannot buy flood insurance. Anyone residing in a community participating in the NFIP can buy flood insurance, even renters. However, unless one lives in a designated floodplain and is required under the terms of a mortgage to purchase flood insurance, flood insurance does not go into effect until 30 days after the policy is first purchased.

All of this being said; with spring snow melts, rising rivers, and potential hard rains, it is a good time to start thinking of flood insurance. Rockford Mutual can provide flood insurance to your customers as an added value service to help “Put Lives Back Together”. It is as easy as the agent going into our website and quoting a flood policy within 5-10 minutes. In an industry that provides home, auto, business, health, and life insurance, why would we not offer the peace of mind that flood coverage can provide. Our marketing team is available to tell you more about this great coverage being offered through Rockford Mutual.



Non Work Comp - Premium Audit Procedure Change

Commercial Underwriting is implementing a new process for obtaining non-work comp premium audit data from our insured's. Effective 2/1/13, we will no longer be mailing the premium audit request questionnaires generated by our system. Instead, we will be requesting this information via the use of a third party vendor (they will be contacting the insured indicating that they represent RMIC). This process will involve new data collection methods and provide more detailed information regarding the auditable liability exposures for non-work comp commercial accounts. Our work comp audits are currently obtained by this same vendor and there is no change to this process.

The insured will be contacted with details of the information that they will need to provide. This information will then be developed into a premium audit report and forwarded to the underwriter for review and policy adjustment.

The following are general guidelines for the types of audits that will be ordered:

- CONPAC accounts – Mail audits. The insured will have the option of submitting their data electronically.
- ROPAC accounts – Phone audits.

CPP and GL accounts – Phone audit; however, if there are three or more class codes, a physical audit will be obtained.

Generally speaking, we will be ordering audits 30 days after the policy expiration date to confirm the account renewed with RMIC. This process has been designed to allow adequate time for each insured to provide the needed information to complete the audit. Unfortunately, if we do not receive the information in the time frame requested, we will process an "estimated audit" which will reflect a 25% increase in exposures. In addition, if we do not have the data within 120 days prior to the next expiration date, the file will be set to non-renew. It is important that we obtain accurate information as outlined in the policy terms and conditions.

We are excited about this change. This is a benefit to your agency and to RMIC to confirm an account is being priced correctly.

Policy Form Changes

RMIC will be adopting the ISO form revision effective 4/2013 for Commercial Property, Commercial Liability and Commercial Umbrella.

Please review attached policyholder notices, which will be distributed with upcoming renewal offers.

We strongly value our partnership with you and are genuinely committed to earning your business.

If you have any questions, please feel free to contact your underwriter or marketing representative.



Saint Patrick's Day



Saint Patrick's Day or the **Feast of Saint Patrick** (Irish: *Lá Fhéile Pádraig*, "the Day of the Festival of Patrick") is a cultural and religious holiday celebrated on 17 March, the anniversary of his death. It commemorates Saint Patrick (c. AD 385–461), the most commonly recognised of the patron saints of Ireland, and the arrival of Christianity in Ireland.

It is observed by the Catholic Church, the Anglican Communion (especially the Church of Ireland),^[3] the Eastern Orthodox Church and Lutheran Church. Saint Patrick's Day was made an official feast day in the early seventeenth century, and has gradually become a celebration of Irish culture in general.

The day is generally characterized by the attendance of church services, wearing of green attire, public parades and processions, and the lifting of Lenten restrictions on eating, and drinking alcohol, which is often proscribed during the rest of the season.

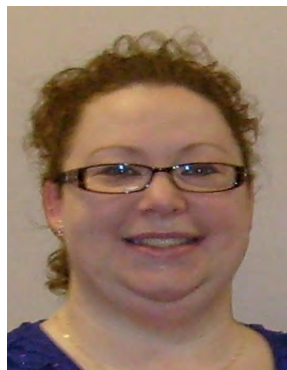
Saint Patrick's Day is a public holiday in the Republic of Ireland, Northern Ireland, Newfoundland and Labrador and Montserrat. It is also widely celebrated by the Irish diaspora around the world such as Britain, Canada, the United States, Argentina, Australia, and New Zealand.

RMIC NEWS—New Associates & Anniversaries



William "Bill" Hanby, Chief Information Officer, began his career with RMIC on January 28, 2013. Bill comes to RMIC from an extensive insurance background. Bill is a graduate of Bellevue University, Bellevue, Nebraska.

Bill and his wife, Cindy, have one daughter, Miranda, a high school senior. In his spare time, Bill enjoys flying, skiing, boating, and farming.



Christine Rittschof, Senior Data Entry Coordinator, recently celebrated her 15th anniversary with RMIC, coming to us from a retail background. Christine and husband, John, are parents to Ben, almost 14, and Emma, 20 months.

In her free time, Christine enjoys, crocheting, embroidering, spending time with family, and finding treasures at the Salvation Army store.



Debbie Fleming, Senior Commercial Underwriter, recently celebrated her 35th anniversary with RMIC. Deb began her insurance career with Economy Fire & Casualty.

Deb and her husband, Stuart, as parents to Brent, Nate, and

Michael, and grandparents to Danny, 7 and Blake, 5.

When not hard at work, Deb enjoys all sports & boating. She and Stuart also love to travel.



Deb Bridges, Claim Support Technician, just celebrated her 5th anniversary with Rockford Mutual. Deb is currently attending Ashford University.

Deb is mom to 6 year old Charlie.

Deb has an extensive background in banking, most recently handling compliance.

Deb and Charlie like reading, and day trips.



Diane Derr, Personal Lines Underwriter, began working at RMIC in 1983, coming from Pioneer Life

Diane is mom to Ryan, 26, who will soon graduate from Lindenwood University and Renee, 22, and grandmother to

Elyjah, 2, and Raelynn, 8 months.

Diane spends a lot of time playing with Elyjah in the park, and watching the Chicago Bears on TV. (Maybe, next year!)



Dennis Gulling, Senior Claims Representative and Lead Adjuster, joined RMIC on 1/27/2003. Dennis earned his BS from Northern Illinois University and previously worked at Allstate Insurance.

Dennis, and his significant other, Anna Cameron, enjoy spending time together.

Congratulations

The Seven Deadly Sins of Winter Driving

1. They don't clear the windshield completely. Eva Lipson of Truckee, Calif., says she has seen visitors to her ski town remove snow from only a small area of their windshields before taking off driving. Driving with a football helmet on would give them a better view. Clear the entire windshield and side and rear windows, and put de-icer in the windshield washer fluid so you can keep it clean as you drive through mud and snow, she recommends. Many snowpocalypse veterans will throw a blanket or tarp over the windshield to make the clearing easier.

2. They don't brush snow off headlights and taillights. Removing snow from windows helps drivers see out, but forgetting the lights doesn't help other drivers see them, says Marc Pitman, a Maine resident who has lived in the Northeast his entire life. "I really honestly don't think people think below the windshield," says Pitman, who too often can't see turn signals or brake lights from snow on cars. Snow from the roof can also cause a problem if it blows onto the windshield of a car behind you.

3. They don't wait for the defogger to work. You've started your car, cleared the snow off and by the time you get in the car to go, you're soaked and your windows steam up. Take the time to let the defrost work so you can see, recommends Lipson. Turning on the air conditioner will speed the process.

4. They drive on the wrong tires. Tires are the only part of your car touching the road - in effect, they are your car's shoes. Driving in snow on summer-rated tires is like wearing Crocs to run a marathon. No other feature of your car matters as much — not even all-wheel-drive. If you don't have snow tires, at least make sure you have all-season tires with decent tread depth. (Retailer Tire Rack says even all-seasons lose their effectiveness once tread depth falls below 6/32".) For people who don't drive in the snow often, **chains** are cheap and effective and are sometimes required in mountainous areas. But make sure you test-fit them when the weather's nice; you don't want to learn on a remote mountain road.

5. They have all-wheel-drive overconfidence. TV ads promote all-wheel-drive systems and electronic stability control as a worry-free ways to drive in the snow, but the overconfidence they instill can let drivers get too cocky and drive too fast in icy conditions. Winter-driving experts advise drivers to ask their tires to do one task at a time: **brake, turn, or accelerate.**

6. They punch the gas pedal. Whether stuck in the snow or stopped on ice, hitting the gas pedal hard will only lead to digging a deeper hole in the snow, or fishtailing and possibly crashing on ice, says Marilyn Barnicke Belleghem of Ontario. Spinning the wheels won't get a car unstuck, but rocking it back and forth will, she says. Belleghem says she's had to wave off bystanders who try to push her when she rocks her car.

7. They tailgate snowplows. In many places, following a snowplow too close is a traffic violation. The pavement behind a plow may be clear, but the air is thick with a cloud of obscuring snow. Rear-end collisions are frequent — and usually the snowplow will come out on top. Amy Jardon of Cedar Falls, Iowa, says she has seen snowplows clearing three lanes — and three drivers tucked right behind them.

The Courier is published 4 times each year. The Editor gladly accepts insurance-related contributions.

Please send all contributions to ddavis@rockfordmutual.com.