



Wisconsin town mutuals take their message to Washington, D.C.

Wisconsin town mutuals took their message to Washington again in April. That message is that town mutuals and the property/casualty insurance industry are very different from others in the financial services industry and do not pose a risk. Representatives from 11 mutuals took part in the latest Wisconsin Association of Mutual Insurance Companies (WAMIC) fly-in April 28-29, 2010.

Loss prevention program encouraged

Does your company have a loss prevention program? If not, get serious about developing a loss prevention program—not only because the Wisconsin Office of the Commissioner of Insurance (OCI) recommends it, but also because a loss prevention program makes good business sense. Loss prevention will cost a mutual insurance company on average \$9 per in-force policy. According to Bobbie Stokke, loss prevention specialist at Wisconsin Reinsurance Corporation, companies with a good loss prevention program save \$8 for every \$1 spent on loss prevention.

An effective loss prevention program will help companies improve their underwriting results. Studies have shown that insurance companies with the best loss prevention programs incur fewer losses and are more profitable. Inspections provide accurate and current information about the insured property. Underwriting action reduces hazards that cause loss. Fewer losses protect your company's hard earned assets and help keep the premiums low.

Companies that do not have a good loss prevention program cite both cost and manpower as reasons not to have a program. Other reasons given include not being necessary because the com-

The big topic in Washington is insurance regulation. Wisconsin town mutuals delivered the message that they are local companies owned by the policy holders and well-regulated by the state insurance system. They know their territories and their customers' needs. They have been solid in a time of turmoil. Legislators were urged not to adopt regulations that would disrupt the strength and integrity of the

company made money in previous years, or that the company doesn't want to lose customers by telling them they have to make improvements or experience increased rates. "It is not in the best interest of a mutual to not do loss prevention for fear of losing customers," said Stokke. "Insurance is not just about insuring property, it is also about insuring people. An effective loss prevention program shows your policy holders that town mutuals care." If done properly, a loss prevention program can improve business relationships through increased customer contact and show customers how to reduce losses that hurt both the customer and the mutual insurance company.

For more information on loss prevention, contact Bobbie Stokke at Wisconsin Reinsurance Corporation, 1-888-378-7744.

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Wisconsin mutual insurance industry owned by their constituents.

While national control is not sought, the legislators were told of programs that would aid town mutuals, including how these small companies are taxed. Working with the National Association of Mutual Insurance Companies, the group pushed for the adoption of HR 3301, which would allow companies to be taxed on less of their investment income.

Another positive piece of legislation is a bill (HR 3377) that offers incentives for states to adopt building codes that would reduce losses in times of disaster. The legislation increases the amount of post-disaster funds available to states that have adopted strong building codes.

The WAMIC group visited the offices of Senators Russ Feingold and Herb Kohl and of all eight representatives. The legislators and their staffs were re-introduced to the story of the Wisconsin mutuals, which have been serving their communities for well over 100 years and are part of Wisconsin's cooperative system.

Town mutuals from all corners of the state took part in this Congressional Contact Program visit. The group included Richard Bauer, Ellington Mutual; Kathy Beach, Northern Finnish; Dale Fisher and Sandy Seifert, Seneca Sigel; Timothy Rand, Ettrick; Paul Rosenow, Fountain City; John Schmitz, Homestead; Dennis Sheen, Kenosha County; Don Vande Zande, Flyway; Gregg Westigard, Trade Lake; Bill Wille, Berry & Roxbury; and Steve Zillmer, Forward; plus Jim and Maris Tlusty from WAMIC.

This article was submitted by Gregg Westigard, Trade Lake Mutual Insurance, Frederic, Wis.

New faces to join Wisconsin Legislature

The 2011 session of the Legislature is guaranteed to have many new faces. In addition to Governor Jim Doyle announcing late last year that he was not seeking re-election, 23 legislators have announced they will not be seeking re-election to their current posts. Most, however, are in seats generally considered safe for the party of the incumbent. Those who will not be back (at least in their current position) are:

- Rep. Phil Montgomery, (R-Ashwaubenon), retiring
- Rep. Tom Nelson, (D-Kaukauna), running for the Democratic nomination for Lieutenant Governor
- Rep. Pedro Colon, (D-Milwaukee), retiring
- Rep. Leah Vukmir, (R-Wauwatosa), running against Senator Jim Sullivan in the 5th Senate District.
- Rep. Annette (Polly) Williams, (D-Milwaukee), retiring
- Rep. Kitty Rhoades, (R-Hudson), retiring
- Rep. Thomas Lothian, (R-Williams Bay), retiring
- Rep. Scott Newcomer, (R-Hartland), retiring
- Rep. Donald Friske, (R-Merrill), retiring
- Rep. Chuck Benedict, (D-Beloit), retiring
- Rep. Steve Hilgenberg, (D-Dodgeville), retiring
- Rep. John Townsend, (R-Fond du Lac), retiring
- Rep. Roger Roth, (R-Appleton), running for the Republican nomination to challenge Congressman Steve Kagen in the 8th Congressional District
- Rep. Jeff Wood, (I-Chippe-

wa Falls), retiring

- Rep. Gary Sherman, (D-Port Wing), appointed to Appeals Court
- Rep. Mary Hubler (D-Rice Lake), retiring
- Rep. Spencer Black (D-Madison), retiring
- Rep. Brett Davis, (R-Oregon), running for the Republican nomination for Lieutenant Governor
- Rep. Mark Gundrum, (R-New Berlin), elected Waukesha County Circuit Judge
- Rep. Rich Zipperer, (R-Pewaukee), running for open 33rd Senate District
- Sen. Alan Lasee, (R-De Pere), retiring
- Sen. Judy Robson, (D-Beloit), retiring
- Sen. Ted Kanavas, (R-Brookfield), retiring

Rep. Bob Ziegelbauer, (D-Manitowoc) announced that he is leaving the Democratic Party and is seeking re-election as an Independent. Ziegelbauer has served in the Assembly since 1993.

State Senator Julie Lassa (D-Stevens Point) is running for the 7th congressional seat vacated by the retirement of long-time Congressman David Obey, who surprised the nation by ending his 41-year House career. If Lassa wins in November, a special election will be held to fill the remaining two years of her State Senate term. All the retirements add more anticipation to the heavily battled fight for control of the Assembly (currently 52 Democrats, 46 Republicans and 1 Independent) and the Senate (currently 18 Democrats and 15 Republicans) in the November election. Along with the race for Governor, the contests will likely see unprecedented amounts of money raised and spent for the crucial control of state government's legislative and executive branches.

Raw milk worries dairy and insurance co-ops

Wisconsin's dairy cooperatives are opposed to Wisconsin becoming the 26th state to legalize the sale of unpasteurized raw milk. The issue is also a concern for insurance companies. Both industries can rest easy thanks to a veto from Governor Jim Doyle.

Dairy cooperatives worry that the health threats from consuming raw milk will tarnish the industry as a whole. According to the American Public Health Association (APHA), states that permit the sale of unpasteurized dairy products have nearly three times the risk of having unpasteurized product-related outbreaks and nearly twice the risk of having outbreak-associated illnesses.

"Ninety percent of Wisconsin's cheese is sold outside the state. It is vital that Wisconsin protect the safe image of its products. A foodborne illness outbreak associated with raw milk could tarnish that safe image we now enjoy," said Bill Oemichen, president and CEO of Cooperative Network.

Despite efforts by Cooperative Network and other dairy and insurance interests, legislation permitting the sale of raw milk directly from farm to consumers passed both houses of the Legislature. Cooperative Network then contacted Governor Jim Doyle and requested he veto the Senate bill. On May 19 the governor complied with Cooperative Network's request.

Insurance companies were concerned that if a policyholder should choose to sell raw milk it could expose that policyholder to increased liability if a customer were to become ill.

"Any time you increase your exposure to liability it will impact your insurance company's ability to cover you," said Jim Viney, president and CEO of Sugar Creek Mutual Insurance.

Cooperative Network Mutual Interests

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