

FIRST STATE INSURANCE

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6/1/2018

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SUMMER FUN:

We never thought it would get here! The winter was a little long. We had our adult britches on and dealt with it. Now LET'S CELEBRATE- Mother's Day, Memorial Day and July 4th. The Fourth of July is full of festivities, family and fun. It can also mean injuries and trips to the hospital emergency wards. Misuse of firework devices account for a large amount of fireworks-related injuries. Fireworks don't always go off as expected. Don't handle duds or use old fireworks. A sparkler burns as hot as a blowtorch. Some interesting facts:

The earliest documentation of fireworks dates back to 7th century China.

They were invented more than 2000 years ago in China. The first recorded fireworks in England were at the wedding of King Henry VII in 1486.

Fireworks are not for animals. Keep dogs and inside the house. A string of firecrackers lasting 22 minutes marked the New Year's in Hong Kong in 1996.

cats
of
hours
Day



CROP HAIL INSURANCE:

We are offering Hail coverage with Great American and Diversified Insurance Companies. A cash discount of five percent applies if purchased before July 15th. Coverage can be purchased for any dollar amount per acre up to the limit for a crop. Coverage's include fire, lightning, theft, vandalism, malicious mischief, transit coverage, collision and overturn with same day protection. A fire only endorsement is available. Corn Wind or Green Snap may be purchased up to June 15th.

ACREAGE REPORTING DEADLINE:

An acreage report is used to verify legals, plant dates, prevented planting acres, acreage emerging from CRP or new breaking, etc. Contracts must be submitted at this time. The deadline for reporting your acres for the 2018 crop year is July 15th.

CROP INSURANCE:

In the early 20th century private insurers had difficulty providing insurance products to farmers. The first Federal Crop Insurance Program was established in 1938. In 1980 Congress passed legislation to increase participation in the Program which made it more affordable. The program was restructured again in 1994 with the Federal Crop Insurance

MEDICARE BENEFITS

Congress raised certain Medicare benefits as part of the budget bill. The bill preserves improvements to the Medicare Part D prescription drug program. Medicare beneficiaries that have high prescriptions and pass through the Part D coverage gap (called the doughnut hole) will see their costs lowered and the gap closed a year earlier than expected. In 2018, enrollees pay for 25% of their prescriptions up to \$3,750 and then 35% until they hit 5,000. The out-of-pocket share will remain at 25% all the way up to the \$5,000 in 2019.

Congress also lifted Medicare limits on therapy. No more yearly caps on physical, occupational or speech therapy.

Beneficiaries now qualify for therapy indefinitely as long as a doctor signs off.

Older adults lived with the uncertainty if Medicare would cover all the therapy needed to recover from falls, strokes, or chronic illnesses.

In every newsletter we go over important parts of an insurance policy.

ORDINANCE OF LAW COVERAGE:

Coverage for loss caused by enforcement of ordinances or laws regulating construction and repair of damaged buildings. Older structures that are damaged may need upgraded electrical, heating, ventilating, air-conditioning, and plumbing units based on city codes. An endorsement may be added to your commercial property insurance to cover these damages. Fungi, wet or dry mold is excluded. This coverage works to cover the costs of bringing the property up to code after a loss, to rebuild those parts that were not damaged by the loss but must be brought up to code as required and to help with the extra cost of demolition. Even after 10 years, chances are property is not up to code. Ordinance coverage is triggered when, after a covered loss, you are required to comply with building code, ordinance, law, etc. separate from the actual damage that incurred.

INSTALLATION FLOATER OR BUILDERS RISK:

An **Installation Floater** will protect a specific contractor from loss of material. **Builders Risk Covers** commercial, residential, or farm buildings that are under construction. Think about this scenario, a contractor was hired to construct a building for a landowner. They installed 75% of the roof trusses. High winds damaged the structure. **The outcome:** Once the property is installed, it is no longer for installation, but is part of the building or structure, which falls under the Builders Risk form. When the property is installed is when the coverage on the installation floater would end. If the other 25% of the trusses that were not installed were also damaged, they should be covered by the installation floater.

FOREIGN OBJECTS IN MACHINERY:

The Foreign Object Ingestion Endorsement provides object ingestion coverage for farm machinery, farm implements and their equipment. Usually all losses involving the intake of rocks or foreign objects by harvesting and forage equipment must be reported immediately.

REMINDER: Your farm policy may cover rented or borrowed equipment. Please check with us prior to renting to ensure your policy has adequate coverage and endorsements.

MANAGERS COMMENTS

I recently attended the Professional Insurance Agents Federal Legislative Summit in Washington D.C. While I was in D.C. I attended two committee meetings with associates from different congressman. They advised that PLC/ARC farm programs are here to stay, with the option to update: crop bases, yields, and opt from PLC to ARC or the ARC to PLC for those crops in the program. The concern is over the SNAP program, (the nutrition program) as part of the bill people who receive benefits from the ages of 18 to 59 would be required to work 20 hrs. a week or re-train for a new job. (USDA would pay for expenses in re-training.) If one is pregnant, a single parent, or is disabled they would then be exempt from the new bill, providing they are drug free. Democrats disagree with this new bill, so watch for what amendments come off of the floor to get this bill passed. Speaker Ryan would like welfare reform done before he leaves, and the rumor in D.C is he will give up anything including subsidies and cuts to crop insurance to get this done.

We talked health insurance with our congressman as well, in the next two years look for prices to increase 17-18% each year, and in some cases and states, a 90% increase for the 2019 year. We advised our congressman, that this is out of control, people, small business, and farmers simply cannot afford any more increases and will therefore be forced to forgo health insurance. Congress is aware of the problem but do not look for any relief. Our insurance commissioner is looking into a partial self-funded plan through associations such as the Small Business, CHS, Wheat Growers and Barley Growers etc. This looks like a viable option and it will meet the ACA requirements. Flood insurance funding will run out on July 31, keep an eye on this as hurricane season is fast approaching. Finally our staff would like to wish you safe and profitable summer. Once again thank you for letting us serve you.

