

January 17, 2022



THE MUTUAL WAY

Farmers Mutual Insurance Company Newsletter

From the CEO:

As we all know, the December 15th Windstorm event made a dramatic change to the otherwise favorable year of 2021 for the insurance industry here in Kansas. Farmers Mutual Insurance Company (FMI) was not immune to that impact, and it quite frankly disrupted a time of year that our focus is on the holidays, family gatherings, and the joy of the season. What they are now calling a “derecho” will impact not only our company’s bottom line for 2021, but also the contingency commission that many of you were poised to receive for 2021. Be watching for those contingency commission results soon, as well as the production reports for 2021.

As I advised our staff and Board of Directors, in some of my first communications regarding this storm, there is a positive, in that we would have the opportunity to serve our policyholders. Serving our policyholders at times like this is our business and it is also an opportunity to excel at service. These are the times when we can shine and outperform the expectations, as well as the competition. Although the adjusters quickly became overwhelmed due to this storm’s timing, we have communicated with them to ensure all policyholders were served as quickly as possible. Even though it’s still relatively early, as the dust has not settled yet, I am proud of our staff and those adjusting firms we work with, for continuing to provide exceptional service. Nonetheless, FMI will remain in a positive position for the 2021 year and we hope that your bottom line will show little impact as well.

We are also thankful for excellent reinsurance and reasonable retentions. Our leaders have worked hard in the past to ensure we have the proper reinsurance coverage and appropriate retention amounts for a company of our position. This storm will have a minor impact upon our company because of that planning and preparation that has been completed in the past and maintained since.

This is also a learning experience, as it’s through the trials that we become better as we often discover those shortcomings that we may have. We take note of those faults and seek to learn from them, to embark on measures to improve for the future.

One such example is, with Loss Reporting, as we have discovered that when a loss is reported through our “Report a Loss” form on our website the processing time required for that assignment to an adjuster is greatly reduced. Furthermore, if the submission is complete and the detail accurate, the entire process begins smoothly and there is less chance of a disruption to that process. Reports submitted on other forms or in non-specific manner, as well as those with a lack of detail or inaccuracies, cause a disruption to service and can delay the assignment of the loss to an adjuster.

Continued on pg. 2

As a result, I urge you to report all losses through the [“Report a Loss”](#) link at www.fmi-ks.com and complete that report as accurately as possible.

If ever you have any concerns or request, please feel free to contact me to discuss. Thank you for allowing us to serve you and your customers!

Mutually yours,

Justin Lear, CEO

HAPPY NEW YEAR

Freezing Pipes



1. Be aware of the outside temperature. Once the temperature outside is 20° F, pipes in uninsulated areas, such as crawl spaces, exterior walls, or basements, can freeze. To protect pipes in uninsulated areas of homes, wrap the pipes with pipe insulation. Pipe insulation is a cheap and easy way to prevent pipes from freezing.
2. Keep garage doors closed if you have water supply lines in the garage.
3. Open cabinets to allow warmer air to circulate around the plumbing. (Any harmful chemicals or cleaners need to be removed from the open cabinets and out of any children's reach.)
4. Keep the thermostat the same temperature day and night.
5. If you plan to be away, the temperature in your home should not go below 55° F.
6. Add insulation to attics, basements, crawl spaces, this will help sustain high temperatures in these areas.
7. Exterior pipes should be drained or wrapped with 2 inch insulation sleeves.
8. Pipes leading to the exterior should be drained and shut off prior to winter.
9. Hoses should be removed from exterior faucets.
10. Let faucets drip slowly to keep water flowing through pipes that are susceptible to freezing. Ice still might form in the pipes, but an open faucet allows the pressure to escape.

