

HERITAGE

INSURANCE SERVICES

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Kids are off to college Now What?

Up-Coming Events:

- Daylight Savings Time November 1st, turn your clocks back one hour

The graduates that walked across the stage during their High School Commencement last May are now enrolled in college. This is the time for parents with college bound students to review their insurance risk exposures. Most college students leave home so the "insured location" becomes important on the parents homeowners policy. On most Homeowners policies coverage for personal property is limited to 10% off premises which can and often times causes problems. Coverage on electronic and

high-value communications devices is limited. (It is best to schedule laptops) The college student also takes on new liability status by signing rental or housing leases, serving on fraternity or sorority boards, having higher exposures to personal injury type claims and will have changed medical and dental insurance needs. If the student has a car at college you the parent will have to educate the student in liability laws. Is the student in a no-fault state? Will the student have access to drive the room-mates car? In what

state is the vehicle insured? Are the drive other car endorsements available? All of these concerns can be addressed and eliminate with planning. Now is the opportune time to review your insurance needs and visit with our agents about the new risks your family shares with a student at college.



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Dogs and Teen Drivers Could Leave You Broke!

The dog, the teenage driver, and the monster tree that hangs over your neighbors yard can all become the stiff of lawsuits. And most homeowner's and auto insurance policies don't offer enough protection against major personal liability claims. Especially now with jury awards be-

coming much larger and more frequent. That is why it's important to buy an umbrella policy that adds an extra layer of protection on top of your primary insurance. These types of personal liability policies can encompass all types of claims brought against you. Heritage Insurance has

several options for this type of coverage. Some companies offer discounts across auto, and home to purchase an umbrella, which really takes the cost down. Generally, umbrellas run a couple of hundred dollars a year per 1 million.

Ever increasing Agriculture Changes

The Clean Water Restoration Act amends and changes a few words that will have historic adverse affects on North Dakota farmers and landowners. The current “navigable waters” will be replaced by “waters of the United States” which will subject every place that water runs, sits or evaporates to federal Clean Water laws. This is simply crazy because farmers’ and ranchers’ practices will be required to obtain a federal regulatory permit. Currently the “navigable water” definition exempts farming and ranching. The new definition specifically includes, “all waters including lakes, rivers, streams, mudflats, sand flats, wetlands, sloughs, prairie potholes, wet meadows, playa lakes, natural ponds and all impoundments of the foregoing”. A farmer will have to have a permit to plant, farm, till, any of these areas on his own land as these lands by the new definition will be subject to legislative power of the congress. The initial sponsor of the legislation is Jim Oberstar of MN. Opposition to the legislation has been broad including most major farm organizations with the exception of National Farmers Union.

Lower Land prices.. May be just talk! Be sure to insure



Uncertainty in the general economy created a lot of talk last fall about farm and ranch real estate prices showing signs of weakness and even some retrenchment in values near the end of the year. On top of the stress in the general economy, we are seeing significant drops in the commodity prices from last fall. This has removed

some of the profitability we enjoyed the last two years. Whenever there is uncertainty, people stop spending, and we are definitely seeing that now. Although there were some distressed sales through the region, the reality is the vast majority of land is held in very strong hands and owners were unwilling to sell at lower prices than in

2008 causing a dramatic slow down in sales. With the value of land being strong in a down economy is a testament to the rural economy. By purchasing liability coverage on land you own you can protect against hunters, trespassers, and general liability claims arising from your holdings.

North Dakota 2009 average cash rent & land values

| <u>County</u> | <u>Average Rental Rate</u> | <u>Average Value of Land</u> |
|---------------|----------------------------|------------------------------|
| Barnes | \$60.00 | \$1,348.00 |
| Cass | \$82.50 | \$1,951.00 |
| Dickey | \$69.30 | \$1,484.00 |
| Grand Forks | \$60.10 | \$1,262.00 |
| LaMoure | \$68.70 | \$1,428.00 |
| Richland | \$96.00 | \$2,131.00 |
| Steele | \$54.40 | \$1,077.00 |
| Trail | \$74.50 | \$1,848.00 |

Protecting your most valuable asset-You!

Heritage Insurance represents the top A.M Best rate A or better companies in the state. Having access to 40+ life insurance companies allows us to shop each individual life case to best fit the term, rate, and premium. This ensures that our customers will always get the best rating possible for their families life insurance needs.

| \$100,000 Coverage, Best Class, Annual Rates | | | | | | |
|---|--------------|--------|--------------|--------|--------------|--------|
| Issue Age | 15-Year Plan | | 20-Year Plan | | 30-Year Plan | |
| | Male | Female | Male | Female | Male | Female |
| 30 | \$99 | \$95 | \$118 | \$102 | \$151 | \$128 |
| 40 | \$122 | \$113 | \$152 | \$126 | \$207 | \$171 |
| 50 | \$293 | \$173 | \$278 | \$213 | \$389 | \$300 |
| 55 | \$321 | \$216 | \$382 | \$280 | \$900 | \$642 |
| 60 | \$464 | \$331 | \$603 | \$429 | N/A | N/A |

| \$250,000 Coverage, Best Class, Annual Rates | | | | | | |
|---|--------------|--------|--------------|--------|--------------|---------|
| Issue Age | 15-Year Plan | | 20-Year Plan | | 30-Year Plan | |
| | Male | Female | Male | Female | Male | Female |
| 30 | \$125 | \$123 | \$155 | \$135 | \$240 | \$195 |
| 40 | \$152 | \$153 | \$205 | \$183 | \$351 | \$280 |
| 50 | \$397 | \$285 | \$517 | \$382 | \$810 | \$515 |
| 55 | \$605 | \$397 | \$777 | \$590 | \$1,677 | \$1,172 |
| 60 | \$963 | \$627 | \$1,330 | \$895 | N/A | N/A |

| \$1,000,000,000 Coverage, Best Class, Annual Rates | | | | | | |
|---|--------------|---------|--------------|---------|--------------|---------|
| Issue Age | 15-Year Plan | | 20-Year Plan | | 30-Year Plan | |
| | Male | Female | Male | Female | Male | Female |
| 30 | \$335 | \$303 | \$460 | \$360 | \$700 | \$575 |
| 40 | \$460 | \$425 | \$670 | \$570 | \$1,200 | \$940 |
| 50 | \$1,375 | \$945 | \$1,820 | \$1,285 | \$3,030 | \$1,885 |
| 55 | \$2,235 | \$1,415 | \$2,940 | \$2,175 | \$5,510 | \$3,850 |
| 60 | \$3,670 | \$2,265 | \$4,980 | \$3,430 | N/A | N/A |

*The information used in this comparison has been taken from the rate cards and rate manuals which life companies routinely publish and distribute to life agents and brokers. However, we CANNOT GUARANTEE ACCURACY.

Are you protecting your most valuable asset?

Your earnings power is the most valuable asset you have. It provides the foundation upon which all other assets - home, car, education, investments-are supported.

The chart below will give you an idea of your earnings potential.

| Present Age | Cumulative Earnings to Age 65 | | |
|-------------|-------------------------------|-------------|-------------|
| | Average Income to Age 65 | | |
| | \$35,000 | \$55,000 | \$75,000 |
| 30 | \$1,225,000 | \$1,925,000 | \$2,625,000 |
| 40 | \$875,000 | \$1,375,000 | \$1,875,000 |
| 50 | \$525,000 | \$825,000 | \$1,125,000 |



**First
Community
Credit Union**
It's the Little Things We Do

It's the little things we do...

Branch Locations

| | |
|-------------|----------|
| Jamestown | Napoleon |
| Oakes | Milnor |
| Valley City | Steele |
| Bismarck | Wahpeton |
| Fargo | Wishek |
| Hankinson | |



www.firstcommunitycu.com
1-800-850-7676



At First Community Credit Union we make taking care of your financial needs *easy and enjoyable* by being your one stop location. Our knowledgeable staff can help with checking, savings, loans, CDs and much more.

As the largest Credit Union in North Dakota with 14 branch locations, you'll have *security* knowing that there's a First Community Credit Union right around the corner.

With today's busy way of life, you need a financial institution that fits your 'on-the-go' lifestyle. FCCU's Freedom Online let's you view your accounts online, make transfers and more. With our automatic bill-pay, you don't have to hassle with writing out checks and mailing your bills; we'll take care of it for you. In the near future, we'll be introducing mobile banking, which allows you to take care of your financial services from the *convenience* of your mobile Smart Phone.

First Community Credit Union makes taking care of your financial needs *easy and enjoyable*.

Experience the difference today!

Everyone seems to be paying for Madoff

Many Wealthy victims of the Bernie Madoff scheme have filed claims on their homeowners policies for "fraud, loss of money, securities and other property resulting from fraud, embezzlement, or forgery". An example is AIG homeowners policy which contains a Fraud Safeguard Events cover. Some policies have coverage tied in with ID theft and other forgery type coverage's. Most policies have a dollar limit but others are finding that

fraud losses may not be limited by valuation even when there is a limitation. Case in point is Robert and Harlene Horowitz of California who had an \$8.5 million account with Madoff, they filed a class action suit against AIG on their Homeowners policy and won! An AIG spokesperson said the company had paid hundreds of eligible policyholders who suffered Madoff- related losses pursuant to this coverage. So not only does Bernie Madoff cause

FDIC fees, SEC fees, and cause Billions of dollars in losses, he is now causing homeowner rates to increase!

