

Germania Today

Fall 2011



A Message from the President



Paul Ehlert, President

The reciprocal nature of our mutual insurance company means we all, as a group, are responsible for and share in Germania's success. It also means we take care of each other by individually striving toward high standards of integrity, fairness and honesty that benefit our Association as a whole.

Several stories in this issue of Germania Today speak to that mutually shared responsibility. In our feature story, we provide tips on maintaining your home. "Pride of ownership" resonates throughout our membership and is a strong indicator of our collective pride in ourselves, our families and our communities. Not only is regular home maintenance a preventive measure against future damage, it can reduce the cost of an insurance claim. And in the end, preventing or reducing claims losses benefits the entire membership.

The Germania Neighborhood Watch story is a reminder that all of us are victims of insurance fraud – and that it's up to each of us to combat this growing crime. The Texas Department of Insurance estimates that insurance fraud costs every U.S. family \$1,000 annually in higher premiums. The Texas Department of Insurance, Germania and other insurers are working to educate our policyholders about these crimes, and aggressively prosecute those caught committing them. Our Neighborhood Watch program and Shield of Protection sticker are two ways we encourage you to join us in reducing the rising number of arson-related fires and property thefts across the state. After all, the real victims of insurance fraud are not insurance companies, but those of us who must pay increased premiums due to fraudulent activity. In a mutual insurance company like Germania, fraud lightens every member's wallet.

You'll also read about upcoming changes to property policies. A letter detailing the changes will accompany your policy. I encourage you to always read your policy.

And finally, our annual call for nominations for open District Director positions reaffirms Germania's grassroots nature, which is at the very core of our ongoing strength and success. I look forward to the election process and continuing to share the responsibilities of guiding our Association with other dedicated members.

The mutual concept relies on you and me to make it work. By sharing ideas, sharing burdens and sharing accomplishments, we continue to build a strong future for Germania.



Germania Farm Mutual Insurance Association

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Insurance Fraud: It *IS* Your Business

Fraud can often be carried out unknowingly and even with the best intentions – and for many who commit fraud purposefully it is merely a “victimless crime.” But insurance fraud *IS* a crime, and you and every other citizen who pays insurance premiums are its victim.

Insurance fraud comes in many forms and includes burglaries, arson and exaggerating losses or padding a claim to cover a deductible. The Texas Department of Insurance estimates the cost of property and casualty insurance fraud alone, no matter how it takes place, at \$30 billion annually. That translates to an additional \$1,000 in

annual premiums for every American family.

The Germania Neighborhood Watch program draws on the strength of our communities to combat this crime wave. Guard dogs, deadbolts and home security systems offer effective prevention, but law enforcement experts agree the best crime deterrent is a watchful neighbor.

Germania encourages you to organize your own Neighborhood Watch program with the assistance of your local law enforcement agency. We are also distributing **free Shield of Protection stickers**, an overt demonstration of

your commitment to fighting insurance fraud. The sticker indicates that your property is protected by an award of up to \$10,000 for information leading to the arrest and conviction of anyone committing arson and a \$500 reward for information about any theft or property destruction. A conspicuous shield proves that you and Germania are serious about fighting fraud.

To receive a free Shield of Protection sticker or a Neighborhood Watch program brochure, contact your local Germania agent.

Property Policy Changes Ahead

Policyholders will receive a letter about changes that take effect with policies renewing on or after November 1, 2011.

Changes include some broader coverage, some restrictions, some new coverage and a number of clarifications. “The goal is to ensure our policyholders better understand their policy,” explains Gary Weiss, Germania 1st vice president.

One such clarification refers to the three definitions related to the occupancy status of the insured property: Tenant, Part-time/weekend/seasonally and Vacant. By confirming that

your property’s occupancy status is listed correctly on your Declarations Page, the property can be properly insured.

- Vacant property has less coverage than tenant or part-time/weekend/seasonal property.
- As a reminder, under both the expiring and new policies, any property unoccupied more than 60 consecutive days immediately before a covered loss will have the amount of payment for that covered loss reduced by 50% unless an additional Vacancy charge has been paid.

“We strongly encourage you to review the letter included with your renewal notice, check that the Policy Declarations Page reflects the correct status of the property and read your policy carefully,” says Weiss. “And of course, your local Germania agent can help you confirm that you have the coverage you need.”

Fall Home Maintenance

It's not just nature's wrath that creates home insurance claims. Just like proper tire inflation and engine maintenance ensures your vehicle serves you safely on the road, regular home maintenance can better ensure your safety at home.

Before the weather grows colder, prepare your home for the winter months and prevent costly damage and potential insurance claims. No matter how new or old your home is, follow these preventive maintenance guidelines at least annually – and more often if possible. Let's start from the top down:

Roof

- Check your roof annually for visible wear and leaks. If you're not comfortable getting up there yourself, have a knowledgeable individual or roofing professional handle the task.
- Repair or replace damaged, loose or missing shingles.
- Check vents and louvers for nests and insect infestations.
- Check flashing around roof stacks, vents and skylights and use a sealant to fix any gaps, cracks or leaks.

Attic

- Be sure your attic insulation doesn't cover the vents in the eaves. This will prevent winter ice dams from forming on the roof.
- Remove plants and debris from ridge vents and vents at eaves.
- Check that bird and rodent screens are intact on attic vents.

Chimney and Fireplace

- If you use your fireplace regularly during winter, have it professionally cleaned and inspected annually to prevent dangerous chimney fires.
- If you had your fireplace and chimney



cleaned in the spring, test the flue now for a tight seal when it is closed.

- Install a carbon monoxide alarm near the fireplace.

Gutters and Downspouts

- Frequently clean all gutters and downspouts throughout the season to prevent debris and leaves from building up. Neglected gutters encourage wood rot, insect infestations, wall seepage and even foundation damage.
- Check gutter support brackets; ensure water doesn't drip behind the gutters.
- Be sure downspouts drain freely and don't pool water, causing damage to foundations, driveways and walkways.

Windows and Doors

- Change summer screens to storm windows and doors.
- Inspect and repair loose window and door frames.
- Seal windows and doors with weather stripping or caulking to prevent drafts and lower heating bills. Check for loose putty around glass panes.

- Clean and lubricate garage door hinges, rollers and tracks. Be sure screws are tight and automatic systems are working correctly.

Heating and Electrical Systems

- Replace your furnace filter.
- Have a heating professional check your system and light the pilot light to identify potential problems before they escalate. Ask them to clean and check the thermostat heat sensor, contact points and contacts.
- Clean air ducts and check joints for leaking air. This will improve the system's efficiency and reduce household dust.
- Test all smoke alarms; replace batteries as necessary.
- Test all ground-fault circuit interrupters, especially after electrical storms.

Plumbing

- Insulate pipes and faucets to prevent them from freezing and bursting.
- Wrap exposed outdoor pipes/

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faucets.

- Be sure indoor pipes are protected by well-insulated walls.
- Remove garden hoses from spouts; drain and store hoses in covered area.
- Drain in-ground sprinkler systems that won't be used in the winter months
- Know where the water shut-off valve is in case your pipes do freeze.
- Flush out water heater to remove accumulated sediment.
- Check all indoor faucet aerators for proper water flow. Clean any aerator screens with buildup.

Yard

- Trim shrubs around walls, removing limbs and debris that might attract insects.
- Keep wood/shrubs no closer than three inches from your house.
- Trim any tree limbs that are close to power lines or brushing the roof.
- Maintain the grading around your house, being sure water drains away from the foundation.
- Check wood fences and decks for damage. Repair, then stain or seal at least every three years.

General Cleaning

The fall is a great time to remove dust and dirt that might otherwise be circulated into the air while your home is closed during the winter months.

- Launder curtains, drapes, valances, bedspreads and comforters.
- Vacuum mattresses and box springs.
- Wash windows, sills and trim.
- Vacuum under beds and furniture.
- Clean behind and under the stove and refrigerator.
- Clean out clothes dryer vent.
- Use bleach to remove any mold around sinks, tub/showers, tile and toilets.
- Clean light fixtures.

2012 DISTRICT DIRECTOR ELECTION REQUIREMENTS

Germania District Directors serve for a term of three years, and may seek re-election. Elections for District Director for districts 8, 12, 14 and 18 will be held in April of 2012. Anyone seeking a District Director position must meet the following eligibility requirements and be nominated and selected at the District Meeting being held in Austin on January 24, 2012:

- The member must submit to the office of the president of Germania Farm Mutual Insurance Association at least 45 days prior to the District Meeting (December 12, 2011), the member's intent to be placed in nomination for District Director;
- The member must submit to the office of the president of Germania Farm Mutual Insurance Association at least 30 days prior to the District Meeting (December 27, 2011), the "Ideal Board Profile" form and the authorization release for a criminal background check. (These forms will be provided by Germania);
- The member must have never had a license for any professional designation placed on probation, denied, suspended, revoked, canceled or non-renewed by any state or regulatory body;
- The member must have never been disciplined, fined or censured by a state department, or any regulatory body;
- The member must have never been convicted, pled guilty or nolo contendere (no contest) to any misdemeanor involving moral turpitude or to any felony;
- The member must not currently have charges pending against the member which could result in a conviction of a misdemeanor involving moral turpitude or a felony;
- The member must be a resident of Texas and have at least \$3,000 of insurance in-force with Germania Farm Mutual Insurance Association and reside within the district for which the member intends to be placed in nomination;
- The member must be one of not more than five nominated and selected at the District Meeting to run for the District Director position.

Germania is looking for members who have demonstrated qualifications in areas that would benefit the overall composition of the Board of Directors. Potential directors should have the aptitude to protect and advance the best interests of Germania policyholders and communicate openly with other directors with business acumen.

For more information on which areas of Texas will have district elections and how to submit your intent to be placed in nomination for director, please call 1-800-392-2202 and ask for the Executive Department.

You can also visit our website, www.GermaniaInsurance.com and click on "Corporate Governance" in the right column for more information.



College Expenses: You Can Afford Peace-of-Mind

Many parents do what they can to save for the expense of their children's higher education, even if it means pinching pennies and cutting back on extras year after year. One additional way to ensure your kids will have some funds for college or trade school is to purchase an affordable term life insurance policy.

Term life is inexpensive and, as the name implies, is a contract for a set term, or period of time. Generally speaking, term life policies are an ideal back-up plan for young families. Simply match the term of the policy to how long you expect your children to be in your financial care and you have a plan in place that ensures your children will be able to afford their education should you pass away unexpectedly early.

For example: If you believe you'll need \$100,000 to finance your two toddlers through college, take out a \$100,000 policy for a 20-year term as a hedge against your death during your peak earning years.

Most term life policies can be converted to permanent life insurance policies, which offer different advantages. Remember, the key to buying life insurance is knowing just how long you plan to keep the policy and how you intend the payout to be used. Ask your Germania agent to run a term vs. perm analysis so you get the plan that's right for you at this stage of your life—and beyond. Contact your Germania agent, call 1-800-392-2202 or email glife@GermaniaInsurance.com for a no-obligation quote today.

Loan Rates Reduced



You're not dreaming: the Germania Credit Union has lowered interest rates on a number of secured loans including financing for vehicles, boats, motorcycles, farm equipment, campers/travel trailers/RVs, watercraft and household goods like computers.

"This has been a tough time for many of our members, so we're happy to be able to give them a financial break when they need it most," explains C.W. Barker, Germania Credit Union president. "These lower rates also reflect the fact that our credit union membership is growing and that our organization is strong and financially responsible."

The lower interest rates on these secured loans are available for purchasing new or used items. And as back-to-school

and gift-giving seasons gear up, they're ideal for the computers and home theaters on your list. "Of course, we make vehicle loans year-round," says Barker. "And because we remain true to our rural roots, we know this is a wonderful opportunity for our members to finance farm equipment too. We're pleased to be able to ease the burden of the rising cost of many farm and ranch necessities."

Visit www.GermaniaCreditUnion.com for up-to-the-minute rates or call or drop into the credit union for more information. Not a member? Not a problem. Germania policyholders are eligible for GCU membership, as are many of their relatives. Membership is also open to employees of several Brenham area companies and many others in the community. Visit the credit union website for more details.

Updated Information is Important!

We want to remind you, our policyholders, how important it is to provide your Germania agent with the most up-to-date information regarding your address or phone number—keeping your policy records current is very important. In the event that Germania or your agent needs to contact you, having the correct phone number is key. If you have recently moved or changed phone numbers, or even have a cell phone number that could be added to your policy information, please contact your local Germania agent with that information.

NOTICE OF PRIVACY POLICY

Germania Farm Mutual Insurance Association and its subsidiaries as well as our business partner, Home State County Mutual Insurance Association, (referred to as "us") value you as our customer and respect your right to privacy.

We collect non-public personal financial information from you and consumer reporting agencies about your transactions with non-affiliated third parties and us. We do this to process, administer and maintain the products and services you purchase from us.

We have in place policies and procedures that limit who may access or use your non-public personal financial information that comply with state and federal regulations and our own high standards regarding privacy and confidentiality. We only disclose your non-public personal financial information to affiliates or non-affiliates as permitted by law.

A full privacy policy notice is available at www.GermaniaInsurance.com/privacy_policy.html or by calling us directly at 1-800-392-2202 and requesting one.

Germania Today

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Banana Oatmeal Cookies

1 Cup packed brown sugar
3/4 Cup olive or canola oil
1 1/4 Cups mashed overripe bananas
4 Cups uncooked regular oats

1 1/2 Cups chopped pecans or walnuts
1/2 Cup raisins or cranberry raisins
1/2 Cup semi-sweet chocolate morsels (optional)

Beat brown sugar and oil together until well blended. Stir in bananas, gradually beat in oats. Stir in the nuts, raisins (or cranberry raisins) and chocolate morsels. Drop by teaspoons onto heavy release foil.

Bake at 350 degrees 25-28 minutes (crisp) or 20 minutes (moist)

Yields 4 Dozen

Harriet McGee, Bowie