



G E R M A N I A

# Today



VOL. 35, NUMBER 4

WINTER 2009

It's Been a

# HAIL

of a Year



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# A Message from the President



**GERMANIA FARM  
MUTUAL INSURANCE  
ASSOCIATION**  
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Brenham, Texas 77833

Life happens! And more times than not, there are certain things you can't control or prevent—Mother Nature being at the top of the list. I learned a long time ago that preparing for unforeseen events is our duty and responsibility as insurers. Germania takes great pride in the service and insurance coverage we provide to you, our policyholder.

David Sommer  
President

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1st Vice President

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At the end of the day, it is that same insurance coverage that will make right what nature or man has made wrong. As many of our policyholders know, Germania was there for you during what is now officially the worst year of wind and hail storms in our 113 year history. Germania isn't alone; other insurance companies in Texas are experiencing similar results.

You might remember that the spring of 2008 produced a large number of severe storms. We had hoped the \$72.3 million in wind and hail claims would not be something Germania would experience again for a long, long time. Regrettably, 2009 has surprised the entire insurance industry, including Germania. Our wind and hail losses are expected to total over \$96 million—compared to \$31.8 million in 2007. Incidentally, I've kept a bottle of Tums on hand the past two years.

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Speaking of storms, Germania has retired the motor home we were using to help expedite the claims process when a catastrophic storm hits—replacing it with a new truck and trailer unit we refer to as our “Catastrophe Response Unit.” Germania's new Catastrophe Response Unit will focus on response efforts and assisting our policyholders on-site, minimizing the claims adjustment delay that can occur following a devastating event.

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The real test of an insurance provider can be measured by how you, as policyholders, are treated following a loss. At Germania, your claim will be handled by a team of professionals who will always consider you a “name”—not just a policy number. Being on-site during your greatest time of need is just another example why Germania remains “The Insurance Texans Trust.”

Subscription price is 50 cents per year included in yearly premium.

*David Sommer*

[www.GermaniaInsurance.com](http://www.GermaniaInsurance.com)

1-800-392-2202



## Germania Credit Union Helps Keep Your Car on the Road

This year, six to seven million consumers who typically buy a new car will skip the showrooms and squeeze a few more years from their current vehicles to make ends meet. As consumers' cars continue to age, the typical vehicle on the road is almost nine years old. With all the changes in the auto industry, coupled with aging cars, the big question many have is: Will I be able to get the parts I need to keep my car on the road?

Well, a bit of good news—the car part suppliers are doing okay. In fact, by keeping cars longer, we need more repairs and parts—making repair shops and part suppliers one of the emerging bright spots in this economy.

Another reason not to worry? With fewer cars being built, the companies that make parts for the assembly line are looking for new places to sell their parts.

Keeping your car longer can be a way to keep your family finances under control. Germania Credit Union (GCU) offers

small, personal loans you can put towards more expensive repairs.

However, if it's time for a trade-in, GCU offers excellent rates and convenient terms up to 72 months. In many cases, financing up to 100 percent of the National Association of Auto Dealers (NADA) value or Manufacturers Suggested Retail Price (MSRP) may be available. You can find the current value of your car based on its condition by visiting [www.nadaguides.com](http://www.nadaguides.com) or [www.kbb.com](http://www.kbb.com).

Whether you are looking to purchase a new or used vehicle or refinance an existing vehicle, our professional loan officers can answer any questions you may have and help you drive away with a great loan and a great vehicle.

Stop by or call us at 1-800-392-2202. You can also visit us online at [www.GermaniaCreditUnion.com](http://www.GermaniaCreditUnion.com).

## Germania's Newest Addition to the Family: The Catastrophe Response Unit

When widespread storms or other catastrophic events hit an area where

a dense population of Germania policyholders reside, they can count on the presence of Germania's Catastrophe Response Unit to help them through the claims process.

The unit is equipped with several workstations and a state-of-the-art satellite system that allows an onboard team of professionals to operate in a

self-contained environment, regardless of local weather conditions.

It is Germania's intention for our Catastrophe Response Unit—along with our dedicated team of claims professionals—to provide efficient and professional assistance during our policyholders' most dire time of need.

# It's Been a

With meteorological events such as Hurricane Ike and the plague of tropical storms that wreaked havoc in 2008—making headlines all over the world—it seems like 2009 has gone under the media's radar as far as Texas is concerned. But from a claims perspective, this has been the worst year on record for wind and hail storms in Germania's 113-year history.

## DEEP AND WIDE

Texas is often criticized for having the highest insurance rates in the U.S., which is understandable given the size and girth of our great state—ranked second in terms of square miles following Alaska (which is two times larger than Texas!).

Yet, Alaska experienced zero hail storms during the first six months of 2009 compared to the 1,321 separate hail events and 949 separate thunderstorm and high wind occurrences recorded

throughout Texas—where Mother Nature's fury spread her wrath with unequivocal force, costing Germania over \$96 million in damages and claims.

Texas is one of the more rare states in our country in terms of its topographic diversity. The hazards we are exposed to range from hurricanes, tornadoes, hail, wildfires and droughts to (surprisingly) snow and ice. Texas drivers are notorious for their tenacity on freeways and small farm roads. It is an unspoken rule of thumb; if ice, sleet or snow is in the forecast—if you want to live—stay off the roads!

## GERMANIA'S GUINNESS BOOK OF RECORDS

"Unfortunately, this has been the worst year on record as far as wind and hail storms are concerned," said AVP of Claims Russell Hill. "Not only was it the second year in a row for such a



severe  
roster  
of claims,

but several of these storms hit areas of Texas that were not accustomed to experiencing hail."

Hail can cause windows to shatter, cosmetic damage to autos, homes and most concerning, can produce severe roof damage—a large part of what is driving the increase in claims costs. This can be illustrated by Germania's average cost per hail claim, which has risen 29 percent in less than one year.

## WHY THE "HAIL" IS THIS HAPPENING?

Roofing materials such as shingles and roofing paper have skyrocketed in cost<sup>1</sup> over the past two years, while other

# Germania's average cost per hail claim has risen 29 percent in less than one year.



# of a Year...

materials like lumber, plywood and drywall<sup>1</sup> have decreased or stayed stagnant. Why the increase? Hurricane Ike's 2008 landfall ushered in the beginning of what would become a volatile market, compounded by a shaky economy, increased business costs and a sharp rise in Texas claims activity. Additionally, most shingles are petroleum-based and when oil prices climb, you can expect to see shingles become more expensive.

## GERMANIA'S PLEDGE TO POLICYHOLDERS

Unfortunately, policyholders of some companies don't find out until a claim is reported that the company they have selected provides an inferior level of service. Germania, however, has been recognized for providing exemplary customer service while meeting its ongoing insurance policy obligations—especially when a policyholder needs us the most—after catastrophe strikes.

But don't take our word for it. Germania received an "A" (Excellent) rating by A.M. Best, a company that analyzes and decides what an insurance company's financial strength rating should be based on their ability to meet ongoing contractual obligations to its policyholders.



"While we have paid out an extraordinary amount in claims this year, that is what an insurance company is supposed to do—be there for a policyholder during their time of need," surmised Germania's President David Sommer. "Germania was founded on the principle that bearing one another's burdens makes us stronger. We've been providing fair and honest insurance protection for our policyholders over 113 years—and look forward to serving them in the future—come hail, wind or fire."

<sup>1</sup> According to MSB Residential Construction Costs Changes

**"That is what an insurance company is supposed to do — be there for a policyholder during their time of need."**

*-David Sommer, President*



## Life Insurance a MUST for Parents

Whether your children are infants who know nothing other than the unadulterated bliss of bottles and naps or self-obsessed teenagers whose English skills drop a latch lower every text message they type—they are your flesh and blood and depend on you for everything.

Life insurance is intended to help pay for family living expenses should the unthinkable happen. Life insurance also allows family members left behind to live the life style they were accustomed to—making the transition less painful and obtrusive after a parent dies.

In essence, you are providing the ultimate gift for family members when you purchase either a level term plan or

whole life for you and your spouse. Germania can also add a “Children’s Term Rider” to insure your children as well.

Before purchasing life insurance, ask yourself this: If I were to die today, what would happen to my family? Would my life insurance money help them to grow and succeed or will my spouse struggle to maintain some resemblance of what I left behind? The only thing worse than a home without a mother, is a mother without a home.

For more information on how to help protect your family’s future, contact your Germania Life agent. You can also call Germania Life for a hassle-free application at 1-800-392-2202 or send an e-mail to [glife@GermaniaInsurance.com](mailto:glife@GermaniaInsurance.com).

## You Need to Know

Notable traffic laws that went into effect September 1, 2009 include:

- House Bill 55 passed during the 81<sup>st</sup> Legislature, making it illegal to use a wireless communications device in a school zone UNLESS the vehicle is stopped or a hands-free device is used.

- House Bill 537 requires ALL occupants of a vehicle to be secured by a safety belt—regardless of age and where they are sitting in the vehicle.

- Senate Bill 61 amends an existing law regarding child passenger safety seats. Any child younger than eight years of age must be restrained in an approved child passenger safety seat—unless the child is 4 feet, 9-inches in height.

# NEW DISTRICT DIRECTOR ELIGIBILITY REQUIREMENTS

The Germania Governance Committee, whose purpose is to assist Germania's Board of Directors in developing and executing the most efficient and effective board policies and practices, has announced requirements for members seeking nomination in 2010 for District Director positions in Districts 1, 9, 13 and 19.

Current Germania Farm Mutual members eligible for these positions must reside in the district for which they seek nomination. Germania District Directors serve on the board for a term of three years, and may seek re-election.

## Eligibility Requirements:

- Member must submit his/her intent to be placed in nomination for District Director for Germania Farm Mutual Insurance Association (GFMIA) 45 days prior to the district meeting, which will be held in Austin on January 19, 2010. Germania will accept nomination inquiries until December 7, 2009.
- The member must timely submit all required forms, including an authorization release for a criminal background check.
- The member has never had a license for any professional designation placed on probation, denied, suspended, revoked, canceled or non-renewed by any state or regulatory body. Also, the member has never been disciplined, fined or censured by a state department or regulatory body.
- The member has never been convicted of and does not currently have charges pending which could result in a conviction of a misdemeanor involving moral turpitude or a felony.
- All members wishing to submit their candidacy must be a Texas resident and have at least \$3,000 of insurance in-force with GFMIA.
- 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 District Director: Please call 1-800-392-2202 and ask for the Executive department.

You can also visit our website: [www.GermaniaInsurance.com](http://www.GermaniaInsurance.com) and click on the "Corporate Governance" button under "Policyholders Only," where you will find more information.

GERMANIA

*Advantage!*

## The Germania Advantage Program Makes Christmas Shopping Easy and Affordable!



With the holidays around the corner, save time and money on gifts for your friends and family by utilizing the Germania Advantage program. Germania is shining a spotlight on our partner, Best Buy, who will offer Germania policyholders up to 15 percent off select\* Best Buy consumer and commercial grade products such as:

- Flat Panel TVs
- HDTV Projectors
- Custom Home Theatre Services
- Appliances
- Surveillance
- Computer equipment and more.

Discounts apply only to orders through Clint Noack, Commercial Sales Account Manager. For special price quotes and orders, contact Clint at [clint.noack@bestbuy.com](mailto:clint.noack@bestbuy.com) or by calling (713) 996-3723. Happy shopping!

For additional Germania Advantage Program offers and discounts, visit [www.GermaniaInsurance.com](http://www.GermaniaInsurance.com) and click on the "Policyholders Only" link.

*\*Some exclusions may apply.*

## Two-Minute Pie

- 1 can heavy syrup crushed pineapples
- 1 large box instant vanilla pudding
- 8 oz. container sour cream
- 1 graham cracker crust pie shell
- 1 container whipped dessert topping

Mix crushed pineapple, sour cream and instant pudding together. Pour mixture in graham cracker crust. Spread whipped topping on top. Ready to serve!

Betty L. Scott, Pilot Point