

Insurance Priority: Shareholder or Policyholder?

There truly is no way to serve two masters. When forced to choose between conflicting priorities, one will always be in second place. In a corporate environment, profitability demands and policyholder needs unavoidably clash. When priorities are in conflict, corporate officers are responsible for maximizing value to shareholders. There are many reputable, high quality for-profit insurance companies. But ultimately, insurance claim obligations must only rise to the letter of insurance contract law under the interpretation of the insurance company lawyers. Meeting market profit expectations is the primary directive.

It's reassuring to know that our

business practices are not restrained by hedge fund and institutional investor demands for ever-increasing profits. Since policyholders own Central Illinois Mutual Insurance Company our responsibility is to provide the highest quality, most competitively priced insurance coverage possible for our community that we have served for generations.

At the end of the day, every property owner wants an insurance company with policyholder protection as the primary mission. At CIMICO, our focus on the needs of this community of policyholders has always been, and will always be, the highest priority.



CIMply Safety

Safe Installation Is Central to Wood Stove Heating

If you elect to add a wood burning system, make sure that it is from a reputable company and is certified by Underwriters Laboratory or a similar national organization. It is critical that an experienced professional install the system properly. Most wood burners provide heat by burning at high temperatures. Anything less than installation to exact specifications creates risk for the present and for the entire useful life of the system.

Most dealers provide specifications for safe installation. Make sure these guidelines are followed to the letter. Some localities have specific building and installation codes.

Fire is the obvious risk for an improperly installed system. It is even more important to make sure that there are working fire extinguishers of the proper type that are easily accessible. As with all residences, working smoke detectors and carbon monoxide detectors are a must.

Carefully follow manufacturer's guidelines for regular cleaning of the stove, chimney and venting system. Poorly maintained systems create much higher risks for fire or equipment damage.

Remember, safety is central to any home heating system. For more information about safe heating and wood burning safety, visit our website at www.CIMICO.net and link to the Grinnell Mutual Reinsurance Company article "Grinnell Mutual Offers Safety Tips for Staying Safe While Staying Warm".



Trimming for Coming Celebrations

Decorations for Halloween, Thanksgiving and Christmas often feature plants and vegetations that can become flammable when dry. Fall decorations that include straw, leaves, and dried foliage can be a fire risk. An ignited dry Christmas tree is a jaw dropping horror. The dried tree can be in full flames in seconds - creating an out-of-control house fire before a fire extinguisher can be reached. In less than 5 seconds, a tree and surroundings can be engulfed in flames. In 40 seconds, the room is a non-survivable inferno. A web search of "Christmas tree fire" provides illustration. Each year, approximately 200 natural Christmas tree fires result in 6 deaths, 25 injuries, and more than \$6 million in property loss.

Risks are virtually eliminated with fire retardant artificial trees and decorations. But natural trees are non-negotiable for some families. The National Institute of Standards and Technology (NIST) completed ignition risk tests on well-watered trees. Well-watered trees placed in a stand of about 1.7 gallons of water and refilled daily could not be ignited, despite several attempts with matches. The tree self-extinguished when ignited with a blowtorch.

We strongly recommend keeping blowtorches, matches, children with ignition devices, and other heat sources away from Christmas trees and other seasonal decorations. Use fire retardant decorations when possible.

As for trees, NIST engineers say it best: A WET TREE IS A SAFE TREE.

Warming Space Safely

The general heating system of the house (such as the furnace or baseboards) is normally the preferred method for warming the living environment. Still, there are cold spots in corners of the house or out building that need extra heat.

Be sure to balance heating needs and convenience with safety considerations. The U.S. Consumer Products Safety Commission estimates that 21,800 residential fires involve space heaters each year, including 300 deaths.

Many consumers aren't aware that some older space heaters no longer meet safety standards. Improved safety features protective guarding around heat sources and automatic shut-off devices make newer models safer, but not risk free.



- Only purchase heater with safety certification from a nationally recognized laboratory.
- Never close the doors of a room with a fuel-burning heater to avoid build-up of pollutants.
- Don't leave a space heater unattended, and stay awake and alert while the space heater is operating.
- Maintain smoke detectors on every level of the house and carbon monoxide outside sleeping areas.
- Always operate the device a distance from combustibles.

Safe and Warm

On a cold, windy winter's nights, an electric blanket is a warm retreat from the cold of the season. Yet, experts offer a couple of precautions about how electric blankets are used.

Blankets that are bunched, folded, or wadded up can reach dangerously high temperatures that risk fire. Many blankets, particularly older models, lack an internal temperature control to automatically shut off when overheating. Also, sitting or laying on the blankets can stretch the heating element, causing varying temperatures across the areas of the



blanket, including "hot spots".

Also, physicians advise against the use of electric blankets for certain patient groups. Individuals

with diabetes, peripheral neuropathies, strokes and other groups that affect heat sensitivity are at risk for accidental burns.

The owners manual (which often goes unread) will provide instructions for safe and lasting performance. In particular, always follow manufacturer instructions on cleaning electric blankets. The twisting and tugging of the wash cycles can compromise the blanket's safety.

When you tuck in for your "long winter's nap", we wish you a warm and comfortable, but also safe sleep.

Taking Personal Inventory

Many of us tend to accumulate a lot of stuff over the years. While we can recognize which stuff is ours, it becomes a lot harder when we have to create a listing of our possessions from memory. After a loss, many policyholders struggle to remember a full inventory of the items they own, and it is hard to create an accurate description of possessions under normal circumstances.

We strongly recommend that policyholders develop a property inventory. It is really very easy to do, and can be invaluable should the circumstances arise where you need to make a claim due to theft, fire, weather damage, or other insured peril.

While past inventories required the work of a written listing, many policyholders now use their smart phone to create a pictorial record along with personally narrated descriptions. Consider downloading to a secure device stored away from your property and deleting from the cell phone. A lost phone without password protection can provide a guided tour of your valuables.

Protecting the property of this community has been our responsibility for generations. Consider an inventory of your possessions to help us help you in time of need.

Protecting Your Inventory

After creating an inventory of your valuables, it is important to understand your insurance coverage. We recognize that personal property loss involves more than just things. Sadly, some lost items have a special value or unique significance to the claimant that make them irreplaceable. However, we want to make sure that you understand the value of what is being insured.

There are two primary ways that coverage can be written; Replacement Value or Actual Cash Value.

Replacement value coverage provides claim coverage for the cost of replacing an item at current value of the loss. A ruined television or stolen tools may cost a lot more today than when they were originally purchased. Replacement value provides coverage that will allow replacement of the item in today's dollars.

Current Market Value provides coverage only to the value of the item at the time of the loss. A television purchased or tool purchased five years ago has likely depreciated a great deal. The actual value of these items at the time of the loss will likely be only a fraction of what it takes to replace the loss.

Building costs and personal property are increasing every year. Contact our office or your agent with questions and qualifications concerning coverage. Remember, knowledge is power!

