

NATIONAL EDGE & TA



Minutes of the Conference call January 22, 2003 10:00 p.m. Eastern Time

Roll call

Curtis Cook

Tim Wade

Bill Keene

Dick Tombrink

Jerry Mac Martin

Cliff Northcote

Howard Hodson (came in late)

Ruth Warnock

Meeting called to order by President Curtis Cook

Curtis stated that the insurance committee has a recommendation they want to present to the board for a change of insurance agent.

Curtis turned the meeting over to Tim Wade, chairman of committee (which includes Dick Tombrink and Bill Keene) to explain what is going on to the board.

Curtis said the only thing that would be discussed tonight would be the change of agent, that no other questions that might come up can be answered until such time the agent of record is changed and they talk with Scottsdale.

Tim: Before Thanksgiving the committee sent out 5 inquiries. We had six but one told us right from the beginning that they were not interested. Of the 5 sent out we have had 2 that have expressed interest and worked with us. They have not been able to determine an exact price. They have asked questions and worked through our questions with us, and through what we had on the policy.

Those two were Charlie Yegan at Peter Yegan Inc., Billings and Mark Phillips at the Carver Agency in Roxboro. Both men showed quite a bit of knowledge about the policy, both were interested and both had a lot of questions. Both agencies are well established. Yegan Agency was formed in 1919 and the Carver Agency in the mid 50's.

With all that in mind, the positives of both, we had elected to recommend that Charlie Yegan of Peter Yegan Inc. in Billings be made agent of record. The thing edged him over Mark Phillips

was the fact that Charlie is aware of what our hobby is. He is knowledgeable of tractors, of traction engines, farm equipment, he has been on the board of directors for a historical museum in Billings. He is very much up to speed and in tune with what we will be working with. He talked very intelligently about that when I spoke with him yesterday and based on that and his willingness to take this on it is our recommendation tonight that we make Charlie Yegan of Peter Yegan Inc. of Billings Montana our agent of record and authorize him to begin negotiations with renewal through Scottsdale.

Curtis: Any questions from anyone at this point for Tim?

Cliff: He writes for Scottsdale?

Tim: Yes. Larry is currently agent of record and there are somethings that Scottsdale will not confer or talk about until we change agents. At that time Charlie can get right in Scottsdale ear and ask the questions.

Cliff: Will this vote make him the agent of record? Or will we have to wait until April 15th to make it official.

Tim: It is my understanding this vote will make him agent of record

(**Cliff:** as of April 15th?)

Tim: As of today or as soon as Curtis signs the necessary papers and sends them back to Charlie authorizing Peter Yegan and Scottsdale that Charlie Yegan has been made agent of record to begin renewal.

Curtis: Tim, that does not take Larry out of the loop for Jan, Feb, March to April 14th?

Tim: No it does not. What we will be authorizing him to do is to negotiate renewal. Larry will still be our agent of record for the existing year until the termination of that date in April.

Cliff: That was my question, because at one time to get a new agent of record in the existing year was going to cost like 10%.

Tim: Yes, that was for a mid year change?

Cliff: Correct.

Tim: This is not a mid year change, we will be authorizing him to negotiate a renewal effective April 15th.

Cliff: That's all the questions I have.

Curtis: Anybody else?

Dick: A point of clarification. The only proposals we got back involved Scottsdale. We didn't get a proposal back for anybody else.

Tim: That is correct.

Dick: So we are really kind of stuck with Scottsdale.

Tim: If I might add on that a few of the agents that I did speak with, implied to me, Scottsdale may very well be the best game in town for us.

Interruption:

Howard here, finally.
Curtis asked for recap for him.

Tim reviewed the highlights of the above.

Howard: O.K., I got it.

Curtis: Howard, this will have to do with the renewal of the policy. It has nothing to do with the existing policy.

Howard: Right.

Tim: As I was saying when Howard dialed in, there is a broker that Mark was dealing with in Durham and this broker flat told him that if you got it with Scottsdale I can't go anywhere else to get you anything better because you are where you need to be with Scottsdale.

Jerry: How many times did you hear that? From quite a few different people?

Tim: Several agents.

Jerry: O.K.

Howard: Well we been hearing that from the day one.

Tim: Scottsdale seems to be within the brokerage and insurance agencies highly thought of and the risk we have in our hobby and with our policy people seem to think that we are where we need to be.

Cliff: Scottsdale has always been good with us as far as I am concerned.

Tim back to Howard: so the recommendation is that the board vote on Charlie Yegan to be our agent of record for our renewal negotiations.

Cliff: You need a motion?

Howard: I make a motion that we do that.

Cliff: I second the motion.

Curtis: Tim, motion has been made that we accept Charlie Yegan as our agent of record.

Roll call vote taken by Ruth.
All in favor of motion. Motion approved.

Curtis: Dick, get in touch with him and have him fax me what's necessary.

Dick: I talked with him today and he was going to get the papers prepared so those will be coming, I'm sure, shortly.

Curtis: O.K. and if I understand correctly, correct me here Dick and Tim, he figures someplace around the 7th of February he should have price quotes etc. straightened out?

Tim: That was his understanding.

Dick: Yes, when we talked with him in kind of general terms we impressed upon him that we had to move in post haste that we were kind of under a timeline here and he thought that he could get us something about that time.

Curtis: O.K.

Tim: And just for everyone's information in reviewing some of my correspondence last year when negotiations begun with Larry, it was about the first week or so in February that I have an email that even mentions even a hint of a call with the current year that we are in, so looks to me, based on that we are right where we need to be the only thing we are going to have to work out is the paper work side of this thing.

Dick: And there is going to be a learning curve with Charlie because he is going to take a little time to get up to speed, so I'll work with him where I can to help that.

Ruth: So we are anticipating that on or about Feb 7th we will have our figures and whatever and after that date I'll be able to go out to the branches and until then no information is given to the branches?

Curtis: You are correct

Ruth: Can we say we at least say we have insurance if they ask?

Curtis: We don't know that until it is actually made.

Ruth: That's fine.

Curtis: We do have insurance until April 15th, but until the quote is actually made, I don't think we can say that.

Ruth: That's fine.

Curtis: Do you agree Tim and Dick?

Dick: I think that is correct.

Tim: I think we can say we have an agent that is negotiating on a renewal for us.

Curtis: Yea, I think we can legitimately say that we have changed agents as far as the 2003 policy is concerned but until they get back to us we don't have anything.

Ruth: O.K. What I have been saying is that after Feb 1st we would have something for them, so that's in tune with this.

Curtis: Anything else that you need to add in Tim or Dick?

Tim: No, I don't think so unless Dick has some follow-up.

Dick: I don't think so, I think we have covered it, like I say, Charlie is going to prepare the forms to send to you Curtis for you to sign and you can fax them back to him, He at this point didn't think he needed a hard copy or if he did we would work that later.

Curtis: O.K.

Dick: So as soon as you can sign them we'll be on our way.

Curtis: O.K. guys and Ruth what I'm looking at probably is that once he gets back to us with pricing the first week in February we'll probably have another quick call just to go over whatever has happened to prices and hopefully we will know what the reporting requirements will be. I think one requirement listening to Tim and Dick is that everything will be going through the EDGE&TA office as far as payment wise. Is that a correct statement Tim? Dick?

Dick: I think so.

Tim: That is correct.

Cliff: I have a question for Dick. Is this Charlie fairly close to you? So that if anything comes up you can deal with him?

Dick: Yes his office is 15-18 miles from me. He's in Billings so it is not that far.

Cliff: Super.

Dick: So if something comes up we can get together.

Curtis: It's where we get a face to face without a phone call.

Dick and Cliff agreed.

Howard: Please run over this one more time. Where we'll send our money?

Curtis: Everything probably will go to Ruth.

Howard: O.K. I thought I heard that but wanted to make sure.

Curtis: Let me give you a real quick scenario. Take your branch Howard, you have 150 members, you'll send the appropriate dues and insurance payment in one check to Ruth. Ruth will then split it and disburse to the insurance company.

Howard: I like that. Ruth may not like it, but I like it.

Curtis: As far as events reporting, as far as the price, as far as additional insured, none of that will be determined until he talks to Scottsdale and comes back with what is required in all that. He can not answer those questions because he is not yet the agent of record so cannot pursue it with Scottsdale. They will not talk with him. I get a feeling there may be some changes in some of the reporting but that is an unknown at this point.

Dick: That's correct.

Curtis: Does anyone have anything else on this issue?

Curtis expressed the need to talk with Dick after the call, Dick said he would be there.
Curtis asked for a motion to adjourn.

Dick made the motion to adjourn. Howard second.

Meeting adjourned at 10:15 p.m. Eastern Time.

Respectfully submitted by
Ruth A. Warnock, Secretary