

TouchPoints

a publication of **Dawson** Insurance

Fall 2010



Have Belts, Will Travel

WCCO Belting, Wahpeton, supplies high-quality vulcanized rubber belts to heavy equipment manufacturers around the world. This year, after exponentially increasing its export portfolio, the company received a President's "E" Award from the U.S. Department of Commerce.

Tom Shorma
CEO/President
WCCO Belting

President's Message



All Business Is Local

by Tom Dawson

Former Speaker of the House Tip O'Neill used to say all politics is local. Whether you agreed with his politics or not, the late speaker made a great point that applies to business, as well. To achieve success, you have to take care of what's in your own backyard, be responsive, innovate and constantly strive for improvement.

The people of the Fargo-Moorhead region get this. Even as national and international economies are struggling, Fargo-Moorhead is doing well. We have companies engaged in global business, we're gaining a foothold in high-tech industries, and our unemployment rate is the lowest in the nation.

Several recent rankings point to a healthy Fargo-Moorhead economy:

#1 in economic vitality, *Moody's economy.com*

#1 city in North Dakota for entrepreneurial start ups, *Business Week*

#5 in the "Top College Towns for Jobs in 2009," *Forbes*

#7 in the "Best Places for Business and Careers," *Forbes*, March 2009.

#8 in the "25 Best Markets to Find a Job," *MSN and CareerBuilder.com*, October 2008

#9 "Best Small Place for Business and Careers," *Forbes*, April 2010

#24 in the "Top 100 Best Places to Live and Launch a Business," *Fortune Small Business*, April 2008

WCCO Belting, this issue's featured client, is a perfect example of what is occurring regionally. Over the past 10 years, CEO and President Tom Shorma has nearly quadrupled the company's workforce and exponentially increased its exports. He's done it by treating employees well, planning for the future and responding to global opportunities.

With that kind of leadership and our good-old-fashioned work ethic, regional companies are keeping us ahead of the economic curve. Dawson Insurance is proud to provide the coverage they need to do their great work.

Tom Dawson

Protect Customers' Privacy and Your Business

Loss of control of your customers' financial and personal information, and your business stands to lose much more.

If your business is like most small- and mid-size companies, your use of the Internet and related technologies to sell, share information with customers and prospects and work with suppliers is increasing. Even as they improve efficiency, these technologies come with a downside – the potential for data security and privacy breaches. Whether a breach results from a stolen laptop, network hacking, theft of paper files by a dishonest employee or a third-party vendor, the negative impacts – both financial and in terms of reputation – can be substantial. As a business owner, it's important to evaluate your exposure and protect your company from liability.

Recently implemented laws and regulations place more of a burden on companies and mandate steps they must take in the event of a breach.

Businesses may be required to:

- Conduct research to determine whose information was stolen and what state laws have been violated.
- Notify those individuals.
- Establish a hotline for customers.
- Pay for credit monitoring services for individuals whose information has been compromised.

There may also be costs, such as:

- Lost sales due to loss of confidence in your company.
- Public relations to restore your company's image.
- Legal expenses for the governmental investigation or class-action lawsuits that may arise.

You can minimize exposure by evaluating your data security systems and identifying areas of vulnerability, either by doing it yourself or hiring a specialized consultant to help. In addition, you can protect your bottom line by transferring risk to an insurance carrier through a Cyber/Privacy policy.

Just as every company has its own set of exposures, every Cyber/Privacy policy varies in coverage. It is important to identify your company's needs with your agent so you can make an informed decision regarding the right policy for your business. For assistance or more information, please contact us. **D**





Make “Where U At” Safe and Sound

“Where u at?”

Is this text, or any other text, worth dying for? Is it worth the risk of causing an accident that could kill or seriously harm someone else? These are the kinds of questions drivers should be asking themselves and parents should be asking their teen drivers. If we don't, chances are our elected officials will.

Texting while driving – both sending and receiving – contributes to thousands of deaths each year. Consider these statistics and studies:

According to a University of Utah study, a driver is four times more likely to cause an accident while driving drunk or talking on a cell phone, but is eight times more likely to cause an accident while texting.

The National Safety Council estimates that 28 percent of crashes – 1.6 million crashes per year – can be attributed to cell phone talking and texting while driving.

A study released by the AAA Foundation for Traffic Safety in January 2010 found that:

- More than half of U.S. drivers report using cell phones while driving.
- Seven out of 10 admit to texting while driving.
- Young drivers are overwhelmingly more likely to text while driving.

A Virginia Tech study found “...texting took a driver's focus away from the road for an average of 4.6 seconds – enough time...to travel the length of a football field at 55 mph.”

Cities, counties and states around the country have passed or are considering texting-driving bans. Text messaging is now illegal in 29 states, and nine states prohibit text messaging by novice drivers. On the federal level, a bill was introduced in the U.S. Senate last year that would create a state grant program to reward states that enact bans on texting and driving. And on Oct. 1, 2009, President Barack Obama issued an executive order directing federal agencies to prohibit their employees from texting while driving.

Companies like AT&T and Verizon Wireless are putting their weight behind the efforts. Verizon reportedly supports the Senate bill, and AT&T has launched a comprehensive multimedia campaign to inform people of the dangers of texting while driving. In one of the television spots, the text, “Where u at?” flashes on the screen and a mother says, “This is the text my daughter was reading when she drove into oncoming traffic.”

Make sure the answer to “Where u at?” is “safe and sound.” As AT&T says, “No text is worth dying for.” **D**

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Belting the World

Wahpeton-Based WCCO Goes Global, Wins National Exporting Award

A person could get from Fargo, N.D. to Billings, Mont. without ever touching the ground by walking on the belts produced annually by WCCO Belting. That's 607 miles of rubber, but it's only a fraction of the distance the Wahpeton, N.D. company has traveled on the quality of its belting.

WCCO goes through more than 5 million pounds of rubber a year in making custom-engineered, single-step vulcanized belting. Its products are optimizing the performance of heavy equipment and machinery in industries such as agriculture and construction around the world. It hasn't always been that way, but in the past few years WCCO CEO and President Tom Shorma has focused on building the company's export portfolio. In 2009, WCCO exported more than it had in total revenues in 2007.

That performance garnered notice from the U.S. Department of Commerce. Last year, the Fargo office of the U.S. Commercial Service nominated WCCO for the President's "E" Award, which recognizes companies that play a significant role in increasing exports from the United States. On May 13, 2010, 28 years to the day after WCCO founder Ed Shorma received the U.S. Small Businessperson of the Year award in Washington, D.C., his son, Tom, accepted the President's "E" Award from U.S. Secretary of Commerce Gary Locke.

Started on a Shoestring...Literally

Ed Shorma started Wahpeton Canvas Company (WCCO) in 1954 as the Wahpeton Shoe Hospital. Within three years he expanded from shoe repair to manufacturing and repair-

ing tarps for farm trucks, seed boxes and fertilizer attachments. In 1973, he delivered his first order of vinyl canvas belting to Canada, and the business took off.

Over the next two decades, the businessman, inventor and North Dakota Legislator built WCCO into a family-owned company with eight divisions that manufactured everything from high-grade veneer doors and panels to vulcanized rubber belting. In 1992, to make the operation more manageable and protect the separate divisions from downturns in specific lines, Ed Shorma and several of his children broke WCCO into eight smaller companies with their own management teams, facilities, financing and boards of directors. Tom, who had previously served as the company's vice president of marketing, became its CEO/president in 2002. Since then, he's taken the company from a 33-person operation to one with more than 130 employees.

"Our business model is built around doing the things that the really big belting companies don't want to do and what the little guys can't do," Tom Shorma said. "The big guys' production lines are set up to run the same thing, day in and day out,



WCCO Belting received a President's "E" Award from the U.S. Department of Commerce on May 13, 2010. The awards recognize companies that make "...outstanding contributions to growing U.S. exports, strengthening the economy and creating American jobs." Pictured (l to r): Under Secretary of Commerce for International Trade Francisco J. Sánchez, Julie Shorma, Tom Shorma and Secretary of Commerce Gary Locke

and the little guys only sell what the big guys supply. We custom engineer and produce everything to order, and our presses change over daily. So we're in the middle."

Where the Rubber Hits the Press

The middle of the vulcanizing world is the floor of WCCO's 100,000-square-foot plant, where workers vulcanize, cut, punch holes, apply lacing, wrap and package custom-engineered belts. They also die- and laser cut rubber parts such as flaps, guards and shields.

Most of the company's business is with OEMs, but WCCO also sells products to aftermarket distributors. Its export customers are in countries such as Australia, Germany and Kazakhstan, and its products are used on machinery sold around the globe by OEMs such as John Deere, Case New Holland and AGCO Corp.

"All the OEMs are trying to accomplish the same thing in different ways," Shorma said. "We supply each of them customized belting that optimizes the performance of their equipment and gives them a unique selling proposition."

The process starts with calendaring, which is the application of raw rubber to one or both sides of the fabric, either through a skim or friction coating. In skim coating a layer of rubber encases the fabric, while in friction coating rubber particles are speared into it. All of WCCO's belts are calendared by CSI Calendaring in Alexandria, Texas, a former vendor that WCCO acquired in 2006.

The calendared rolls are shipped to Wahpeton, where WCCO vulcanizes the belts through a single-step process in massive clam shell presses. The presses are up to 24 feet long and 60 to 90 inches wide. The top half swings open on hinges while the bottom half remains stationary, making them look like clam shells opening and closing. The design allows workers to access the inside of the press so that the materials are precisely aligned prior to vulcanization.

Vulcanization cures raw rubber through the precise control and application of heat and pressure. In WCCO's single-step process, there is no gluing or secondary vulcanizing. "Instead of being applied with an adhesive, the attachments literally become one with the belt so there's no way they can fall off," Shorma said. "We're talking about belts that take a lot of abuse in aggressive applications, so that makes 100 percent difference in the field."

Going Global

As the chair of the North Dakota District Export Council, Shorma regularly speaks to groups about exporting opportunities and he grabs their attention with the same opening comment: "It's easier to find a new customer in Uruguay today than it is to find one in Florida."

The reason, he says, is the support available to North Dakota businesses. The U.S. Commercial Service, the trade promotion arm of the Commerce Department's International Trade Administration, is one resource, and the North Dakota Trade Office is another. "If I wanted to sell belting in Florida today, I'd have to travel there, attend a tradeshow and maybe look in the manufacturer's directory," Shorma said. "To go to Uruguay, I just contact to the Commercial Service

in Fargo and they do all the legwork."

The agency does a preliminary market survey of prospect companies. If there is some interest, the agency researches the market more thoroughly, puts the product in front of prospects, qualifies them and their ability to pay, lines up meetings, engages a translator, and even coordinates air travel and accommodations. The agency provides this "Gold Key" service for a modest fee which is less than the cost of a flight to Florida.

In the past four years, Shorma has used the service six times to visit prospects in six countries. The result has been a growth in exporting, to the point where 60 percent of WCCO's products are now sold outside the United States.

"It's certainly not the way we did it in the old days," he says, "but we're in a global marketplace today." And, if Shorma has his way, WCCO is going to be a big part of it. **D**

We're Your Advocate

When you have a loss, whether it's damage to your home, a vehicle accident, an issue with your business or any other type of claim, the Dawson Insurance Claims Department is here to be your advocate and help resolve the situation quickly and professionally. Our claims representatives provide assistance and are your advocate through every step, and we'll keep you informed throughout the process.

When you have a claim, we will:

- Gather information.
- Report the claim to the carrier.
- Investigate and resolve all claims issues.
- Provide detailed coverage analysis and interpretation.
- Respond to your questions regarding claims, coverage and exposure.
- Negotiate coverage.
- Be the liaison between you and the carrier and work with the carrier to resolve your claim as quickly as possible.
- Monitor the status of your claim and provide status reports to you.

We also take an active approach to monitoring claims history, gathering and reviewing overall loss information and monitoring payments made.

To file a claim, or if you have questions, please contact Jenaah or Karena or at 701-237-3311. **D**

Honesty is Always the Best Policy

Sometimes it's our customers who go the extra mile to do the right thing. Like Bernadine Ursin.

On a Fall day in 2008, Bernadine lost the platinum wedding and diamond rings from her husband, Otto, while raking leaves in their Moorhead yard. Otto had recently been diagnosed with Alzheimer's and his condition was deteriorating. Soon after Bernadine lost the rings, the Ursins sold the house and moved to an apartment close to Otto's daycare center in Fargo so he could be home with her at night. When Otto passed away, he and Bernadine had been married for more than 50 years.

The Ursins' homeowners insurance, which covered both rings, was with Allied Insurance through Dawson Insurance. Bernadine eventually filed a claim through Dawson and purchased a replacement set.

In June 2010, Deborah Hager, who had purchased the Ursins' home, found the rings near the shed. Deborah called Bernadine and asked if she had lost any rings. Bernadine said yes. Deborah asked if it was a band and a diamond wedding ring, and Bernadine responded yes again. That same day, Deborah went to Bernadine's apartment. "She's a wonderful lady and I'm glad I've gotten to know her," Bernadine said. "We were both crying. It meant a great deal to get that ring back."

Bernadine could have kept both sets of rings or sold the replacements, but she didn't. Instead, she called Dawson, informed us that the rings had been found and asked what to do to settle back with the insurance carrier. Technically, Allied owns the recovered rings, but they gave Bernadine the option to keep the originals with their sentimental value, or keep both sets and send in the amount the company paid for the replacements. Not surprisingly, she's keeping the originals from Otto.

Deborah did the right thing. Bernadine did, too. So did Dawson and Allied Insurance. It's cliché, but true: honesty really is the best policy. **D**



Bernadine Ursin (l) and Deborah Hager



Dawson Online Customer Access



Our commitment to service includes extended service hours and more service options. With both online and telephone services at your fingertips day or night, Dawson 24/7 is designed so that you choose how to interact with our agency and when it's convenient for you.

Dawson 24/7 Online Access

Your insurance information is always available so you can:

- Obtain Certificates of Insurance.
- Print auto ID cards.
- Notify Dawson of a claim or loss.
- View your policy information.
- Make change requests such as address or adding vehicles/drivers. Keep in mind, coverages are not bound until you receive confirmation from our office.

Health Care Reform: Tip for Small Business, Resources for Everyone

The Patient Protection and Affordable Care Act recently passed by Congress provides tax credit for qualifying small employers. If your small business or tax-exempt organization pays employee health insurance premiums in 2010, you may be eligible to claim the new credit on your 2010 tax return.

Employers with fewer than 25 full-time employees (or more if you employ people part-time) and less than \$50,000 in average wages may be eligible. For businesses, the credit could be worth up to 35 percent of the premiums you pay in 2010. For tax-exempt groups, it could be up to 25 percent.

Both the North Dakota and federal governments are providing a wealth of information online regarding the new law. For answers to questions for individuals, organizations and businesses, go to www.nd.gov/ndis/consumer/reform or www.irs.gov. **D**

Putting It All On The Line

Jim Nyhof stood on the dike, directing traffic and helping his fellow Oxbow residents build a temporary structure to hold back the rising Red River. It was April 2009, and the city's future mayor was putting it all on the line once again.

"Work hard and play hard," Jim says. "If I had a motto, that would be it." If those who know him had any say, they'd add "serve hard" to the mantra, as well.

Jim's long history of public service includes several years on the youth football board of Fargo Moorhead Athletics, where in 2003 he helped bring football to Kindred for kids as young as 4th graders. As a member of the Kindred Booster Club, he recently received an award for creating the annual "It's all about the Kids!" fundraising dinner and auction for the school district. Most recently, on June 8, 2010, Oxbow residents voted to make him the city's mayor.

Jim wasn't even in the country on election day. Instead, the avid hunter, fisherman and all-around outdoors enthusiast was on a lake in Canada with his boys, Austin, 16, and Logan, 14. It was a relief, he said, to worry about hauling a 29-inch walleye over the side of a boat instead of the 36.5-foot crest coming over the tops of Oxbow's dikes. Besides, he wasn't about to pass up the annual tradition of a fishing trip in Canada with his sons and friends.

That's not to say our financial services manager takes his public service lightly. On the contrary, aside from Austin and Logan it's what he's most proud of in his life. "It feels good to be involved in the city," Jim says. "Not a lot of people have the time or are willing get involved. It's important for all of us to get things done, and I'm glad to have the opportunity."

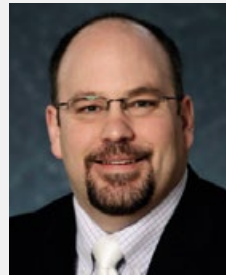
Meanwhile, at his day job, Jim patiently shares his expertise and experience with Dawson customers. "Insurance and financial planning are complicated for a lot of people," he says. "I do my best to break it down into simple terms so they can understand and make good decisions."

In more than 20 years in the financial industry, he has developed plans ranging from the simple to highly complex. It's safe to say he has encountered and helped customers address nearly every financial circumstance or situation imaginable. For his exceptional work, he earned Dawson's "Best of the Best" award in 2005.

Now he's putting his best on the line for his Oxbow neighbors, as well, leading the effort to build permanent dikes to protect the city to a 41-foot crest. "If I only accomplish one thing as mayor," he says, "it will be that Oxbow won't have to go through a 2009 flood fight ever again." **D**



New Employees



Matt Weis
Client Safety
Coordinator

Matt developed a critical eye for safety through his work as a training and development consultant with Corporate Adventures, Fargo, where he managed the operation of high ropes and challenge course events for area business leaders. He also gained enterprise risk management experience with Lutheran Social Services of North Dakota. As our client safety coordinator, Matt assists Dawson clients in developing and implementing safety programs to enhance safety in their working environments and reduce accident and injury claims. He also is a certified Professional in Human Resources (PHR), is certified in civil and employment mediation and is an associate member of the University of North Dakota Conflict Resolution Center. A native of Wadena, Minn., he graduated from Minnesota State University Moorhead in 1994.



Shawn Gruenberg
Life Insurance and
Benefits Specialist

Shawn assists our commercial and personal lines customers in meeting all their employee benefit and personal life, disability and long-term care needs. He seeks out top name brand companies with the best packages and prices to meet their coverage desires. Prior to joining Dawson, Shawn worked with the Farmers Insurance Group, Moorhead, for 13 years. He started there as an insurance agent, was promoted to reserve district manager and, by the time he left, was a district manager who managed \$21 million in insurance premiums in 15 agencies. Before he joined Farmers in 1997, Shawn was a program director for YouthWorks, Fargo. Shawn earned his bachelor's degree in social work from the University of North Dakota in 1991. He also completed the GAMA International Essentials of Management Development course, and graduated from the National Association of Insurance and Financial Advisors Leadership in Life Institute in 2006.

Dawson INSURANCE

Dawson Insurance is proud to be a locally owned, independent agency that provides a full line of property and casualty coverage, as well as life and health benefits, surety and financial services for individuals and businesses. For more than 90 years, we have been working hard to ensure our customers always come first, both in the services we offer and the protection we provide. Thank you for your business.

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Disclaimer: TouchPoints content is for illustration and informational purposes only. Dawson Insurance relies on the accuracy of information provided to us in developing this newsletter. For premium quotes, specific coverage options and other products and services, please contact us.



Q: *We will be renting a vehicle to move our son to another town. Will our auto insurance cover the damages if we have an accident en route?*

A: Coverage varies by company, so you should check with your agent for details. Generally, if you are renting a van or truck, your personal auto policy will cover the vehicle just as it would one of your personally owned vehicles. However, coverage is subject to Gross Vehicle Weight (GVW) limitations so you should ask for the GVW before calling your agent. For a trailer, the liability for damage it causes will be extended from the vehicle towing it, but damage to the trailer itself may be limited to \$500 to \$1,500 or it may be excluded entirely.

To have your question answered, send it to info@dawsonins.com.

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