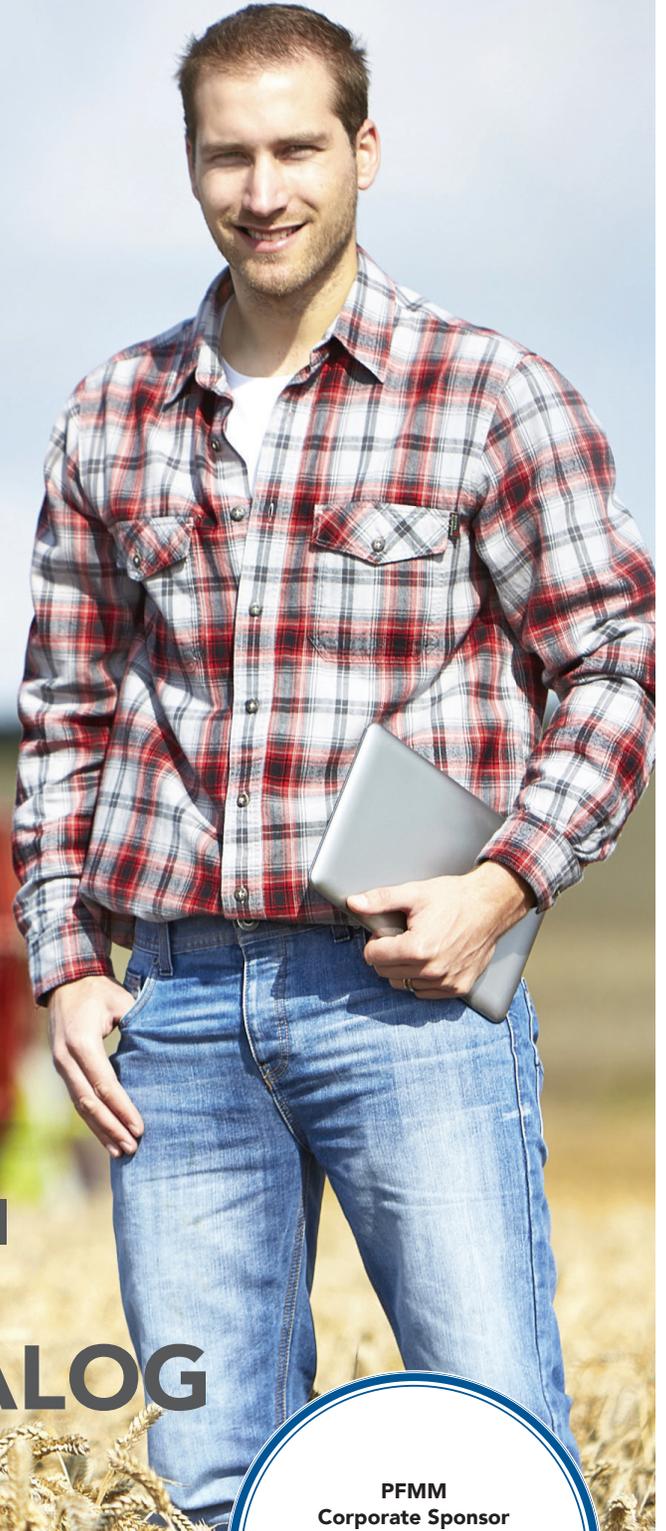


NAMIC[®]

The difference is in the experienceSM

public policy | advocacy | education | networking | insurance | services



**Professional Farm Mutual
Manager Designation**

PROGRAM CATALOG



PROFESSIONAL FARM MUTUAL MANAGER PROGRAM

The NAMIC Professional Farm Mutual Manager (PFMM) designation formally recognizes the educational accomplishments and dedication to professionalism of the progressive farm mutual manager and those in a management role.

EARNING THE PFMM DESIGNATION

- Submit a completed Professional Farm Mutual Manager application with the \$50 administrative fee. It is recommended that applications are submitted prior to starting the PFMM process so NAMIC can best track event attendance.
- Serve in a management role in a farm mutual insurance company or in a management role that actively and regularly works with farm mutual insurance companies.
- Have a minimum of five years property/casualty insurance experience at the time of completion.
- Attend, in any order, the three in-person PFMM modules and one PFMM virtual module within five years.
- Track PFMM course attendance onsite at NAMIC events and turn in the appropriate form(s) to receive credit.
- Remain in active status by paying the annual active participant fee beginning the calendar year after enrollment. Fee is \$50 per year while working toward the designation, and \$100 per year once certified.
- New PFMMs are certified on August 1 of each year regardless of when requirements are completed during the year. Requirements completed after August 1 in any given year results in certification the following calendar year

Course selection and development are determined by NAMIC with the assistance of the NAMIC Farm Mutual Conference Certification Committee.

Candidate's records will be maintained by NAMIC. While NAMIC will make every effort to maintain accurate records, candidates will be responsible for reporting discrepancies immediately upon discovery.

Annual transcripts updating designee status and maintenance will be distributed to all PFMM and PFMM-enrolled participants.

PFMM PROGRAM BENEFITS

- Formal recognition at NAMIC's Annual Convention where newly certified individuals receive their completion certificates and lapel pins.
- Complimentary roundtable breakfast at NAMIC's Annual Convention, once certified.
- A 20 percent registration discount at NAMIC in-person events, once certified. Discount applies only to the certified individual with current PFMM status and is not transferable.

MAINTAINING THE PFMM DESIGNATION

Once certified, PFMMs must pay the active participant fee every year and attend a NAMIC in-person event every 24 months in order to maintain an active, certified status. In the event that a PFMM is not able to attend an event before expiration, a grace period may be purchased for \$100. Each person is allowed a maximum of two grace periods throughout the life of the certification.

Questions about the program should be directed to the PFMM program administrator at (317) 875-5250 or pfmm@namic.org.

STRATEGIC BUSINESS MANAGEMENT MODULE LEARNING OBJECTIVES

MANAGEMENT AND LEADERSHIP PRINCIPLES (3 HOURS)

Understand the principles associated with strategic planning

Learn how to develop and write a company mission statement

Understand the relationship between the mission statement and planning purpose.

Identify the key metrics used to measure successful implementation of a strategic plan

Understand the strategic planning process and who should be involved

Know what should be included in a one-, three-, and five-year business/strategic plan

Know who should be responsible for implementing the plan and monitoring progress

Determine the appropriate means of reporting the progress to the directors, management and staff

Understand the importance and involvement of staff in the strategic process in relation to underwriting, claims, marketing, and technology department goals and guidelines

How to use benchmarking as a strategic planning tool
- Operating ratios and their relevance

PUBLIC RELATIONS AND MARKETING STRATEGY (2 HOURS)

Know how to develop a marketing mission statement and plan

Know how to evaluate and develop target markets for the company

Understanding changing consumer and buying habits

Know what image the company wants to establish with agents and policyholders and tie it to the marketing/branding campaign

Learn the importance of branding the niche market of the company to agents and policyholders

Know how to deliver/advertise the marketing/branding mission and plan to the agents and policyholders

Understand the importance of developing a diverse product line and competitive rating structure for all products and services of the company

Understand the importance of retention of agents and policyholders to the marketing plan

Digital media and social media marketing opportunities

AGENCY RELATIONS AND DEVELOPMENT STRATEGY (3 HOURS)

Know the importance of attracting qualified and professional insurance agents

Understand the importance of agency contracts and agreements
-Contract development and review
-Individual agency, cluster, aggregator changes related to agencies

Understand how to cancel an agency contract

Determine the best means of offering products and services to the agency force

Understand the importance of offering competitive commission and contingency bonus plans to the agency force

Understand the importance of the agency force in regard to the appropriate spread of risk for the company

Understand the importance of growth and the addition of new agents for the company

Determine the needs of production and loss ratio requirements upon the agency force

Determine the needs and requirements of technology in relation to the agency force marketing the company's products and services

Understand the importance of flexibility and ease of doing business in working with the agency force

Understand the importance of underwriting, applications, rates and discounts in working with the agency force

Understand the importance of keeping the agency force involved with the operations of the company by such means as surveys, training, and an agency advisory committee

HUMAN RESOURCES STRATEGY AND PERSONNEL MANAGEMENT (3 HOURS)

Structure the management and staff of a firm mutual

Design an organizational chart

Know the importance of written job descriptions

Develop an employee manual handbook

Understand the importance of confidentiality in the insurance industry

Train new employees

Understand the hiring and firing of employees

Understand the importance of gaining knowledge of specific state and federal employment laws
-Employee count triggers

Know the importance of employee performance reviews

Know how to keep employees motivated and dedicated to your company by offering competitive wages, benefits, and working conditions

Understand the importance of succession planning for management and staff
-Benefits of cross training
-Retirement plan benefits (SEP, IRA, etc.)

SELF MANAGEMENT (1 HOUR)

This session is leadership focused and is usually offered as a general session.

UNDERWRITING & CLAIMS MODULE LEARNING OBJECTIVES

UNDERWRITING PROPERTY & LIABILITY (4 HOURS)

Understand the importance of developing underwriting guidelines

- Transition from a paper manual to underwriting automation

Overview of the tools available for underwriting (credit-based insurance scoring, insurance to value, CLUE report, protection class, surcharges, and discounts)

Understand the importance of a complete and accurate application to the underwriting process

Understand the risks associated with not completing an onsite review

Know the types of questions to ask to properly underwrite the risk

Understand the potential risks and exposures with underwriting property

Understand the potential risks and exposures with underwriting liability

Understand the philosophy of evaluating rate adequacy (pricing, coverages, insurance to value, actual cash value versus replacement cost)

Actual cash value versus replacement cost

Insurance to value

- Automatic inflation guard
- Different needs for different policyholders

Understand the reasons for cancellations and non-renewals

Review the process and importance of underwriting renewals

Understand the importance for file audits

Conduct new procedure and guideline reviews

Updating files (photos, etc.)

Re-underwriting your book of business

Case studies

LOSS CONTROL (2 HOURS)

Review the basic adjusting procedures

Understand the development of a loss control program (how to get started, the inspection process and claims files, creating consistency)

Review basic inspection procedures and guidelines (items to include such as diagrams, photos, etc., and inspector/adjuster training options)

Understand the process of estimating losses and establishing reserves

Review plans for handling catastrophic events (available resources, testing back-up plans, emergency communication)

Case studies

CLAIMS (2 HOURS)

Understand the proper handling of bad faith and fraudulent claims

Understand how to reclaim your dollars after the loss (salvage, subrogation, and restitution)

Understand the importance of conducting claims file audits and establishing a timeline for reviews

Basic investigation/practices/steps to go through for a claim

Customer service aspect of claims

Developing a claims procedure

Governance & Claims (how should you act and what is your authority)

Discuss auditors and what they're looking for in reserves on claims after an adjuster inspects a property

Case studies

TECHNOLOGY (2 HOURS)

Understand the importance of technology to company operations

Review resource allocation for technology
Understand how to develop a technology implementation plan and company website and social media

- Discuss technology and how it applies to all generations

Review available technology options for underwriting, claims, and financial management

- What technology options are available for monetary transactions
- Mention that if you are paying claims with direct deposit, it cannot include the mortgagee

Review rating and quoting systems

Understand technology and equipment options to help create a paperless system

Understand proper safety procedure when dealing with technology

- Examples: mails, client data, and payment information

Understand different technology disaster recovery efforts

Case studies

LEGAL AND ETHICAL ISSUES (1 HOUR)

Review the privacy act and confidentiality agreements

Understand how to be compliant with state and federal insurance regulations

Information on Whistleblower legislation (CA and US)

Conflict of interest (manager/agent and director)

Understand the basics of employment law and contracts

SELF MANAGEMENT (1 HOUR)

This session is leadership focused and is usually offered as a general session.

FINANCIAL MANAGEMENT MODULE LEARNING OBJECTIVES

PAST, PRESENT, AND FUTURE OF FARM MUTUAL INSURANCE (2 HOURS)

Understand how the idea of mutual insurance originated

Understand the difference between mutual insurance companies and other companies

Understand the operating structure of a mutual insurance company

Understand how mutual insurance is affected by state and federal governments/regulations

Determine how companies will evolve and change to ensure a future in the insurance marketplace/industry

- Emphasize the future of farm mutuals and what they need to do to ensure a prosperous future
- What challenge are mutuals facing in today's world?

Managing the relationship with the state's department of insurance

- Financial exam
- Market conduct exam
- Rates and forms

CORPORATE GOVERNANCE (3 HOURS)

Rules and structure of mutual insurance companies

Involvement of the policyholders in a mutual insurance company

The structure of a mutual insurance company's board of directors

Conduct an efficient board meeting set an effective agenda

Roles and responsibilities of the board of directors in the company's operations

- What are the boundaries and limitations between the manager and board? What gets shared with the directors?
- Do you have a BOD manual and what should be in it?

*Speaker note: Mention business and succession plans. (Covered in-depth in the Strategic Business Mgmt module)

Director independence (from management)

- What's the tone at the top?
- What's a board evaluation?
- Who needs a mandatory retirement policy?

Director and Officer liability

Defining, setting, and monitoring internal control procedures

Importance of the audit to ensuring proper control procedures

Purpose and benefit of state and national trade associations

Define the line

- Conflict of interest statements
- Board diversity

REINSURANCE (3 HOURS)

Understand the purpose of reinsurance to the mutual company and give a general overview of what it is

- The history of reinsurance
- Broker market vs direct writer
- Capacity (domestic, international, London, Bermuda)
- Reinsurance is not a commodity

Understand the partnership between the mutual company and the reinsurance company

- What data should be collected to maximize reinsurance meetings/cost
 - Importance of quality data and how it relates to cost
- What systems are available to data mine (what are the BEST?)
- Basics of a reinsurance data report
- What you need to sell yourself to a reinsurer

Understanding what is expected of the mutual company by the reinsurance company

Predictive modeling

- What are they using this information for?

Determine the need and type of reinsurance to purchase

Understand the different types of reinsurance contracts and the basic language

Understanding how the cost of reinsurance is determined

- Understanding the breakdown between homeowners and farms
- Exposure vs. experience rating
- Development/trending of claims; on-leveling of premium
- Catastrophe modeling

Leveraging reinsurer-value added services

- Probable Maximum Loss (PML) Mapping
- Rate and form filing
- Special investigation services
- Additional adjusting services

FINANCIAL MANAGEMENT (3 HOURS)

Understand the basics of insurance accounting, including assets, liabilities, and surplus

- Types of filed financial statements (yellow book, policyholder statement, etc.
- Importance of utilizing the services of a well-respected CPA firm who specializes in P&C insurance

Understand the importance of adequate surplus/reserves

Understand the effect of unearned premium as a liability

Understand the importance of rate adequacy

- Sample rate analysis
- Rate making methods

Understand how to calculate loss, expense, surplus/premium ratios

Develop a budget and monitor success
Manage the growth of premium

Mergers & Consolidations/Amalgamations

- Walk through the process of looking at the combined financials of the two mutuals coming together.
- What are some key things to look for?

SELF MANAGEMENT (1 HOUR)

This session is leadership focused and is usually offered as a general session