

SENATE AGRICULTURE

EXHIBIT NO. 1

DATE 3/14/13

BILL NO. HB 502

I am Greg Ellingson of Kalispell Montana. I am sorry I became ill and could not make today's Testimonials. My vocation is General Manager of Flathead Farm Mutual insurance company. I have been in the insurance business for 39 years as a producer, Agency owner, and now company manager.

I have been twice president of the Montana State Professional insurance association and am active in the state M...A...M...I...C. Glen Lambert is current president of this association that speaks for the 10 companies, their employees and thousands of policy holders.

HB 502 asks for modernization of the State law to allow State Farm Mutuals to compete fairly in a changing world.

Presently Farm Mutual Managers can be considered MANAGING GENERAL AGENTS of which there are laws and restrictions that very much impede the ability to managers to manage. Duties such as negotiating reinsurance contracts, overseeing any business contract, and overseeing the money of the company would be held strictly to the president of the company. HB 502 as presented to allows the auditors office to offer a "managing general agent waiver" to qualified individuals. The State Insurance Commissioner still maintains the authority to withdraw the waiver if issues require it.

Thank you for your time,

Greg Ellingson