

FALL 2023

SIMPLY STATED

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Autumn is upon us. Whether you are taking some time to enjoy the fall colors, attending one of many art festivals, or enjoying an afternoon picking apples and pumpkins, there is no doubt the St. Croix Valley is a special place this time of year.

I hope you take a few moments to enjoy our current *Simply Stated* edition. In this issue we share insights on current challenges in the insurance market which are resulting in unexpected price increases and coverage changes. Maintaining adequate insurance coverage is a key component in managing your financial journey. If you haven't evaluated your insurance needs for some time or are surprised by unexpected increases in your premium, I encourage you to take a few moments to review this very timely information. Our staff at **Valley Agencies** are happy to be a resource as you feel the effects of this difficult market affecting the whole insurance industry.

On the following pages you will find our regular features including introductions to a few of our staff and the many activities we engage in throughout the community. Beyond our 100-year history supporting the community, we continue to maintain a strong capital position and well-structured balance sheet providing a solid foundation to grow and support the financial needs of our clients for the long term.

I am also happy to share that our new internet and mobile banking platform is up and running. I appreciate your patience and flexibility as we transitioned from our previous system. We have received very positive feedback as the new system offers more features and functionality. If you have not quite yet mastered the new platform, please reach out to our bank staff via the chat function within the app or call us at 651.439.5195/715.808.8183. Our friendly, local staff is ready and available to answer any questions you may have.

As always, thank you for your continued support of Valley Agencies and First State Bank and Trust; we value the continued partnership!

All the best,


Jason Howard
PRESIDENT / CEO



THE INSURANCE MARKET AT A GLANCE

Insurance companies are not only increasing their property and auto premiums at an astonishing rate, but they are making changes many of us haven't seen for over 30 years. We have experienced a "hard market" previously, but many of us have not seen the number of carriers putting full-fledged moratoriums on any new business or pulling out of states all together. A "hard market" is when carriers take rate and are more selective on the types of risks that they are willing to insure along with coverage restrictions. This is not only true of some of our regional carriers, but also the national carriers as well.

How did the market get here?

We are in this hard market because of a combination of large global catastrophic losses and more frequent regional storms. The May 2022 hailstorm that hit the Twin Cities and western Wisconsin was the single largest weather event on record for our carriers, and the following September, another storm hit those same locations. The storm trend, as you know, continues into 2023.

All carriers buy reinsurance to help when these catastrophic claims happen. Reinsurance is insurance for insurers which transfers risk to another company to reduce the likelihood of large payouts for a claim. The frequency of losses have severely increased the premiums carriers pay for reinsurance. One carriers reinsurance retention limit (or deductible), increased from 5 million in 2018 to 30 million in 2023 and their premium also went up. Carriers have to find a way to decrease their risk in these high frequency storm areas by increasing premiums, shedding business from their books and also stopping writing new business all together for a period of time.

At Valley Agencies we have many strong carrier partners whose doors are open for business. While we may have to make some coverage adjustments and deal with underwriting changes, Valley Agencies' employees are able to provide the coverage and service you deserve and have come to expect.

With this ever-changing market, right now might be a great opportunity for you to have a comprehensive review of your policy and coverages. Scan the QR code below to visit our website and learn how we can help.



HOME | AUTO | LIFE | HEALTH | BUSINESS



bayport bash

THANK YOU to everyone who attended our annual Bayport Bash in September. We look forward to this event every year and hope you do as well! Our employees at FSBT and Valley Agencies enjoyed mingling with over 500 attendees and we appreciate the important roles you play in our communities.

We would also like to **THANK OUR PARTNERS** who helped us with the event — without you, it wouldn't be possible!

- Mabel's Ice Cream & Coffee Shop
- Limitless Cycling
- Bayport Police Department - MN
- WDGY - "The Original Rock & Roll Station"
- Action Rental
- Scheel's Catering





Kathy Elbert

FSBT

Sr Vice President - Trust in Bayport

JOINED FSBT IN 1998

How do you spend your free time?

Free time? Always keeping busy with family, work, playing ukulele and trips!

What is your favorite local business?

Menards. There's always a reason to go shopping there, grandkids Mason (11) and Mary especially (3) love it.



Megan Miller

FSBT

Trust Administrative Specialist in Hudson

JOINED FSBT IN 2019

How do you spend your free time?

Listening to live music, doing yoga, meeting friends for coffee or Happy Hour

What is your favorite local business?

I love to shop locally and The Bees Knees in downtown Hudson has lots of unique and whimsical gifts. The owner of this female owned business is very generous in giving back frequently to the Hudson community.



Peter Matzek

FSBT

CFO in Bayport

JOINED FSBT IN 2019

How do you spend your free time?

Enjoying the outdoors with family and friends. I enjoy camping, hiking, fishing, and casual athletics with my son including football, basketball, and baseball.

What is your favorite local business?

Buddy's Bakery and Mabel's Ice Cream Shop. Two community focused small businesses that serve things I like...coffee, donuts, and ice cream!



Caryn Sande

FSBT

Universal Banker in Hudson

JOINED FSBT IN 2019

How do you spend your free time?

I run a photography business with my husband. We geocache and travel as much as we can. I spoil our two cats, Blaze and Ash.

What is your favorite local business?

The Oasis Café! They have THE BEST breakfast food!

employee anniversaries

JOE ROSELL / 5 yrs

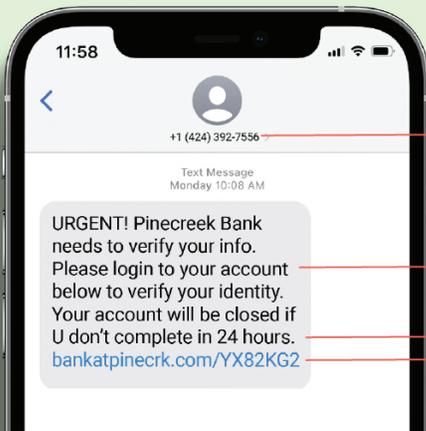
ANDY SEXE / 5 yrs

MARY BRIGGS / 5 yrs

ALEX ZEIEN / 10 yrs

BANKS NEVER ASK THAT

5 Signs That Text is a Scam



- 1 Strange number
- 2 Asks you to log in
- 3 Odd grammar
- 4 Uses scare tactics
- 5 Asks you to open a link

Did you know that fake bank messages are the most reported text scam? Here are 5 clues it's not really your bank behind the screen.

Can you spot a scam?
Take the quiz to find out:
<https://aba.social/3lpYQz4>



STOP THIRD PARTY LENDING SOLICITATIONS

First State Bank and Trust holds your personal information to the highest level of confidentiality and does NOT share this information for marketing purposes.

When your credit is pulled, the Fair Credit Reporting Act (FCRA) permits Consumer Credit Reporting Companies to include your name on lists used by creditors or insurers to make firm offers of credit or insurance that are not initiated by you ("Firm Offers"). In other words, they are allowed to sell your information to third party lenders.

The good news is that FCRA also provides you with the right to "Opt-Out" of this sharing.

To opt out, visit optoutprescreen.com and donotcall.gov. Additionally, you may also call 1.888.567.8688.

To learn more about our privacy policy, please visit fsbt.com/privacy.



We love being out and about in the communities that we serve! This spring/summer FSBT and Valley Agencies employees participated in a multitude of community events and volunteer opportunities. We always enjoy meeting new community members and learning about organizations that make our communities thrive.

HAPPY RETIREMENT!

Congratulations to Chris Dressel who will be retiring this December. Chris joined FSBT in 2015 and is currently the Chief Brand Officer. She is looking forward to spending more time with her husband, Dean, their kids and grandkids, as well as traveling.



Congratulations to Laurie Wotruba who will be retiring in October. Laurie joined FSBT in 2017 and currently works in our Trust Department. After 39 years in banking, she is looking forward to spending more time with her family, fishing, and enjoying the outdoors at their newly purchased home in Saint Germain in the heart of the Wisconsin Northwoods.

FIRST STATE BANK AND TRUST

VALLEY AGENCIES INSURANCE

950 HWY 95 NORTH
BAYPORT, MN 55003

fsbt.com / valleyagencies.com



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YOUR FINANCIAL JOURNEY STARTS **HERE**

No matter what phase of life you are in,
we understand the importance of having financial goals.

That is why we have designed these easy to use, interactive
roadmaps to help guide you on your financial journey. Scan the
QR code below to learn more.

Tell us what you'd like to achieve, then let's get there. **Together.**

