

Oppose Amendments that Threaten Ability of Private Sector to Service Agricultural Producers

Leads to the return of government delivered crop insurance and expensive taxpayer-backed ad hoc disaster bills

Decimates the availability of insurance protection in states with a history of weather disasters such as floods and droughts

- **Farm groups, lending organizations, input suppliers, processors, insurance and reinsurance organizations praise the private sector delivery system: “The public-private partnership of program delivery works very well, allowing for timely and outstanding service to producers when they need it the most and providing much-needed jobs across rural America.”**
- **Amendments to cut crop insurance delivery fail to recognize that crop insurance already has contributed more than \$12 billion toward reduced government spending and deficit reduction since 2008 through legislative and administrative actions.** Crop insurance continues to adjust to the cumulative effects of these changes and record claims in 2011 and 2012. Additional cuts could weaken a crop insurance infrastructure that has already been stretched thin by past reductions and record indemnity payments.
- **Proposals to cut private sector delivery negatively impact service and timely delivery of indemnities.** Private sector delivery allows for personalized service day or night. Assistance arrives in days, not months or years, as was the case when the government completely managed disaster assistance. In a speech this year, **then-USDA Farm and Foreign Agricultural Services Under Secretary Michael Scuse said, “To this day, I have yet to have a single producer call me with a complaint about crop insurance. This is a testament to just how well your agents, your adjusters, the companies, and the Risk Management Agency worked together in one of the worst droughts in the history of this nation.”**
- **The approach harms the rural economy.** While business structures vary, crop insurance providers employ thousands of professionals nationally, across all 50 states. Over 16,000 licensed agents and nearly 5,000 certified claims adjusters are committed to getting indemnities into the hands of farmers quickly, saving thousands of rural jobs and keeping small communities afloat. **In fact, one study found crop insurance saved 20,900 off-farm jobs and generated \$2.2 billion in off-farm in economic impact in the states of Iowa, Nebraska, South Dakota, and Wyoming alone.** Additional cuts will negatively impact crop insurance through job loss and pressure for providers to pull out of high-risk states.