



In the Field

PROTECTION, PRECISION ARE CORNERSTONES OF COMPLIANCE

Everyone in the crop insurance industry knows that compliance is an important component of our business. We thought it would be a good idea to ask our compliance supervisors what day-to-day operations look like in their world and how compliance fits into the total crop insurance picture.

“We’re here to protect the company, the insureds, the agents, and the integrity of the crop insurance program,” states Craig Wignall, compliance supervisor for Wisconsin and Illinois. “Our job is to review certain claims to make sure that all the rules are followed and the claim is processed properly.”

Generally, a compliance review is initiated for one of three reasons. First, it is required whenever a claim in excess of \$200,000 is filed. Compliance also gets involved when there is a conflict of interest disclosed by an agent or person involved with ProAg. Finally, there are data mining requests from the RMA that involve a growing season inspection, a pre-harvest inspection, and a three-year APH review.

“No one really wants to get a review,” Craig says. “Our number one priority in every case is customer service. All of our reviewers are very professional and concentrate on accuracy, getting the work done quickly, and staying out of the way as much as possible. Our goal is always to have the review done before the claim is presented so there is absolutely no delay in getting the claim paid.”

It takes a team

Steve Wilson is the other compliance supervisor working the Northern Region, and is responsible for Minnesota, North

and South Dakota, Nebraska, and Iowa. Both he and Craig have a team of compliance professionals that report directly to them. The compliance coordinators work with the agents on a daily basis while the reviewers process the claim reviews.

“Experience is a big key to our success,” Steve notes. “Since one of the primary things we deal with in the course of a review is verifying the accuracy of the APH, it helps that the majority of the reviewers and coordinators were adjusters at one time. Their crop insurance background and understanding of the rules and regulations serves the team well.”

Steve, who lives in eastern South Dakota, began his crop insurance career in 1980 as an adjuster and joined ProAg in 2005. Craig came to ProAg the same year and took a slightly more scenic route, having worked for IBM and as a chiropractor before kicking off his crop insurance career in 1997. He lives in the Kansas City area.

“There are a lot of rules and regulations to follow with each policy, and I enjoy the challenge of making sure all the I’s are dotted and the T’s are crossed,” Steve says. “It helps to have a great team. One of my reviewers was a claims auditor, another worked as an underwriter, and several have 20-plus years in the business. We work well together, and they make my job a lot easier.”

“To do this job well, you really have to like this kind of work, and I do. I just love it,” Craig states. “It’s customer-service oriented, and there are a lot of good things that happen in the course of our work. We have a very close team that focuses on getting the job done and sharing the workload.”

“Our team works with some wonderful people throughout the ProAg organization,” he continues. “We have a good system set up, with the adjusters communicating losses so we can begin the reviews quickly, and our team working closely with the underwriters in our states. Everyone is in the loop, which is why I love working here. Sometimes I wonder how I wound up here, but I’m sure glad I did.” 🌻



THE PAST, PRESENT AND FUTURE OF AGRICULTURAL RISK MANAGEMENT®

INITIATIVES IN 2013 POSITION PROAG FOR PROGRESS

By Missy Waters, Senior Vice President of Marketing and Service

Significant, intentional changes in 2013 have provided a foundation for continued organizational growth and progress as ProAg moves into a new year. One of the new initiatives that laid the groundwork for others was the roadmap process we put in motion roughly a year ago. Each department mapped their needs and goals. Our Navigators group then took these departmental maps and combined them into a company-wide roadmap for progress. You can read more about this process on page 3.

In its first year, this planning process generated some big results. One of the more noticeable was our regional realignment. The realignment, along with the corresponding adjustment of our claims structure, allows us to use our resources more efficiently and strategically. The bottom-line result is better service for agents and insureds. We'll continue to fine-tune our resource allocation as we move through 2014.

We continue to develop our ProAgWorks® policy processing system—a process that will be ongoing. Our goal is faster processing of data from start to finish. As a result of the changes made in 2013, we gained a great deal of momentum in terms of clearing premium earlier and more efficiently. That's a significant plus for agents, insureds, and ProAg.

At the same time, we continued the improvement of our in-house tools for quoting and mapping. We also added new insurance products to differentiate ourselves—and our agents—from the competition.

One of our goals is to be the digital destination of choice for industry news and information. We made huge progress in 2013, particularly in the area of social media. I believe we hold a significant advantage over the competition in this arena, utilizing multiple channels to keep those in our company and the industry informed while simultaneously reaching out to audiences that may not be as familiar with everything that goes on in agriculture. In the process, we've become a key source of information in the ag industry as a

whole and crop insurance in particular.

New year, new opportunities

With one year under our belt, we've been able to check off many of the projects that we identified on our 2013 roadmap. It's been a very helpful tool, keeping us on task in terms of where we need to go and what we need to be addressing. Over the next couple of months, we'll be evaluating our progress, considering the feedback we've received from our customers, and updating those roadmaps. We'll be sharing the maps and updates with both staff and agents.

We've developed our 2014 sales plan, which focuses on growth with our existing customers as well as an emphasis on innovative ideas that will attract new customers to ProAg. We understand that in order to grow our business, we need to continue to deliver a high level of service and provide new tools to help you grow yours.

With that in mind, we will continue to develop and offer new named-peril products as well as enhance our hail products. We're also forming strategic alliances with partners who bring new products to the marketplace, giving our agents tools that their competition may not be able to offer.

On the processing front, a key integration of our mapping system and ProAgWorks is scheduled to be released in time for spring acreage reporting. This much-anticipated addition will create great processing efficiencies for the agent's office staff and give our adjusters access to accurate information in our system that will help with claims processing.

Last, but certainly not least, we have realigned our training department to further focus on the efficiency and effectiveness of our training programs.

We're excited about 2014, and look forward to plenty of growth opportunities for you and ProAg in the coming year. 🌾

THE NOT-SO-SECRET (BUT STILL MYSTERIOUS) WORLD OF REINSURANCE

Reinsurance. It's a word everyone in the crop insurance business has heard, a few pay attention to, and even fewer really understand. But it is critical to ProAg's ability to function effectively and grow as an AIP.

"At the most basic level, reinsurance is simply insurance for insurance companies," says Katie Peace, ProAg Director of Reinsurance. "Like homeowners or auto insurance, it is a way to spread risk and minimize the threat of catastrophic loss."

Art and science

Managing reinsurance for a company like ProAg involves both art and science. One can go into great detail regarding the technical aspects of reinsurance, but covering a couple of main points will provide a good general background.

First, there are two primary sources of reinsurance—the government and commercial providers. ProAg uses both. Our reinsurance arrangement with the government is detailed in the Standard Reinsurance Agreement (SRA), a contract between the FCIC and ProAg that establishes the terms under which the FCIC provides reinsurance and subsidies on eligible crop insurance contracts.

"Under the terms of the SRA, we can designate policies to one of two funds," Katie explains. "The first is the Assigned Risk Fund, where we put undesirable business and any new or pilot program business with an unproven track record. We have to retain 20% of the business in this bucket, with the rest ceded to the FCIC. The other fund is the Commercial Fund, where we put the business we want to retain. We retain 100% of the

business we place in this fund in every state in which we operate."

This is where the art enters in—determining which business to assign to each fund. "As we make those decisions, we'll review our loss history, employ models used by Guy Carpenter, our reinsurance broker, and our parent company, CUNA Mutual, and keep a close eye on the Drought Monitor," Katie says. "We'll also ask our people in the field what they're seeing, and they'll talk to their agents. We process a lot of information, but there is some intuition based on experience involved too."

Attractive partner

After the fund assignments are made, ProAg purchases commercial reinsurance on the business we retain. The two main forms of insurance we purchase are quota share and stop loss. "Most of our quota share reinsurance is provided by CUNA Mutual," Katie says. "Our stop loss is spread among 20-30 companies."

ProAg Chief Operating Officer Kendall Jones explains that the ProAg book of business makes us more attractive to reinsurers than some other companies. "Because we are truly national, our business is not heavily concentrated in one area of the country," she states. "That's one thing that reinsurers like about us."

At every step of the process, there are tradeoffs—just as there is with any insurance. "Our insurers assume a portion of our risk, but they also receive a certain proportion of our profits," Kendall notes. "But reinsurance is a business necessity. You only have to look at a year like 2012 to see the strategic role reinsurance plays in protecting our company and our employees." 🍷

NAVIGATORS CHART THE COURSE FOR PROAG

Within every healthy organization are various groups, each having a life of its own. These operating groups have their own goals, see specific needs that relate directly to their area of expertise, and generate ideas that have a positive influence on the company as a whole.

How do you best keep track of needs, prioritize projects, hear all the voices, and keep everything moving forward in a way that promotes the growth of the entire organization?

Our answer is the Navigators, a group composed of representatives from each area of the company. "This group reviews the projects and priorities generated from each department, prioritizes them, then creates an overall roadmap for achievement," explains Russ Klein, ProAg Chief Financial Officer.

"We don't run every proposed project through this process," adds Vikki Blettner, ProAg Legal Analysis Coordinator. "We generally focus on bigger projects that cross departmental lines. This is a coordinated effort to help ProAg achieve our goals."

Each year, operating groups within ProAg generate a

roadmap—their goals, plans for meeting those goals, and resources they will need to succeed. Those individual roadmaps are forwarded to the Navigators, where the process of creating one overarching roadmap begins.

"It's a really intelligent process," notes ProAg National Training Manager Jamie Hageman. "We started with at least a dozen departmental roadmaps and about 115 proposed projects. Then as a group we narrowed that list down to 24 major projects to prioritize company-wide. We also determined that some projects could be accomplished within the departments."

According to Vikki, everyone wins as the Navigators do their work, the roadmaps are finalized and then fine-tuned, and the process repeats itself each year.

"It's an ongoing process," she emphasizes, "and one of the great things about it is that it gives everyone in the organization a chance to contribute and an opportunity to watch their ideas come to life. Ultimately, the process makes ProAg a better organization to work with, and that benefits everyone." 🍷



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KNOWLEDGE IS MOST USEFUL WHEN SHARED

BY DIANE STINSON, REGIONAL VICE PRESIDENT - NORTHERN REGION

It is often said that knowledge is power, and in our business, knowledge is essential. That's the reason we put such an emphasis on our training program. Late last year, we reorganized our training department to encourage increased collaboration between the teams within ProAg. It's another step in our ongoing effort to make our training as useful as possible for both our staff and agents.

Training others begins with training ourselves. We begin each training cycle by attending the NCIS training meetings. Once we've assimilated all that information and translated it into understandable language, we meet internally to bring our people up to speed. We also assemble that material into our agent training books. Next, we head into the field for our agent training meetings, and our agents in turn relay what they've



learned as they meet with their farmers.

This year, we've added a new level of convenience for our agents. You are now able to take your competency test online. If this is your testing year, contact your ProAg field representative for the link to the online test.

When it comes to training, we know you have options, and we appreciate you taking time out of your busy schedule to attend our sessions. One of our goals

is to continue to deliver one of the best training programs in the industry.

From our perspective, knowledge equals excellence, and knowledge is part of the ProAg advantage. As we come into sales closing season, if there is anything we can do to help you with farmer meetings or anything else, please let us know. We're committed to helping you grow your business in 2014. 🍀

