



# In the Field

## HUMAN SAFETY NET

**T**here's nothing random or "close enough" about the work done by ProAg's compliance team. It's a job that calls for accuracy, focus, and a thorough knowledge of the rules and regulations that guide the world of crop insurance.

"We're here to protect the company, the insureds, the agents, and the integrity of the crop insurance program," states Craig Wignall, one of two ProAg compliance supervisors for the Southern Region. "Our job is to review claims to make certain 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 when 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."

### Personal satisfaction

There's no question that compliance plays an important role in positioning ProAg as a top crop insurance provider. But what attracts compliance team members to the job—and keeps them there?

"The fact that I've had a wide range of experience, as an adjuster, underwriter, and claims auditor helps me in my current position," says Sheila Kimberlin, the other Southern Region compliance supervisor. "Attention to detail and a focus on accuracy is extremely important, because the most challenging part of this job is asking for a revision on an overpaid claim. I hate asking for money back from the insured."

Sheila has been in the crop insurance business since 1989, and transitioned to ProAg when her employer, Keystate Crop Insurance, became part of the company. She recently moved from Illinois to Amarillo, where she's enjoying the more moderate climate—and her role as compliance supervisor.

"What I enjoy the most is talking with the agents and reviewers," Sheila says. "What really makes my day is when the prior year's production is already in the system when we're doing APH reviews. That makes the process so much easier."

Craig came to ProAg in 2005, taking a slightly more scenic route than Sheila. He worked as a chiropractor and for IBM before kicking off his insurance career with Crop Growers Insurance in 1997. He lives in the Kansas City area.

"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

**R**einsurance. 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

**W**ithin 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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## FEW THINGS ARE CERTAIN

By JUSTIN MADSEN, REGIONAL VICE PRESIDENT - SOUTHERN REGION

It's been said many times that one of the only certainties in life is change. To be sure, as we look back at the last couple of growing seasons and wonder what the weather will deliver in 2014, we're all very aware that flexibility is a virtue. As we move forward into the coming year and beyond, ProAg is committed to making the changes needed to match the ever-shifting agricultural and crop insurance landscapes.



You'll read about some of those changes in this newsletter. We've streamlined our organization to improve communication, increase efficiency, and generally enhance the ease of doing business with us. We're very intentional about putting the right people in the right places to deliver the highest possible level of service.

The ProAgWorks® policy processing system has been a major step forward, and we continue to make significant system improvements.

System improvements aren't restricted to policy processing or even technology, as we are constantly looking to improve our systems in all aspects of the business.

I know 2013 was tough with the severe weather and ongoing drought. Personally, I'm excited about 2014. A lot of farmers have smiles on their faces again, as things are looking up in terms of our general moisture situation, particularly in Texas.

Every department within ProAg is charged with creating our own roadmap for progress. If you haven't yet, you can read more about that process on page 3. Part of our roadmap is to build partnerships that help our agents better serve their insureds, and we'll focus considerable energy company-wide on making that happen. That's a healthy thing for ProAg, our agents, and ultimately our insureds.

Serving you is our first priority. If you have thoughts on how we might better do that, I want to hear them. 🌾

