



In the Field

BACK TO HER UNDERWRITING ROOTS

Twelve years ago, Charmane Shah was offered a choice—hire on as the office gofer or take a crack at learning the insurance business as an underwriting trainee. She chose the latter, and now she's hooked.

"I had been with a home health care company that was being dissolved," she recalls. "I was working with a temp agency that was sending me on interviews, and they asked me, 'Do you know anything about crop insurance?' I said I didn't even know what it is. They liked me enough to offer me the choice of positions, and since I had been a gofer 10 years before, I went with the more exciting-sounding opportunity," she recalls. "There's a saying in the industry that if you fall into that big hole and you stay there, you're a dork and you like crop insurance. That's me, I guess. I enjoy the daily complexities of the business."

Charmane stayed with her first crop insurance employer for eight years, working her way up to senior underwriter. She came to ProAg® in July 2009, initially working in compliance in California before moving to the Northwest in 2010. She has been the compliance coordinator there prior to moving to her new position as underwriting supervisor.

"Back to my roots," Charmane says.

Well traveled

Her roots are actually half a world away, in Nairobi, Kenya, where Charmane was born and raised. "I came to the U.S. when I was 21, and in my various careers and adventures, I've lived in California, West Virginia, and Indiana. So I've tried both coasts and the middle."

Her new position won't require a relocation, for she will remain in Washington and travel to serve the rest of her territory, which has grown a bit with the transition. She's looking forward to this transition with a bit of apprehension and a lot of anticipation.



Charmane Shah

"I'm a bit nervous, having been away from day-to-day underwriting for a bit, but I'm also excited to get back to something where people don't run away when they see me coming," Charmane says with a laugh. "Compliance at ProAg exists to safeguard the company, the agents, and the insureds from potential harm from badly written policies or incorrectly paid claims. It's an important job, and over the course of my time in that area, I was able to form very positive relationships with those I was working with. I wasn't so much the 'bad guy.'"

Charmane feels that her compliance experience will help her bring an added dimension to her new position as underwriting supervisor.

"I think it will help me see how things can be done at sales or underwriting that can help smooth the process at claims or compliance," she says. "The cleaner the business is up front, the quicker a claim is settled at the end. And I've also gained supervisory skills over the last two years that will be valuable in my new role."

Clearly, Charmane is no stranger to change, and she's looking at this latest move as an opportunity to help both her customers and her company.

"I truly am excited about the future, since I'm going to be working with a great team," she states. "I hope to strengthen the agents' desire to do business with us. We do enjoy a solid reputation in the Pacific Northwest among the agents, and that is the result of a team effort. My goal is to enable agents to trust us with more of their business." 🌿



THE PAST, PRESENT AND FUTURE OF AGRICULTURAL RISK MANAGEMENT®

FORGING A PRODUCTIVE PARTNERSHIP

When ProAg began searching for a resource to help build a new policy processing system from the ground up, it made sense to look for someone who really understood the crop insurance industry. That's why AgWorks was the logical choice.

"I've been in the crop insurance business all my life," states Rafe Hargrove, president of AgWorks. "My dad is a large crop insurance agent in Texas, and I've been working in crop insurance since 1990, so I, and the team here at AgWorks, have a lot of experience in the industry."

AgWorks was formed by Dreamscape Technologies and iNETj to specialize in the development and support of crop processing systems. They have successfully implemented web-based and standalone MPCJ and crop hail systems used for quoting, policy administration, fund designation, billing, claims, compliance, commissions, and FCIC reconciliation.

"We've got 48 full-time employees that do nothing but develop crop insurance systems," Rafe elaborates. "Many members of our team have worked together since 1990 and are experienced in both crop insurance and web-based technology."

Collaborative process

When designing a new system like ProAgWorks™ software, familiarity is a good thing, and it was definitely a positive in this process. "We had worked with some of the resources at ProAg for some time," Rafe explains. "We knew each other, knew each of our skill sets, and what we could all bring to the table. ProAg was able to bring a comprehensive, nationwide knowledge of the crop insurance industry, which has been instrumental in the evolution of our processing system."

According to Rafe, the focus over the past two years has been to build the foundation of a whole new kind of policy processing

system that can be built upon in the future. "Going forward, our goal is to build a system that is the best in the industry, bar none," he says.

Constantly improving

Feedback from agents, field staff, and internal ProAg employees contributes to the continual fine-tuning and evolution of the ProAgWorks processing system. "We're excited about the future of this system, and we're in the process of introducing some significant new additions," Rafe notes.

Two important upgrades are scheduled for the near future, according to Rafe. Slated to roll out later this year is a comprehensive suite of mobile applications. "Agents and insureds will use these to access critical pieces of policy information," he notes. "They will be able to quickly and efficiently check claim status, file a notice of loss, or request a copy of a schedule of insurance or billing statement wherever they are with any Apple or Android device."

The second new addition will be the integration of batch scanning into the system. "Every document we print out is bar coded, and you'll be able to put a stack of mixed documents on the scanner and have the system auto-attach the documents to the related policy," Rafe says. "That's a big efficiency improvement."

These will be the first of many pieces, particularly on the mobile side, according to Rafe. "This has been a process that has benefited both parties and will continue to do so," Rafe summarizes. "ProAg has provided us with a set of core knowledge we have used to develop a powerful processing platform. From ProAg's perspective, we have been able to build a system that is more effective and efficient than others in use today." 🌾

STANDING STRONG IN A HISTORIC YEAR

By *Russ Klein, CFO*

It's no longer news that crop insurance was a key element in preserving a healthy agricultural economy in the face of the widespread, devastating drought of 2012. In addition to the continuing dry conditions in the southern plains, the heart of the corn and soybean belt also suffered high loss levels. Our hardest hit area, Illinois, posted a gross loss ratio of more than 500%. Fortunately, those numbers aren't as grim as they sound, as I'll explain later.

Overall, we handled losses from this extraordinary year well. Typically, our goal is to get our production claim losses adjudicated and have checks in the mail by Jan. 1. We came close. Of the more than 33,000 total claims we received, only 2,000 were still being processed by mid-January.

In terms of getting checks out to our producers quickly, while I don't have ironclad statistics, I'm pretty confident we led the industry. Every week, the industry publishes their paid claim loss ratios. Beginning in December, I compared those numbers to our loss ratio, and ours was twice as high—not because our claims were any worse, but because we were paying them sooner.

Unfair advantage

How are we able to process our claims so quickly? Our employees are our advantage. We have 280 adjusters and 40 compliance specialists on staff, and having those dedicated resources enable us to really pound out claims. Many others in the industry utilize contractors to adjust and handle compliance, and in a year like this one, everyone is fighting for the same pool of contractors. Claims get worked when the contractor can get around to it.

We've said before that our people in the field are our greatest asset. I believe the competitive advantage they give us is one of the primary reasons our business continues to expand.

Bottom line

In terms of the financial impact of 2012 on ProAg, I believe we are going to fare better than our competitors and outperform the national average, because we have a truly national mix of business. While we were hit hard in the Southwest and through the Corn Belt, we had a great year in California. We also do quite a bit of business in North Dakota and Minnesota—states that were spared the worst of the drought.

Another positive financial factor is the backstop provided by the government. When losses become extreme, they will step in so that insurance companies can survive and continue to write business in the future. Earlier, I mentioned our loss ratio in Illinois. After government reinsurance plays its part, the loss ratio drops from 500% to around 190%. Then, when you take that 190% and average it in with the rest of our book of business, our net result is not so bad.

Finally, we also carry private catastrophic coverage. Once our losses hit a certain point, we have reinsurance partners who would help us. We didn't come close to using that resource in 2012.

So, while 2012 will likely go down in history as one of those years that will still be discussed in coffee shops decades from now, ProAg more than weathered the storm. That's a credit to our great people. 🌾





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CHANGE IS GOOD, BUT NOT ALWAYS EASY

By BILL HAAR, FRESNO/POST FALLS REGIONAL VICE PRESIDENT

When an organization stops changing, it generally means they've stopped growing. Change is a natural product of growth, and growth often requires us to adapt. We're in the process of adapting to some of the positive changes in our region resulting from the growth of ProAg.

We've come through the bulk of our claims season, though we're still processing some claims. Coming out of this season, we're working through some personnel changes. For example, we're bringing in Charmane Shah as our underwriting supervisor to manage all the underwriters in both of our offices. As you'll read in her article on the front page, she is familiar with our region and with both underwriting and compliance. We're fortunate to have someone of her caliber, and I know she is going to be an excellent addition to our underwriting staff.

No transition comes without a couple of bumps in the road, but we have a very experienced staff of underwriters to support Charmane and anticipate a fairly seamless transition. In addition to this move, Jaya Smith, an area claims supervisor for us, has accepted a new position as ProAg's specialty crop field manager. Jim LaPointe, a loss adjuster, will be stepping into her role.

Obviously, all of this creates a domino effect in our region. What

this means to you is that you'll see some new faces in new positions. But I'm confident that you won't experience any reduction in the quality of the service you receive.

I firmly believe that 90% of your success as a manager is determined by the quality of the people you manage. Jaya, for example, did a terrific job managing a book of business in the state of Washington. That also tells me that she had some good people working for her, and one of those people is Jim LaPointe. And like Charmane, Jim will have the support of an experienced team in his new position.

The depth of experience we enjoy at ProAg is one reason why change doesn't concern me all that much. We're promoting from within as much as possible and giving our people an opportunity to advance and fully utilize their skills to serve our clients. When necessary, we hire the very best talent from outside our organization. Margie Hill has joined our Fresno office as an underwriter. She has 10 years of experience in the crop insurance business, working for agencies as an underwriter. She's already picked up our system and her job, and she's running with it.

The bottom line is this: Our goal is to keep providing the level of service you have come to expect, and thanks to the excellent people we have top to bottom, we can experience change without missing a beat. 

