

In the Field

EVOLVING WITH AN INDUSTRY - LARRY LAWSON

A long career in crop insurance virtually guarantees that you'll have a front-row seat to change. That's been the case for ProAg® regional sales manager Larry Lawson, who got his start as an adjuster in 1985.

"Started with a small regional company in Lubbock, TX—Omaha All Risk, which was under the umbrella of Mutual of Omaha," Larry says. "Then in 1989, I went to work for AmAg until they went under in 2002.

I worked in sales for a small insurance firm for a few years, then with RCIS, and then joined ProAg about four years ago. I had met Mike Connealy when he worked for AmAg, then worked with him at RCIS."

Few things remain the same from those early days, Larry notes. "We didn't have APHs, no optional units, and it didn't matter if it was irrigated or dryland. At one point, they were afraid to let private companies get yield information and establish an APH. That began to change in the late 1980s and early '90s."

One thing has stayed the same through it all, however—Larry has always worked in the Lubbock and south plains area of Texas and western Oklahoma. And he's always focused primarily on cotton, corn, and wheat.

When crop revenue coverage came along, it wasn't an easy sell for Larry's cotton farmers. "Wheat and corn farmers saw the benefit, but it took a little time for cotton growers to come over," he recalls. "And now, we have the combo. So a lot of changes—mostly good."

A successful experiment

Larry notes that farmers in the region were reluctant to purchase crop insurance when he was starting out. That has been one of the most dramatic changes.

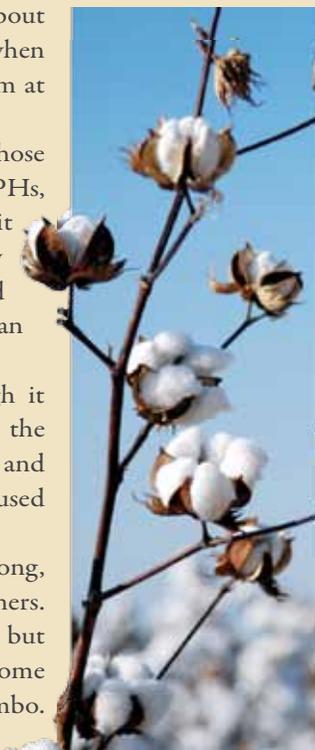
"Private industry has accomplished what RMA and FCIC hoped they would—increased participation in the crop insurance program," he states. "We've also improved the product as we've gone along."

In addition to serving policyholders, crop insurance providers like ProAg fill a vital role as a conduit, funneling data from farmers to the RMA. That requires an ever-greater investment in technology. "We're going to do everything we can to stay ahead of the curve for the benefit of our agents and our own ability to process and pay claims promptly," Larry says. "We're going to have a good system in place now with ProAgWorks™."

Larry's job has changed over the years in a way that mirrors the evolution of the industry. "Initially, it was hard to convince agents to get into crop insurance at all," he recalls. "Farmers still had a bad taste in their mouths from the government insurance days. So my job was basically selling the agents on crop insurance. Now, most of my time is spent training agents and keeping them abreast of changes. I spend more time on the phone answering questions than I ever have. And I'm beginning to train new field representatives."

Looking back, Larry can see more than a quarter century of change and growth in crop insurance.

Looking forward, he sees a solid future for ProAg. "We have a new system that works, we are better staffed and trained than ever, and we will perform even better than we have in the past," he concludes. 🌱



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THE PAST, PRESENT AND FUTURE OF AGRICULTURAL RISK MANAGEMENT®

SEASONS

BY MIKE CONNEALY, PRESIDENT & CEO

The recent arrival of my first grandchild was certainly a reason for celebration. All the joys of a child with minimal responsibility. The event did come with some other baggage, however, as she marks the passage from one unofficial season of life to another. Which season, we won't say.

All of that led me to think about our business and consider what season the crop insurance industry finds itself. It seems to me that we have certainly moved from spring to summer in the eyes of America's farmers and ranchers, as crop insurance has come to be seen as an indispensable part of their annual planning process.

From our perspective at ProAg®, the picture is less clear. This is a critical season of change for our industry and our company.

Just as spring holds so much promise, there is at the same time the understanding that harvest is a long way off. There is great opportunity, and there is considerable risk. Like farmers and ranchers, we manage the variables that we can and do our very best to account for those things that we cannot totally control.

Seasons wait for no one

What that means is that we stay on top of developments in our industry. We do all we can to influence positive change that will benefit our agents and policyholders. And we continue to function as an innovative organization, despite the current legislative uncertainty.

Ultimately, we must keep moving forward. We will continue to invest in the very best people we can find. We will implement our new ProAgWorks™ policy processing system that will improve our process, reduce frustration, and help this company and our agents add business—and service that business with even greater efficiency.

While we're still a long way from putting anything in the combine, we have every reason to be optimistic. We can't come to a stop to wait and see how things in Washington will turn out. In the end, something will be done for farmers whether it comes at the expense of the crop insurance industry or not. Our plan is to trust in our people, stick to our plan, and be prepared for any outcome.

The seasons stop for no one. Neither do we. 🌾



Four generations celebrated Father's Day 2012. Proud Mike Connealy holds new granddaughter Hayley. Seated with him are his daughter Mandy Ewig and mother Joan Connealy.

ACTION ON ARBITRATION IS A GOOD MOVE

BY GRANT ADAMS, PROAG® GENERAL COUNSEL

Recently, the RMA clarified its position on arbitration requirements, and I believe their decision is good news for agents, policyholders, and ProAg alike.

For some time, the terms of crop insurance policies have required policyholders to take most disputes with a crop insurance carrier to arbitration. Not only have they had to go to arbitration, but for the past few years, they have had to file the dispute with the American Arbitration Association (AAA).

That can be an expensive proposition for both the policyholder and the crop insurance carrier. The expense has often discouraged policyholders from pursuing some of the

smaller disputes. This spring, RMA issued Manager's Bulletin 12-003, which allows the policyholder to initiate arbitration without using the AAA as the administrative services.

This bulletin allows policyholders to break what can appear to them to be a logjam. And for agents—who are not allowed to be involved in most aspects of loss adjustment—the bulletin gives them a course of action that they can suggest without apology when one of their customers calls with a problem and asks, "What do I do?" We believe this is one of those decisions where everyone wins. 🌾

ON THE CREST OF THE WAVE

By DENNIS DAGGETT, SENIOR VICE PRESIDENT

I am fortunate to work for a company that recognizes the value of staff involvement in activities which have a tremendous impact on the future of production agriculture, but lie a bit outside of our official job description. My current work in the area of data standards is a perfect example. I'm somewhat the point of the spear for the glossary project, an effort to standardize the terms used in production agriculture. ProAg® has been a leader in this area, and success here will be a great help to software writers.

This is a very exciting and, I believe, pivotal time in the relatively short history of precision agriculture. Three things are happening now that will significantly affect agriculture and the crop insurance industry—all connected to data.

Common digital language

The first, which is the push to standardize all aspects of agricultural data, I have already mentioned. The glossary project is just one part of this effort. Machines equipped with precision equipment will generate roughly 85 different data elements every second. Multiply that by all the planters, combines, and applicators in the field, and you have a tremendous amount of data. To this point, there has been little standardization in terms of equipment connectivity and date formats in the precision ag industry. This movement looks to change that, and that is going to rapidly transform the playing field.

A second key development is the push for the USDA to release their Common Land Unit (CLU) identifiers. These CLUs are permanent, third-party field identifiers—they are attached to the land, not to a landowner. Up to this point, they have been classified as personal information and have not been available to the public sector.

The release of these CLUs would change how manufacturers

design their equipment. With permanent field identifiers, a machine could, in theory, identify the field it was entering so the farmer wouldn't have to. From our perspective, it would also change how field data is collected and reported.

The final changes are taking place in the area of telematics, or the transfer of data. When you standardize the data format, you also allow the transfer process to be standardized. So, for instance, if a co-op has an application template they want producers to use for a certain crop, they can send that template to a machine on the fly.

Making the turn

If you picture the history of ag data management as a hockey stick, we're right at the point where the stick makes that sharp turn up. Some of the greatest challenges that this sea change in data management will bring to us involve building in producer safeguards on the front-end of the process. I'm firmly in the camp that says the data generated on the land belongs to the farmer, but that is the subject of considerable debate.

This data revolution presents us with a tremendous opportunity. With data services, I believe the first one in wins. Once you pick a tax advisor, for example, you rarely switch. That's why I believe that educating our ProAg employees and agents on how to serve as trusted advisors when handling farmer data will be extremely important.

Historically, ProAg has been very good at anticipating where the industry is headed and positioning themselves accordingly. I believe that the coming data revolution will offer tremendous benefits to the farmer, and ProAg will be ready to play a key role in the process. 🍀





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DON'T MISS THIS CHANGE

By JOHNNEY TURNER, AMARILLO REGIONAL MANAGER

We alluded to this in our agent update meetings, but I really want to make sure you have a couple of key dates firmly in your mind.

The first is our new August 15 billing date. I know you are used to an October/November billing date, so this will be a significant change for all of us. For the most part, our spring acreage reports are due July 15, so that means we need you to get those reports in as soon as possible.

I always encourage agents to be aware of any possible changes,

so I would ask you to go to the RMA website and take a look at the special provisions for the specific county and crop you're writing. Look for any changes, such as late planting period and final planting date.

If you're starting here instead of the front page, make sure to read the article there on Larry Lawson. He's been in the business a bit longer than I have, and his experience is a great asset for ProAg®, for our agents, and ultimately for our policyholders. We're glad he is a part of our team in the Amarillo region. 🌾

