



In the Field

HOME GROWN - CATHY GREGOIRE, GREGOIRE AGENCY

It started in a closet—literally—when Cathy Gregoire, then 27, launched her fledgling crop insurance business four and a half years ago. Her first office was her dad's old file storage room in a large office building, a 11' x 15' room down the hall from her dad's CPA office. "He tried to talk me out of it," she recalls. "He said that room was so small you had to go outside to change your mind."

It was big enough. She didn't buy an existing book but started it from scratch. Starting from nothing but a good education and experience, Cathy has steadily grown the Havre, MT-based business from nothing to a multi-million dollar premium agency in under five years. It increased from a 160 square foot office space to a 2,800 square foot office building, purchased in 2012.

Cathy has always been immersed in agriculture, growing up on a farm not far from Havre, MT. But she set sights on the city, graduating from the University of Montana with an accounting degree and plans to work on the West Coast. "Then I married a farmer/rancher (Brad) from Havre," she recalled. After working briefly for the State of Montana, Cathy answered an ad for a crop insurance agent. That was the beginning!

"I worked for an agency for over five years and I loved the business. It is very similar to accounting and the necessity for detail."

Recipe for success

"Growing up on a farm, I understand the finances and trials that farmers have. I understand that their livelihood is my livelihood," she explains. "Farmers do not work 8-5 Monday

to Friday. I will answer my phone pretty much anytime. I understand farmers work around rain, wind, and other factors." The investment has paid off, as Gregoire Agency has policy holders as far away as Kalispell, 250 miles to the west. Cathy keeps customer loyalty by doing what she did to earn the business in the first place—focusing on service.



It's all who you know

Shortly after the company began their expansion into Montana, Cathy became a ProAg® agent through an unlikely string of connections. "My dad was at the local implement dealership, and overheard some guys talking about Jeff Dow who used to live in Havre. Jeff had recently went to work for a crop insurance company that no one had heard of," she explains. "I never knew Jeff, but his mother and my mother-in-law were beauticians in the same shop in Havre 10 years ago. The guy at the implement dealership gave me Jeff's home phone number, and I asked him about his company, ProAg. Jeff promised to take good care of me, so I put some business with ProAg. They have taken care of me, so I've rolled a bunch more business to them over the years."

With a decade of experience in the business now, Cathy is used to the uncertainties of the crop insurance industry. "ProAg is very good at informing us about what's going on at the governmental level at our meetings," she says. She's concerned about the future of premium subsidies, as multi-peril is the bread and butter of her agency. Her agency also does health insurance and more recently has expanded to an entire property and casualty agency. Still, crop insurance is her first priority.

"The best part of my life is that I get paid to work with farmers every day," she concludes. 🌱



THE PAST, PRESENT AND FUTURE OF AGRICULTURAL RISK MANAGEMENT®

Producers Ag Insurance Group, Inc. d/b/a ProAg® is a wholly owned subsidiary of CUNA Mutual Group. ProAg is an equal opportunity provider.

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 data 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. 🌾





4910 E. CLINTON WAY
P.O. Box 229
FRESNO, CA 93727

www.ProAg.com



THE START OF SOMETHING BIG

By BILL HAAR, FRESNO REGIONAL VICE PRESIDENT

On July 1, I celebrated my sixth anniversary with ProAg®. My arrival in 2006 coincided with their decision to expand their business in our region. It was a good decision, as it turned out, as our book of business has grown more than 20-fold in those six years.

Of course, growth like that doesn't just happen. You need the right people, hard work, and the ability to deliver on your promises. In Montana, for instance, where we were basically a start-up company, one of those right people was Bob McPherson, our regional claims manager. When you're starting from zero, you have to gain the trust of not only the agents, but the farmers and ranchers who are going to have to change adjusters. Bob was able to find some key people in the area who were interested in working with us. That got the ball rolling.

Early on, we were able to gain the trust of some key agents in that state who have really supported us. Agents, like Cathy Gregoire, were basically in the same boat we were—starting their agencies from scratch. Cathy has a great story, which you can read on the front page. Crop insurance agents in general

are some of the hardest working individuals I know, and Cathy is a perfect example.

These agents have delivered business to us, and we hope we've returned excellent service to them. We deeply appreciate their loyalty and the critical role they have played in our growth in Montana and our success in the region as a whole.

The potential for growth in this region is huge. But to get to the next level, you have to continue to perform. And one of the things we believe will get us to that next level is ProAgWorks™, our new policy processing system. It will allow agents to process their business with us more efficiently, and reduce processing time for our underwriters, too—time they can use to respond to questions and requests from our agents.

Ultimately, we believe ProAgWorks will enable us to better anticipate and address our agents' needs and help them grow their business. And that's really why we're here. 🍇