

# In the Field

JULY 2012

## CLAIMS PREPARATION NEVER ENDS

By DAVID RENFROE, REGIONAL CLAIMS MANAGER

For adjusters, claims season is to crop insurance what tax season is to a CPA. It's a time of focused effort when all your knowledge and training is put to the test. Preparing our ProAg® adjusters for claims season is a big part of my job as regional claims manager. The first and most important part of that preparation—and the element that consumes most of our time—is training.

Our training cycle begins in March with our spring adjuster school. That's the one time each year when we bring everyone in the region together. Most of our management and supervisory personnel are involved in providing that training, which is focused on making sure the adjusters are aware of the inevitable changes in crop insurance that have taken place since last season. Staying on top of the policy information is an ongoing challenge for both supervisors and adjusters.

The rest of our training is conducted on a smaller and more regional level, beginning with what we call our 101 training. Each year, we add new adjusters due to expansion or retirement, and the 101 training is geared to catch them up to the rest of our staff. Then as the season

warrants, we will also hold training sessions on replanting and prevented plant situations as well as hail coverage. Finally, we have a fall adjuster training.

### Emphasis for 2013

Naturally, a large portion of our training this coming year will be devoted to the new ProAgWorks™ policy processing system. For new adjusters, our first concern will be training them on adjusting so they know how to do their job with or without our technology. Then we will bring them up to speed on ProAgWorks.

I started in the insurance business as an adjuster, and I've been in crop insurance for 18 years. We've been fortunate in that our adjusters are focused on getting claims paid, not coming up with reasons why something can't be done. They have consistently done whatever it takes to work a claim, and I believe that ProAgWorks is going to be a very good tool for them. There are always things to work out with any new system, but I'm very encouraged by what I've seen to this point.

Training will always be a priority for us, because when we do our training right on the front-end, there are far fewer problems on the back-end. And that's our goal. 🍀



THE PAST, PRESENT AND FUTURE OF AGRICULTURAL RISK MANAGEMENT®

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LEXINGTON REGION

# 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. 🌾





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## LAYING A FOUNDATION FOR GROWTH

*BY MISSY WATERS, REGIONAL VICE PRESIDENT*

**I**t has been said that change is often perceived as loss. That may well be true. The fact is that change is always challenging, even when it is overwhelmingly positive. We've been through a lot of it at ProAg® the past few years, and the introduction of the ProAgWorks™ policy processing system will come with its own unique challenges.

The simple fact is that change is inevitable. The way our world of crop insurance looks today is not the way it will look in the future. We strongly believe that ProAgWorks is a key resource in helping us capitalize on the opportunities those future changes will bring our way. The system will enhance the ease of doing business for both employees and agents. It will also benefit both by providing a scalable platform for future top-line premium growth.

These are two outstanding steps forward. But they will only occur if the system is fully utilized. That is why we believe that anticipating, and preparing for, the change process is just as important as introducing the change itself. Our ultimate goal is to provide enough information, do sufficiently thorough training, and answer questions until every member of our team is onboard with ProAgWorks.

I have no doubt that we have the people we need to do great things. Now I believe we will have a policy processing system in place that will allow those people to fully utilize their talents. ProAgWorks isn't a goal. It's a tool to be used to achieve tangible, concrete business results—and one we are excited to put in your hands.

Though we're early in the transition process, we're already seeing a growing excitement about ProAgWorks. Those who are familiar with it are very positive. More of you will have the opportunity to learn more about the system as we begin working with our agents in July. As David explains in his article on the front page, ProAgWorks will be a major focus of our upcoming training schedule.

This is a time of great change in crop insurance, but also a time of significant opportunity. We believe we have the pieces in place to take advantage of those opportunities. Let's keep the lines of communication open as we work through this transition together. 

