

In the Field



NORTHERN REGION

JUNE 2015



Keeping the Team in the Field

The value of insurance—and of the companies that stand behind the coverage—is proven by the level of service farmers receive when they make a claim. That's the reason ProAg® has always made certain they have the best “boots on the ground” in the business. Overseeing the team of experienced individuals that work claims in the Northern Region is the responsibility of Regional Claims Manager Darci Simonsen.

“I oversee seven supervisors and two regional claims managers,” Darci says, “so management and training are the two largest components of my job. I’m one of the behind-the-scenes people at ProAg® that an agent or insured may never meet. My job is to keep the team they do interact with performing at their best.”

Darci states that legislation and the crop insurance industry are constantly changing, which make his job both very interesting and extremely important. He notes that continued improvements in the ProAgWorks® system are helping the force in the field serve their customers, and training is a big part of making that happen.

“Our challenge as managers and supervisors is to find ways to use the resources that we have more effectively and efficiently,” Darci says. “Everything we do translates to better service to our agents and to their insureds.”

Diverse experiences

Darci understands the needs of agricultural producers because he was a farmer himself. “I started farming in 1981,” he recalls. “Within that farming operation, we also sold seed and crop insurance. My experience with crop insurance got me started down that path.”

While continuing to farm, Darci also began working full time for a crop insurance company in loss adjustment and worked his way up to manager. At the same time, he was serving on elevator boards and earning his Certified Crop Adviser status. That diversity of experience serves him well when addressing the needs of agents and customers.

“Agriculture has always been my passion, and I’ve had the opportunity to

work with all sorts of people in the ag industry,” Darci states. “That definitely helps me relate to the people I meet and work with.”

With a territory that covers almost a quarter of the U.S., Darci stays busy. But he really wouldn't have it any other way.

“Either you love this business or you don't, because it's sure not an 8-to-5 job,” he says. “I really like it, and some of the most interesting people I've ever met and worked with have been in crop insurance. The most rewarding part of the job is to provide the best service you can, gain the confidence of the agents and insureds, and feel like you're playing a part in growing the business and making positive changes. It's a team effort, and we have a great team in place.” 🌱



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Hail Coverage That Works for You

By Rick Warner, Senior Sales Manager

Hail season is upon us, and a question we often receive from agents and others is how best to combine crop hail and named-peril products to their clients' multi-peril policies to maximize coverage.

As we head into the planting season, we want to ensure that agents and producers are doing so with their coverage complete.

For insureds that elected EU on their MPCI, elevated spot hail/wind risk is a concern compared to OU policies. An excellent solution would be to add a basic or companion hail policy. The Companion 2 Plus product from ProAg® is a top performer and exceptional value in this regard. Adding a wind endorsement to the hail policy would further enhance the coverage.

While this is a very basic concept to consider, we have many other advanced strategies utilizing crop hail and named-peril products that we can help you tailor to fit the particular needs of your insureds.

Speak with your ProAg marketing representative today for more

suggestions that will work specifically for your regional needs.

Preparing for 2016

We've made the decision to offer Price Flex™ for 2016 beginning immediately. This gives our agents a powerful tool that they can use now to get their producers thinking about their risk management plan for 2016.

This big-picture concept adds value to the relationship between agents and producers by establishing a longer-term view of risk management planning. It escalates it by moving insurance from a once-a-year decision toward a year-round risk management discussion. Looking at Price Flex already for 2016 allows agents and their producers to take the first step in that direction.

We stand ready to serve as your partner in the process of risk management planning, so don't hesitate to ask us how we can help. 🍷

Ben Latham – A Lifetime of Achievement

When Ben Latham received a Crop Insurance Industry Lifetime Achievement Award during the 2015 Crop Insurance Industry Annual Convention, it was a fitting recognition of what has truly been a life dedicated to the crop insurance industry.

Jess "Ben" Latham III was literally born to write crop insurance. His grandfather, Jess Latham Sr., began selling crop insurance on horseback in the 1910s and in 1927 founded what became ProAg® in Amarillo, TX, where Mr. Latham was born. After college and a stint trading commodities, he entered the family business in 1973. As the dominant crop hail writer in a state known for violent hailstorms, Mr. Latham became the pre-eminent authority in the world on Texas crop hail. He was joined later in the decade by his brother, Larry, and began to build the family company with the goal of a national presence.

Mr. Latham understood the value of industry relationships and leadership. Early in his career he brought his expertise to CHIAA and the actuarial committee and various industry committees until 1997, when he was elected to the NCIS Board of Directors. Twice during his many years of service, he was elected to hold the position as Chairman of the NCIS Board. During his tenure, he participated in four Standard Reinsurance Agreement negotiations, numerous committees, and gave his time to other industry board organizations. He also lent his considerable knowledge to international crop hail organizations and served four years as a board member. In his effort to bring understanding and credibility to this insurance industry, he has traveled extensively—not just in this country, but in Europe and Africa as well.

In 2003, Mr. Latham became CEO of ProAg. Over the next several years, he oversaw the fastest-growing crop insurance company in the industry. What was a regional hail company had now grown to more than 480 employees and was spread over 40



states. He doubled the premium of ProAg three times during his seven-year stint as CEO. However, because of SRA changes during the 2008 timeframe, it became apparent to Mr. Latham that ProAg was no longer best served by family ownership and needed an institutional parent. In 2009, ProAg was sold to CUNA Mutual, ending Latham family ownership of the company after 83 years.

"ProAg as an organization still reflects Ben's character as a person and a leader," states Kendall Jones, ProAg Chief Operations Officer. "Integrity, doing whatever it takes to get the job done, the focus on family, that's Ben. He's a warm man with a great sense of humor, and his belief in our abilities has been a great encouragement."

Mr. Latham ended his career in 2012 having seen and been a part of changes that would have been unimaginable to his grandfather in the 1920s. He served on the Board of Directors of ProAg until 2014 and now spends his time playing bogey golf (oftentimes with many friends made in the industry) and traveling to visit his children and grandchildren. 🍷

Mapping System Ready for Rollout

By Mike Weber, Product Specialist

Over the past few years, the RMA has made a concerted effort to incorporate CLUs into their reporting systems to better track the operations taking place on every field. Our challenge at ProAg® is to align the grower information we receive with the CLUs the government has created. That is the motivation behind our mapping system.

The mapping system, which we rolled out in pilot form last year, enables us to address several of our reporting requirements simultaneously. In years past, producers and agents would have to report acreage as part of the system requirements for eligibility, then come back later to certify the operation at the CLU level. Now that is one step, making it more efficient for everyone while also reducing the opportunity for errors.

We learned some valuable lessons from our pilot program, and our development focus over the past six months has been on creating a more efficient and user-friendly mapping program. We're now rolling out a mapping program that will be easier to use and fully support all standard MP crops we insure.

The delivery of the CLU data into the policy system has been streamlined, enabling users to do their acreage reporting in either the policy or the mapping system and have the data appear in both. Improved program functions include an integrated panel

rather than a pop-up window, making the program easier to use in conjunction with the map imagery. Reporting will also be more flexible in terms of working on CLUs individually or mass reporting acreage and planting date information to several CLUs at once.

Agent advantage

Additional benefits which add value for our agents include generating a variety of printed reports that our agents can use as sales tools. We've enhanced the formatting, created new options to account for regional and state differences, and generally made these reports more useful for our agents and their insureds.

Because this is a new program, we still have a long wish list of enhancements we want to introduce. One of these that will be incorporated in time for acreage reporting season is a right-click menu. This will allow the user to easily access the 10-15 most common tasks faced when trying to edit and create a map, increasing the ease, efficiency, and accuracy of map creation and maintenance.

Our goal is to make the mapping program as usable and useful as possible for you. We welcome your continued input as you put it to the test in your real world. 🌾

Simplified Process Can Streamline Claims

By Rob Young, National Claims Manager

The Loss Adjustment Manual (LAM), written and published by the Risk Management Agency (RMA), permits AIPs and producers to voluntarily participate in the Simplified Claims Process (SCP). This is a service ProAg® now offers to our agents and policyholders. So, what is the SCP? Simply put, when certain claims qualify for the SCP, the LAM permits us to adjust the claim without conducting normally required field inspections. This results in quicker claims processing and less hassle for the insured.

What are the qualifications?

Production losses for eligible crops that are either sold or commercially stored and do not have any quality deficiencies qualify for SCP. Also, the gross indemnity must not exceed \$20,000 for any optional units and must not exceed \$40,000 for any basic,

whole farm, or enterprise unit. The LAM also excludes policyholders who have any conflict of interest and provides additional guidelines.

Eligible crops include almonds, buckwheat, barley, canning and processing sweet corn, canola, corn, cotton, dry beans, dry peas, flax, grain sorghum, green peas, oats, peanuts, popcorn, rapeseed, rice, rye, soybeans, sugar beets, sunflowers, and wheat.

How it works

When the notice of loss is filed via the ProAgWorks® system, the agent may select the SCP claim type. As usual, the simplified claim (SC) will be assigned to a ProAg adjuster. During the initial contact with the insured, the adjuster will ascertain whether or not the claim qualifies for the SCP. The adjuster will provide instructions

to the insured as to the claims documents that must be provided. These documents can be submitted via fax, email, or regular mail. The adjuster will then prepare the claims and necessary documents for the insured's signature, which can also be delivered via fax, email, or regular mail. Should the claim not qualify as an SC, then the adjuster will work the claim accordingly and make a field visit.

Adjusters are also encouraged to utilize the process when a claim qualifies, even though it may not have been initially reported as an SC. In these cases, adjusters will provide this option to the insured and work the claim accordingly. The claim type may change when the claim is being processed for payment.

Please contact a ProAg claims representative with any additional questions. 🌾



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Another Season of Optimism

By Diane Stinson, Regional Vice President, Northern Region



How in the world could anyone not love spring? That's particularly true for us Minnesotans, who get to see color slowly return to our white and gray world as the trees begin to bud and the grass turns green.

Though the general tone in ag right now is somewhat pessimistic, this is the season of hope when it's all about the possibilities. We've enjoyed an early planting season both here and throughout the Upper Midwest, and it's hard for farmers to be too down when they fire up their tractors and get their crops in the ground.

For those of us in the crop insurance business, it's a time to

take a deep breath after sales closing and prior to claims season. Our agents, as well as our ProAg® team, have put in a lot of hours and hard work to implement the new programs mandated by the Farm Bill. The next and one of the last major deadlines is June 1—the last day the conservation compliance form can be filed with the county FSA office so the grower is eligible for a subsidy on their 2016 reinsurance year crop insurance policy.

Business was great here in the Northern region this year, and we appreciate the trust so many of you place in ProAg. We will continue to work hard to earn it.

Go enjoy the energy of new life that spring brings. We hope together with all of you for a productive growing season in 2015. 🌱

