

In the Field



SOUTHERN REGION

WINTER 2017

Representing Us Well

We've said it before and will no doubt say it again: It's our people that set ProAg® apart. That's why we frequently feature a few of them in our newsletters. In this issue, we're giving you a chance to learn a little more about two of our southern region account representatives—our newest, Kara Smith, and veteran Stacie Long.

Kara Smith

Our newest account rep, Kara works with agents in Arkansas and Louisiana. The Arkansas native is right at home working in agriculture.

"Growing up on a small family farm in north central Arkansas showed me firsthand the struggles and rewards of farming," she says. "By working in crop insurance, I get to play a small part in the process that produces so many commodities that feed and clothe the world."

Kara earned her ag business degree at Arkansas State University. She worked for more than six years as a claims adjuster and examiner for a property and casualty company before joining ProAg this October. "I really wanted to be involved in agriculture, and having an insurance background, I felt like I would be a good fit," Kara says. "I am glad I made the move to ProAg."

Asked to sum up her feelings about the people of ProAg, Kara states, "They're customer focused, communicate effectively, ensure accountability, resourcefulness and instill trust. Everyone here has been so helpful and patient with my questions."

Here are a few things you need to know about Kara. "Most people are surprised when they find out I was a drummer in the marching band for seven years," she says. "I just wanted to play the loudest instrument I could find—it was really that simple. My parents also agreed to it, which



surprises me to this day." Away from work, she enjoys local trivia nights, reading, documentaries, rock concerts and spending time with friends. She's a fan of music on vinyl and prefers Star Wars to Star Trek.

Stacie Long

Our account representative for Kansas and Colorado, Stacie has agricultural roots and a diverse resume. After graduating from Washburn University with a criminal justice degree, she managed bank branches for several years. But ag was calling.

"I wanted to raise a family on the family farm, so my husband and I opened a farm store in my hometown," she recalls. "While working there, I also started working part-time as a crop adjuster. I did that for seven years, then tried the agent world for two years before coming to ProAg."

Stacie most enjoys working with her agents and the team atmosphere at ProAg. "I love being part of a company that values its employees and listens to them," she states.

"I don't feel like a number. I have had multiple conversations with Kendall (Jones) and I think that approachability is vital in making employees feel important."

Away from the office, it's all about kids and sports for her and her husband of 15 years, Barrett. "Our hobbies include following our kids, Carter, 11, and Brenna, 9, in their sports activities," she says. "We are avid St Louis Cardinals fans and also enjoy KU basketball." The heavy sports emphasis is not surprising, considering Stacie played four years of college softball. When the family is not at a sporting event, they can be found tending to cattle or farm needs. 🐾



EMPLOYEE SPOTLIGHT



ProAg is an equal opportunity provider. A member of the Tokio Marine HCC group of companies.

WWW.PROAG.COM

RPowerD™ = Flexible Revenue Protection

By Barry Cermak, Product Development Manager



We've just introduced an exciting product that provides expanded revenue protection for corn and soybeans. RPowerD™ is a non-reinsured

supplement to the individual Federal Crop Insurance policy that allows the insured to choose revenue protection coverage levels from 70% up to 95%—an increase from the 85% upper limit provided by the federal policy alone.

RPowerD provides a high level of flexibility. It allows you to insure only a portion of the liability, effectively acting as a deductible and helping you manage costs. Another cost-saving feature—RPowerD also allows for an ARC-CO offset, so you can opt-in and out of the ARC-CO payment. You can lock in the current market price or choose the projected price, and can elect one or multiple pricing intervals in full- or half-month increments.

The production to count adjustment has been separated by irrigated and non-irrigated practice, a feature not previously available.

RPowerD will pay an indemnity whenever the revenue to count is less than the grower's RPowerD trigger revenue. This product is well-suited for producers who are looking for an opportunity to achieve a higher revenue trigger or lock in the current market price.

From an agent's perspective, the flexibility of RPowerD may be the best feature of this product. It allows you to tailor coverages and prices through the liability limiting factor, providing your insured with control over premium costs.

Talk to your ProAg account representative for more information on RPowerD. 🍌

Solid Performance in the Face of Adversity

By Kendall Jones, President & CEO



It wouldn't be an exaggeration to designate 2017 as a year of weather disasters affecting different parts of the country and various crops and livestock.

Wildfires in Kansas, Oklahoma and Texas kicked off the year, followed by not one, but two hurricanes, drought in the Dakotas and Montana, and then coming full circle to end with the wine country wildfires.

Breaking the year down in more detail, moisture extremes and hail did affect corn and soybean crops this growing season, though the impacts were generally not widespread. With harvest prices below the projected base price for corn and beans—corn at 12% under and beans less than 5%—any yield loss on corn could impact indemnities.

Timing prevents greater losses

Though no time is a good time to endure a hurricane or wildfire, the situations in Texas and California could have been much worse. In both cases, the bulk of the cotton and wine grape crops were harvested prior to Harvey's landfall and the outbreak of the wildfire. However, we are prepared for the potential that California wine grapes will experience some level of production reduction in 2018 due to fire damage this year.

Irma was harder on ag, to an extent, with most of the damage done to nursery

and citrus in Florida, and some claims on pecans and cotton in Georgia.

The year ahead

Looking ahead to 2018, the big unknown, of course, is the next farm bill. We have heard that the House Ag Committee has a farm bill ready, but will wait to present it until early 2018. We expect to see something in the bill for cotton and dairy, and an effort to strengthen the ARC county program on the grain side. With many requests for funding, it is inevitable that tradeoffs will have to be made.

Of course, there will be opposition, but the farm bill coalition—those who have the greatest investment in and the best understanding of the importance of this bill—needs to stay in lockstep to make the necessary changes. As long as they remain united, farmers facing the unknown events should be in good shape.

Throughout the buildup to the farm bill creation, the importance of crop insurance has been reinforced by many diverse segments of the agricultural industry. It is a sound financial program where farmers share in the cost of risk management. In fact, for 2014 and 2015, the crop insurance program came in under budget by \$2.7 billion. At ProAg, we're proud of our contribution to the program, and will continue to work hard to help American farmers manage the risks that are unique to their business and way of life. 🍌

Whole-Farm Improvements for 2018

Interest in the Whole-Farm Revenue Protection (WFRP) product continues to grow and improvements should make it even more attractive in 2018. Here are a few marketing suggestions unique to the 2018 policy you can share with your growers.

Fiscal year tax filers will receive better crop value evaluations due to the additional fall sales closing date of November 20. Prior to 2018, grower pricing for late fiscal year filers was determined unrealistic during the spring, at the time of the sales closing date of the application. The November date will provide a market situation more relative to current expected revenue and markets, prior to the onset of the fiscal year.

A second key change—growers that have utilized private crop insurance will no longer be required to count such indemnities as "revenue to count" for their WFRP policy. This is provided they are not insuring amounts (considering both private and federally subsidized policies) greater than their total crop and animal values for planned 2018 revenue. Federal crop policies assist with premium discounts, and those discounts will continue for 2018. Private crop policies offer no WFRP premium discounts, and their indemnities will no longer adversely affect the WFRP indemnities, as long as the grower does not "over insure" the expended revenue sales for the current fiscal or calendar year.

Here are some additional changes to the WFRP product for 2018:

- Expected yield determinations—commodities with underlying individual crop policies.
- A new form has been added to document expected values.
- Physical expansion is defined—what it is and what it isn't.
- A cancellation provision has been added for insureds who do not provide the required reports by sales closing date.
- Capping provisions have been added for commodities purchased for resale. The expected revenue is capped on commodities purchased for resale at the Revised Farm Operation Report—similar to capping procedures for Animals and Nursery.
- Replant payment calculations have been clarified. 🍌

FOR MORE INFO

Talk to your account representative for all the details on the 2018 WFRP product.

Transforming Values Into Action

When we talk about being a 'Good Company' it is not merely an evaluation of size or market share, but rather a statement about the values we aim to represent. Our daily focus should be on doing the right thing and always acting for the benefit of our customers and society. We must constantly remind ourselves our job is to be a trusted advisor, who delivers a sense of safety and security.

By understanding our role and how we can bring value to our customers, we will ensure our ongoing relevance (and deliver results as a consequence).

Here at ProAg, as well as within all of the Tokio Marine HCC group of companies, we would like to create a corporate culture where we are always trying to achieve this vision. We will be there for our customers, playing our part

in times of need. We will balance our strength as an organization with compassion as individuals, looking beyond profit to deliver fully on our commitments.

Our agricultural world was delivered a major blow during Hurricanes Harvey and Irma, along with the devastating drought in the Upper Midwest.

In the spirit of doing business as a Good Company, rather than sending out Christmas cards with associated postage, ProAg is redirecting those monies to the FFA state organizations in the affected areas this holiday season. Stay tuned for specific details around other ways we will be spreading cheer this season. 🍌

TERRI'S TOP 4 TIPS

FOR FILLING OUT APPLICATIONS

CH-CH-CHANGES

Ask about status changes—marriage, death, social security #s—for parties with substantial interest in the crop.



NO SKIPPING

Verify every field. Missing options and endorsements are problems.



JOHN HANCOCK, PLEASE

Make sure the signatures match the entity name.



HUSTLE UP!

Timeliness is critical. Speed up front gives you time to process all applications and meet RMA deadlines.



Incomplete applications = coverage issues at claim payment time

FIND OUT MORE

You can find TOPE documents on all of these processes on the ProAgPortal® intranet

2025 S HUGHES STREET
SUITE 200
AMARILLO, TX 79109

ProAg.com

2017 Underscores Importance of Crop Insurance

By Chris Ohm, Regional Vice President – Southern Region



As we prepare to turn the page on another calendar year, we can certainly say our region took some major hits from Mother Nature in 2017. From the wildfires in Kansas, Oklahoma and Texas to Hurricane Harvey, we had our extremes of drought, fire, wind and water.

Despite the adversity, the southern region enjoyed a very good year overall.

Our spring update meetings are underway and will run through January. Please plan on attending a meeting in your area. You can find a complete listing of meeting dates, locations and times on the ProAgPortal intranet and can register there, as well.

Electronic manuals are beginning to catch on, and more of you appreciate the convenience of having access to the manual in the field via a tablet. You can download your electronic manual through the ProAgPortal, as well.

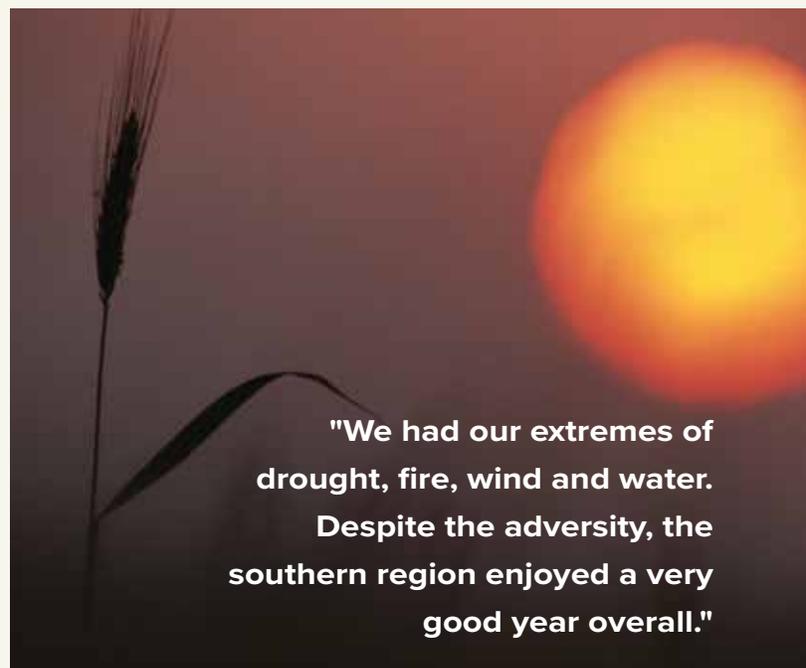
The myProAg™ online payment system, which allows insureds to pay their bills online, is up and running. This is just one more service we're offering as part of our ongoing effort to improve our systems and processes to benefit both agents and insureds.

Whole-Farm Revenue Protection (WFRP) insurance continues to gain popularity in our region. The coverage continues to evolve to better meet the needs of producers. You can read more about some of the enhancements to the WFRP product on page 3.

I've been traveling extensively in recent weeks,

visiting with agents to learn more about what they need, and what has and hasn't been working for them. In terms of what has been working, our account representatives are at the top of that list. Two of them are featured on the front page—Stacie Long, who has been doing a great job for us in Kansas and Colorado, and our newest account rep, Kara Smith. We're happy to have them on our team.

I'll close by thanking our agents for placing your business with us. We appreciate your support and hope you enjoy a very happy holiday season. 🍷



"We had our extremes of drought, fire, wind and water. Despite the adversity, the southern region enjoyed a very good year overall."