

In the Field



EASTERN REGION

FALL 2018

Majoring In Service

As an agent for ProAg®, your Account Representative (AR) is your main point of contact. Adding support to our ARs, by strengthening ties with existing agents and building new relationships, are your local ProAg business development managers (BDM). Here, we'd like to provide you with a few more details about these very important members of the ProAg team.

Julie Forrest

Design drafts person, pharmacy tech, medical transcriptionist and registered nurse. Julie was all of them before she joined the crop insurance industry in 2000 following the birth of her fourth child. Julie clearly has boundless energy.



"I was on maternity leave and was asked by a friend who owned a crop insurance agency to assist with clerical duties during a renewal crunch," she elaborates. "He convinced me to retire from nursing and become a full-time agency employee. I progressed through the ranks from receptionist to ultimately becoming an agent in 2004. I was there until I joined ProAg in January of 2017."

The BDM position is a perfect fit for Julie, who operates with a customer-first mentality. A story from Julie's agent days serves as a perfect illustration. "The hurricane years of 2004 and 2005 in Florida were trying for everyone," she recalls. "I knew one of my customers was in a very difficult situation due to the remote location of their farm. I gathered a list of badly needed supplies and delivered them to the farm after a very interesting drive through miles of flooded roads. They have become lifelong friends."

Though she's committed to her agents, Julie doesn't work all the time. She and Glenn, her husband of 40+ years, have four sons. As Floridians, they enjoy boating, fishing and scuba diving, along with home improvement projects. Julie has also been named the Volunteer of the Year for the Florida Nursery Growers and Landscapers Association. When you talk to her, ask her about her nickname, Hooty.

Jeff Komito

It's safe to say Jeff enjoys a unique perspective on the world. "Being 6'10" is definitely unique," he states. "Not everyone can say they've been stuck in the seat of a rollercoaster, had their toes bleeding from bowling in the alley's biggest pair of shoes because they were still too small, and have to curl up in a king-size bed because it's not long enough. I do, however, have a great view of the top of everyone's head."



An Ohio native now residing in Florida, Jeff launched his insurance career in 2002 with an Ohio P&C company. He then gained 10 years of crop insurance experience with a Florida agency before joining the ProAg team as an account representative.

What Jeff enjoys most about his work is helping agents become more knowledgeable about the products they can sell to increase their book of business. He's willing to go the extra mile to make that happen. "One agency hired a new employee with no prior crop insurance experience and didn't have anyone available to train him," he relates. "So, I spent a week training their new employee on the basics of crop insurance."

Jeff stays busy with a variety of interests away from the office. "Being from Ohio and an avid sports fan, I live and die (mostly die) by Cleveland sports," he says. "I also like to take my Chevelle to local car shows. I have a nephew and niece in Ohio that I try to spoil as much as I can. The same goes for my black lab, Bobaganoosh. And you have to go to the beach when you live in Florida." 🌿

EMPLOYEE SPOTLIGHT



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PROAG® IS WELL POSITIONED FOR FUTURE SUCCESS

By Russ Klein, ProAg CFO

This has certainly been an active year for agriculture, with critical farm issues such as the Farm Bill, trade agreements and tariffs dominating the headlines. Here are just a few high-level observations about how these items impact crop insurance in general and how ProAg® is positioned to meet these challenges.

As the House and Senate have worked toward the hoped-for passage of a new Farm Bill, crop insurance has, for the most part, been spared from a lot of the political drama. I believe the farm economy has much to do with this, as politicians are reluctant to push this issue in light of the financial conditions on the farm. At the same time, I believe that almost everyone closely connected with agriculture feels that crop insurance is working very well and generally meeting producer needs.

The crop insurance industry continues to consolidate. Currently, there are 14 AIPs in place for 2019, a low-water mark in my career, down from 40 or so AIPs some years ago. I would not be surprised if that number was reduced to 10 in a couple of years.

ProAg is well positioned to be one of those 10 that continue to thrive. Our parent company, Tokio Marine HCC, is very supportive of the crop insurance business and interested in making additional investments in this product line. We successfully acquired and integrated International Ag last year and we believe there may be similar opportunities in the future. At the same time, we continue to look at new avenues for organic growth.

Perhaps most encouraging is the fact that we have a very good book of business with risk spread broadly across the country. We are not a regional player susceptible to a crippling multi-state weather event. This balance helps us generate more consistent results from year to year, which in turn enables us to pay profit-sharing commissions to our agents more regularly. These stable returns also allow us to make the investments in people and technology needed for continued growth.

While 2018 has been a year of uncertainty up to this point, it appears the future is bright for both the American agricultural industry and ProAg. 🐾

Dairy Revenue Protection Is Here!

By Jacqueline Da Rocha and Terri Sell

Dairy producers now have an exciting new risk management tool with the introduction of the Dairy Revenue Protection (DRP) product. Approved for sale in all 50 states, DRP is designed to insure against unexpected declines in the quarterly revenue from milk sales relative to a guaranteed coverage level.

Here are some details of the new program. There are two pricing options. The Class Pricing option uses a combination of Class III and Class IV milk prices as a basis for determining coverage and indemnities. The Component Pricing option uses the component milk prices for butterfat, protein and other solids as a basis for determining coverage and indemnities. The butterfat test percentage and protein test percentage may be selected to establish the insured milk price.

Coverage levels may be selected from 70 percent to 95 percent of the expected quarterly revenue in five percent increments. The premium subsidy percent varies with the coverage level percent in a range from 59 percent (at the 70 percent coverage level) to 44 percent (at the 95 percent coverage level). Please note that milk and component expected pricing and actual pricing are based on CME pricing.

Quarterly endorsements

Coverage is established by adding quarterly coverage endorsements to the policy. The quarterly insurance period contains the three-month periods corresponding to one of eight quarters for which coverage is available under the quarterly coverage endorsement.

For example, the insurance period for the January 10 sales closing date contains the quarters of April through June, July through September, October through December, January through March, and April through June. Producers may purchase coverage up to five nearby quarters and have multiple endorsements for the same quarterly insurance period.

Sales of Dairy Revenue Protection policies will begin October 9, 2018. Coverage will begin January 1, 2019.

More information is available on our website at ProAg.com/dairyrevenue, or on the ProAgPortal® intranet. 🐾





We're Training Online

By Shelley Jones

This time of year, the farmers and agents are busy with harvest and ProAg is busy training everyone from employees to agents for the new reinsurance year.

Employees

ProAg is committed to strengthening and supporting our employees to ensure the best possible service to our customers. Part of this effort includes the ProAg Certified Presenter Program to enhance public-speaking skills and improve all of our training and meetings. In addition to the Crop Insurance 101, 201, and 301 webinar series, ProAg also offers new adjusters an additional claims-specific basic training workshop. The 2019 Adjuster Basics Workshop is scheduled for September 25-26 in Denver, Colorado.

Agents

One of the new features that ProAg agents have requested is more online webinars. ProAg has embraced this request and from the turnout, so have the agents. Please note that to receive training credit for a webinar:

- Each attendee must register and sign in separately.
- Attendees must attend the entire training.
- Attendees must participate in ALL poll questions throughout the webinar.

Sign up using the registration link found on the ProAgPortal calendar today (requires a ProAg agent login) or speak with your ProAg account representative for more information. As a reminder, we post most agent training events to our ProAg Facebook page under Events. Here is a list of upcoming webinars scheduled:

- Agent System Tips and Tricks | Topic: Keying Dairy Revenue Protection into ProAgWorks®— October 11, 2018
- 2019 Whole-Farm Revenue Protection (WFRP) Intermediate—October 23, 2019
- Crop Insurance 301—October 24-25, 2018
- 2019 Whole-Farm Revenue Protection (WFRP) Livestock—October 30, 2018

Insurance for the Animal Kingdom

As a recognized leader in providing risk management products to producers involved in animal agriculture, ProAg continues to expand our emphasis on this line of products.

For example, we are the leading writer of Pasture, Rangeland, Forage (PRF) insurance in the country. PRF is designed to give livestock producers the ability to protect against losses of forage and the consequent increased costs for feed, destocking, depopulating or other action. The insurance plan insures against a decline in an index value that is based on the long-term, historical average precipitation for the same area of land for the same period of time.

Livestock large and small

In addition to the Livestock Risk Protection (LRP) and Livestock Gross Margin (LGM) products designed as risk management tools for cattle, swine, sheep and dairy producers, interest also

continues to grow in the Apiculture Pilot Insurance (API) program. API provides a safety net for a beekeeper's primary income sources—honey, pollen collection, wax and breeding stock.

Available in the 48 contiguous states, API allows producers to select coverage levels between 70 and 90 percent. Then, by selecting a productivity factor, the insured can establish a value between 60 and 150 percent of the county honey production base value. The coverage is for a single peril, the lack of precipitation.

We want to remind our agents about our new interface for livestock policy processing. You are now able to enter livestock policy data through the ProAgWorks® system in a way that is very similar to what you use for your MPCl policies. This data will then be transmitted directly to the RMA. Training materials, as well as a recording of the training session we held, are available on ProAgPortal. 🌿

P&C Opportunity

From farm and ranch to main street merchants, there is always an opportunity to sell P&C insurance. While ProAg is proud to solely focus on crop, crop hail and named peril insurance, we also realize there are other opportunities to serve our great farmers and ranchers. For the opportunity to sell P&C coverage in Arkansas, Arizona, Colorado, Iowa, Idaho, Kansas, Missouri, Nebraska, Oklahoma, Oregon, Texas or Utah, please contact Stroud National Agency, Inc. at 800-654-4056 or www.stroudga.com today. 🌿



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Easier Dialing

ProAg now has national toll-free phone and fax numbers. The existing local regional office phone numbers remain the same.

Toll-free phone number: **(800) 366-2767**

Toll-free fax number: **(866) 306-3038**

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USDA is an equal opportunity provider and employer. To file a complaint of discrimination, write: USDA, Office of the Assistant Secretary for Civil Rights, 400 Independence Avenue, SW, Washington, DC 20250-9410 or call (866) 632-9992 (Toll free Customer Service), (800) 877-8339 (Local or Federal relay), (866) 377-8642 (Relay voice users).



Organic Business Growth – Your Agency’s Success

By Jeffrey Vanlandingham, Regional Vice President – Eastern Region

As an insurance carrier and risk management partner, we have a responsibility to be certain that you and your growers are aware of all of the available specialty crop programs. Several were released in recent weeks and others have been available for several years but have not received proper attention from the insurance provider community.

With the weather and economic issues continuing to confront our growers on a regular basis, it can be easy to forget that some of these underpublicized programs exist. The fact is, these programs may assist your grower, allowing them to modify their crop portfolio with a solid, premium-subsidized plan of insurance that fits their specific situation.

In the past we’ve discussed aspects of overlooked insurable commodities such as bees, pasture rangeland, fruit and vegetable crops. Now, with the recent introduction of programs for dairy producers, there exists a substantial group that may have never had premium-subsidized federal crop insurance. I challenge you to be certain that no current producer, or possible potential producer, is unaware of such opportunities to participate in the valued risk management

protection plan.

Crop Insurance “works” due to all of our commitments to the grower - whether basic or specialty crops. As we approach the Dairy Revenue Protection sales date of October 9, the PRF and Apiculture sales closing dates of November 15, and the Fruit and Late Fiscal Year WFRP sales closing dates of November 20, take a close look at how these programs can add to your overall valued grower base by serving new growers and specializing in a particular insurance product.

We also strive to make it easier for you and your insureds to do business with us. To that end, we continue to add features to the myProAg™ platform. For example, we know how important prompt claims payment is to your policyholders. To further speed up that process, we’re offering direct deposit beginning this October. Together with the online premium payment option we introduced last October, it’s now easier than ever to manage your insurance financials. You can learn more at ProAg.com/myProAg.

Above all, we are proud to be your education and support team for these programs and welcome a growing partnership with you and your agency team.

We value and appreciate your business! 🌱

