

In the Field



SOUTHERN 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.

Molly Hamlin

Molly's role as BDM for the southern region marks a sought-after return to her ag roots. An Oklahoma native, she earned a degree in agricultural communications from Oklahoma State University. After graduation, she worked for Cargill marketing with their turkey product line before returning to OSU as a student recruiter.



"After recruiting for six years, I had the opportunity to join a tech startup specializing in helping universities recruit students more effectively," she says. "After three years with them, I was interested in returning to the ag industry. With the skills I had learned, and the fact that I enjoy building relationships, I knew this was a great position for me."

Not surprisingly, providing great customer service is the number one goal for Molly. "It's made a difference for me personally and I strive to make it a priority professionally," she stresses. "I love 'light bulb' moments with agents."

Ask Molly for something interesting about her that others might not know, and she'll give you a list:

- Her college internship was at the U.S. Senate with Senator James Inhofe.
- Our personal favorite: "I competed in a pageant in college (not by choice) and unfortunately picked the question, 'What's your ideal date?' I responded, 'April 25th, because it's not too hot and not too cold. All you need is a light jacket.' I think I'm the only one who got the Miss Congeniality reference."

When she's not working, Molly spends time on her parents' ranch, checking the cattle and tending to her miniature donkey, Jasper. In addition to working on the ranch, she finds time to design and create shirts and stationery.

Jessica Dilbeck

Jessica brought an ag background and a love of crop insurance with her when she joined ProAg in 2016 as an account representative. A 2012 graduate of Oklahoma State University, Jessica earned a degree in agricultural leadership with minors in agribusiness and ag economics. She got her start in crop insurance the next year.



"I started out working for an agency in Pratt, Kansas, in August 2013," she says. "I knew nothing about the industry until starting that job, but I have loved it ever since. What I enjoy the most is being able to interact with the agents and knowing I am helping farmers."

Jessica serves agencies in Texas and her home state of Oklahoma. She enjoys the team atmosphere at ProAg. "Everyone works well together," Jessica notes. "I also appreciate the fact that they have a strong focus on training and development. They want to create opportunities for their employees to better themselves. I'm thankful to be on the team, learning and growing with ProAg."

In her free time, Jessica is a diehard OSU fan, attending football games whenever possible, and a lifelong member of the OSU Alumni Association. She also enjoys skiing and is involved in her church in Stillwater. 🌿

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).



Dairy Program Presents Opportunity

By Chris Ohm, Regional Vice President – Southern Region

As both a company and a region we are excited about the new Dairy Revenue Protection Program. We believe it will be very beneficial for dairy producers

nationwide. We have conducted training webinars for our agents and we've trained our marketing and sales team. It was also featured briefly at our agent update meetings.

We're already hearing a lot of good things from agents who see this program as a good way to increase their book of business. It is something dairy farmers have been asking to have for some time. ProAg has brochures and marketing supplies in support of this program so you can hit the ground running.

Obviously, Texas and New Mexico are large potential markets for this program, but there will be opportunities in every region. Please get in touch with your account representative with any questions or to obtain marketing support materials.

In other news from our region, our fall agent update

meetings are complete and were very well attended. We saw a lot of interest in the multi-county enterprise unit option in addition to the new dairy program. We also stressed the benefits of myProAg™ for both agents and insureds. We know how important prompt claims payment is to our policyholders. To further speed 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.

Our sales and marketing staff are making it a point to visit our agents more often, so you will see some familiar faces more frequently in the weeks and months ahead. Finally, the drought that returned to our region in earnest this growing season caused heavy crop losses. Our claims team is working hard to process claims with speed and accuracy.

As always, thank you for your business. Please feel free to contact any member of the ProAg team with questions or concerns. We are here to serve you. 🌿

