

WASHINGTON CROP HAIL MEETING

By Joe Bob Atkins, CIC, PIA NE IA Board of Directors, Arnold, Nebraska

On March 19, 2010 the PIA National Crop Insurance Task Force had the opportunity to meet with William Murphy, the Director of Risk Management Association (RMA) as part of the annual PIA legislative summit in Washington DC., which I attended along with Mark Suhr, CIC.

This was a great opportunity for Mark and me to be able to give the Director himself the concerns with the Standard Reinsurance Association (SRA) negotiations from a Nebraska and Iowa agent's perspective. I must say that the meeting went very well. Mr. Murphy started the meeting with a power point about the SRA and the RMA's reasons for going the direction that they are.

The task force stressed the negative effects that this SRA would have not only on agents, but to companies, producers, rural communities, and the entire crop insurance delivery system. These negative effects were not only talked about in hypotheticals, but some agents used actual numbers from their office to demonstrate the extremely harmful effects it would have on their agency and community.

Mark and I made arguments on two major issues. One was the effects in the SRA with regards to the 5 corn belt states that would get negative results out of the farm bill. Mark and I made our best effort to convince Mr. Murphy that our states help to carry all other states with our profits. It is the RMA that sets the rates not the companies and definitely not the agents so we explained that RMA should lower the rate on corn and soybeans if these five states make too much money. The director stated that the rates are actuarially sound by their data.



Another topic that Mark and I brought to the forefront and is a potential threat to main street agents, was **REBATING**. With seed corn dealers, fertilizer dealers, and other types of agriculture dealers getting into selling crop insurance, how will the RMA be able to police rebating with these types of insurance agents? There were several examples of rebating given to the Director that we have seen or could be done by these types of producers that are going to be extremely hard to regulate. The task force wasn't against any person becoming a crop agent, but we all have to be concerned with the integrity of our program. The director stated that this does impose an issue and their department is going to work on it.

All in all it was great for Mark and I to be able to represent the crop insurance industry for each and every one of the agents of Nebraska and Iowa.

A Message From Our Membership Director

Gary Baumann, CPCU

Our membership numbers have increased during 2009. We hope to expand those further in 2010. I am sure that you know agencies in your area that are not members. Let us know of a contact and we will visit with them about membership. If we could get each member to give us one new contact, that would be terrific.

We do have a new membership category for non-insurance partners. That would be a sponsor membership. This provides those members recognition in our directory and the opportunity to advertise in the magazine. They will receive *Newsline* and will be able to choose where they would like to be involved in event sponsorship. This could be convention, education seminars, luncheons, or golf outings.

We welcome the following who have become sponsor members this past year:

Midlands Claims Service – Columbus Paul Davis Restoration - Lincoln

B K Restoration – Lincoln All Care, Inc. - Lincoln

Carol Joy Holling Center – Ashland Binswanger Glass - Lincoln

Offutt Collision Repair – Bellevue Nebraskaland Glass – Lincoln

Servicemaster of Sarpy Co. - Bellevue MAXIM Cleaning and Restoration – La Vista

CARSTAR – Omaha Safelite Auto Glass – Columbus, Lincoln, Omaha

We thank them all for their support and remind you to use their service and products whenever possible.