LEE Agency
Insurance Professionals

29TH ANNUAL SPRING AG SEMINAR

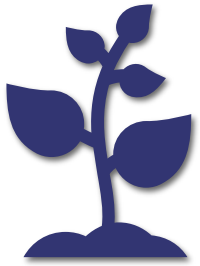
Crop Insurance *Review*

PRESENTED BY ROB SCHMIDT

CHIEF OPERATIONS OFFICER

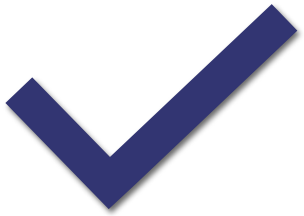
TRUACRE TECHNOLOGY

Today's Topics



2020 Crop Insurance

Hail Insurance Private Products



Crop Insurance vs. Forward Marketing

2020 Carriers

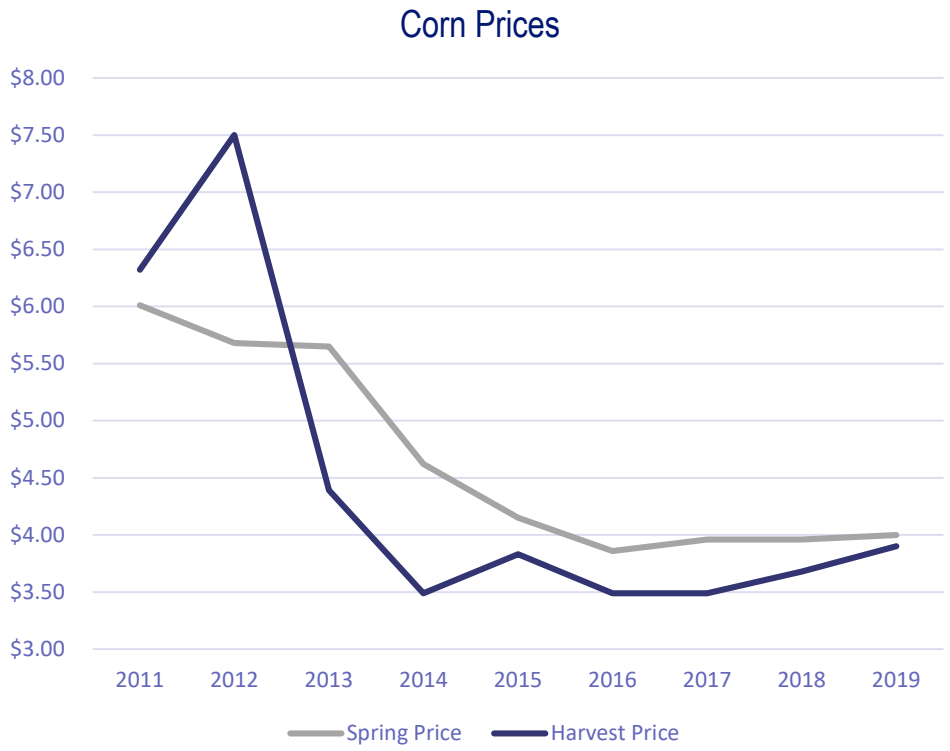
CROP RISK SERVICES

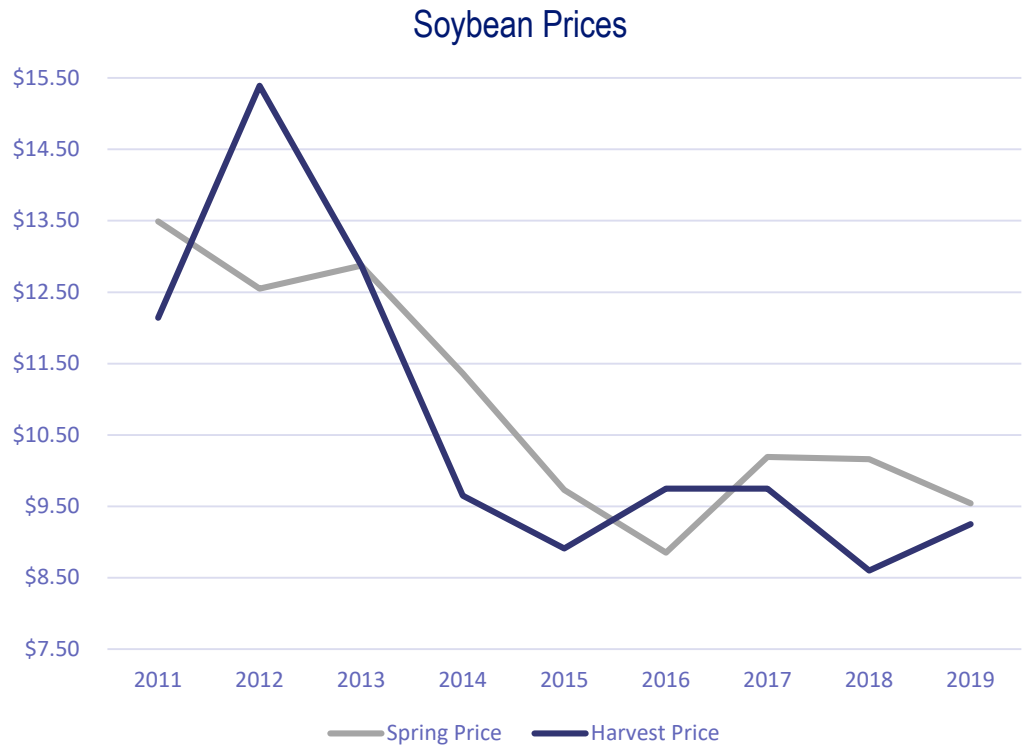
An AIG company

Comparison of Price and Premium 2019 vs. 2020

	CORN	BEANS
Spring Price - 2019	$3.96	$9.54
Spring Price - 2020	Estimated $4.00	Estimated $9.50
Rates	**Corn**	**Soybeans**
Cedar County	Down Approximately 10%	Flat to up 1%
Muscatine County	Flat to Down 1%	Flat to up 1%
Mercer County	Down Approximately 10%	Flat to up 1%
Rock Island County	Down Approximately 10%	Flat to up 1%

Historical Insurance Prices





Crop Insurance 2020

MPCI Review - What's in my policy?

Revenue Protection

Feb Price Discovery
Avg. of ZCZ20, ZSX20
Oct Price Discovery
Avg. of ZCZ20, ZSX20

Replant

Soybeans
3 bu. x Spring Price ($29.25)est.
Corn
8 bu. x Spring Price ($32.00)est.

→ New Replant Products available for 2020

Prevent Plant

Soybeans
60 - 65%
Corn
55 - 60%

→ If electing to buy up Prevent plant, Insurance Companies have up to 30 days to deny buy up!!

Sample Quotes for 2020

CROP RISK SERVICES
An AIG company

Administered by:
Crop Risk Services
132 S. Water Suite 500
Decatur, IL 62523
800 500 2836
cropriskservices.com

Policyholder Information

Agency Information

LEE AGENCY INC
200 FORD AVENUE
MUSCATINE, IA 52761

Phone: (563)263-9252
Code: 90172-00
Agent: DANITA LAFEVER

Quote Information

State: IOWA
Policy #:

Policy Type: MPCI	Qte	Plan / Share / Options	Acres	Price	Pct Price	Vol	APH			Guarantee / Acre	Liability / Acre	Gross Prem / Acre	Net Prem / Acre	Liability	Net Prem
							AY	Adj	Rate						
MUSCATINE(CORN) Totals	1	RP-85% (EUTAYAYC)	404.42	4.00	100	0.15	208.54	192.31	192.31	**177.3**	**709.09**	**43.72**	**20.55**	**286,769**	**8,311**
		RP-80% (EUTAYAYC)								**166.8**	**667.31**	**32.97**	**10.55**	**269,875**	**4,266**
		RP-75% (EUTAYAYC)								**156.4**	**625.67**	**24.04**	**5.53**	**253,034**	**2,235**
	2	RP-85% (OUTAYAYC)	404.42	4.00	100	0.15	208.54	192.31	192.31	**177.3**	**709.09**	**55.39**	**34.34**	**286,769**	**13,889**
		RP-80% (OUTAYAYC)								**166.8**	**667.31**	**43.09**	**22.41**	**269,875**	**9,062**
		RP-75% (OUTAYAYC)								**156.4**	**625.67**	**32.28**	**14.53**	**253,034**	**5,875**
0001-0004 NI/GSG	1	RP-85% @ 1.000 (EUTAYAYC)	197.51				202	183	183	171.7	686.80	45.88	21.56	135,650	4,259
		RP-80% @ 1.000 (EUTAYAYC)								161.6	646.40	34.65	11.09	127,670	2,190
		RP-75% @ 1.000 (EUTAYAYC)								151.5	606.00	25.69	5.91	119,691	1,167
	2	RP-85% @ 1.000 (OUTAYAYC)	197.51				202	183	183	171.7	686.80	57.82	35.85	135,650	7,080
		RP-80% @ 1.000 (OUTAYAYC)								161.6	646.40	44.99	23.39	127,670	4,620
		RP-75% @ 1.000 (OUTAYAYC)								151.5	606.00	34.39	15.47	119,691	3,056
0001-0005 NI/GSG	1	RP-85% @ 1.000 (EUTAYAYC)	0.0				212	191	191	180.2	0.00	0.00	0.00	0	0
		RP-80% @ 1.000 (EUTAYAYC)								169.6	0.00	0.00	0.00	0	0
		RP-75% @ 1.000 (EUTAYAYC)								159.0	0.00	0.00	0.00	0	0
	2	RP-85% @ 1.000 (OUTAYAYC)	0.0				212	191	191	180.2	0.00	0.00	0.00	0	0
		RP-80% @ 1.000 (OUTAYAYC)								169.6	0.00	0.00	0.00	0	0
		RP-75% @ 1.000 (OUTAYAYC)								159.0	0.00	0.00	0.00	0	0

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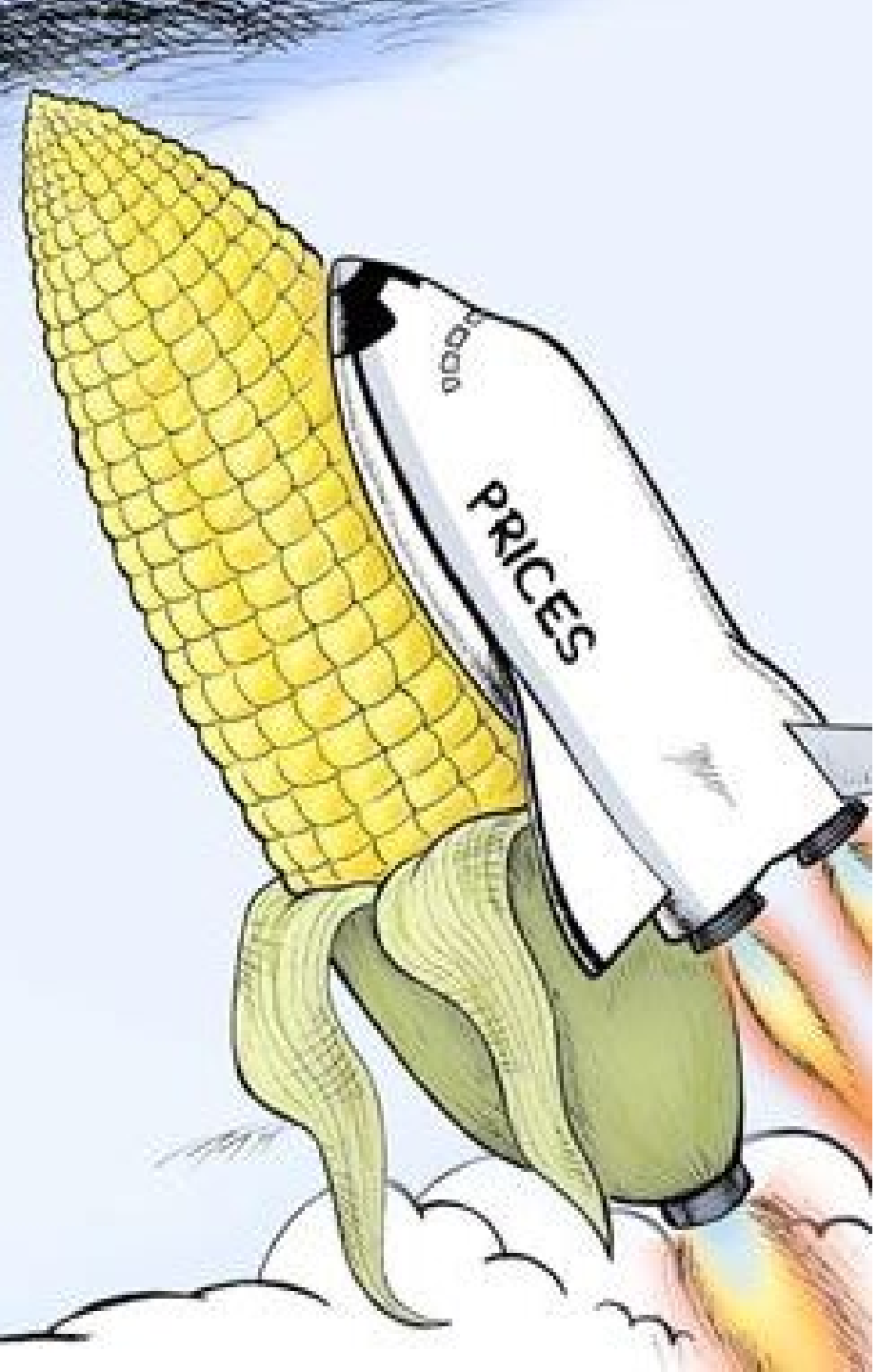
							AY	Adj	Rate						
	2	RP-85% @ 1.000 (OUTAYAYC)	0.0				213	192	192	181.1	0.00	0.00	0.00	0	0
		RP-80% @ 1.000 (OUTAYAYC)								170.4	0.00	0.00	0.00	0	0
		RP-75% @ 1.000 (OUTAYAYC)								159.8	0.00	0.00	0.00	0	0
0001-0011 NI/GSG	1	RP-85% @ 1.000 (EUTAYAYC)	72.61				213	198	198	181.1	724.40	42.16	19.82	52,599	1,439
		RP-80% @ 1.000 (EUTAYAYC)								170.4	681.60	32.41	10.37	49,491	753
		RP-75% @ 1.000 (EUTAYAYC)								159.8	639.20	23.37	5.37	46,412	390
	2	RP-85% @ 1.000 (OUTAYAYC)	72.61				213	198	198	181.1	724.40	53.66	33.27	52,599	2,416
		RP-80% @ 1.000 (OUTAYAYC)								170.4	681.60	42.54	22.12	49,491	1,606
		RP-75% @ 1.000 (OUTAYAYC)								159.8	639.20	31.36	14.12	46,412	1,025
MUSCATINE(SBEAN) Totals	1	RP-85% (EUTAYAYC)	487.65	9.50	100	0.12	62.42	58.00	58.00	**53.1**	**504.35**	**34.59**	**16.26**	**245,945**	**7,928**
		RP-80% (EUTAYAYC)								**49.9**	**474.37**	**26.41**	**8.45**	**231,326**	**4,122**
		RP-75% (EUTAYAYC)								**46.9**	**445.05**	**18.80**	**4.32**	**217,030**	**2,109**
	2	RP-85% (OUTAYAYC)	487.65	9.50	100	0.12	62.42	58.00	58.00	**53.1**	**504.35**	**38.44**	**23.83**	**245,945**	**11,620**
		RP-80% (OUTAYAYC)								**49.9**	**474.37**	**30.17**	**15.69**	**231,326**	**7,650**
		RP-75% (OUTAYAYC)								**46.9**	**445.05**	**22.14**	**9.96**	**217,030**	**4,858**
0001-0004 NI/COMM	1	RP-85% @ 1.000 (EUTAYAYC)	0.0				65	59	59	55.3	0.00	0.00	0.00	0	0
		RP-80% @ 1.000 (EUTAYAYC)								52.0	0.00	0.00	0.00	0	0
		RP-75% @ 1.000 (EUTAYAYC)								48.8	0.00	0.00	0.00	0	0

2020 Claim Scenario - Falling Price

- 200 bu. APH X 85% Level = 170 bu. Guarantee
- 170 bu. X $4.00 (Est. Spring Price) = $680 Revenue Guarantee
- $680 / $3.50 (Est. Harvest Price) = 194 bu.
- Less than 194 bu. Yield Triggers a Harvest Claim
- Does not change guarantee, only changes trigger



2020 Claim Scenario Rising Price

200 bu. APH X 85% Level = 170 bu. Guarantee

170 bu. X $4.00 (Est. Spring Price) = $680 Revenue Guarantee

170 bu. X $5.00 (Est. Harvest Price) = $850 (Harvest Guarantee)

130 bu. (Actual Yield) X $5.00 (Est. Harvest Price) = $650 (Actual Revenue)

$850 Harvest Guarantee – $650 Actual Revenue = $200 Claim Payment

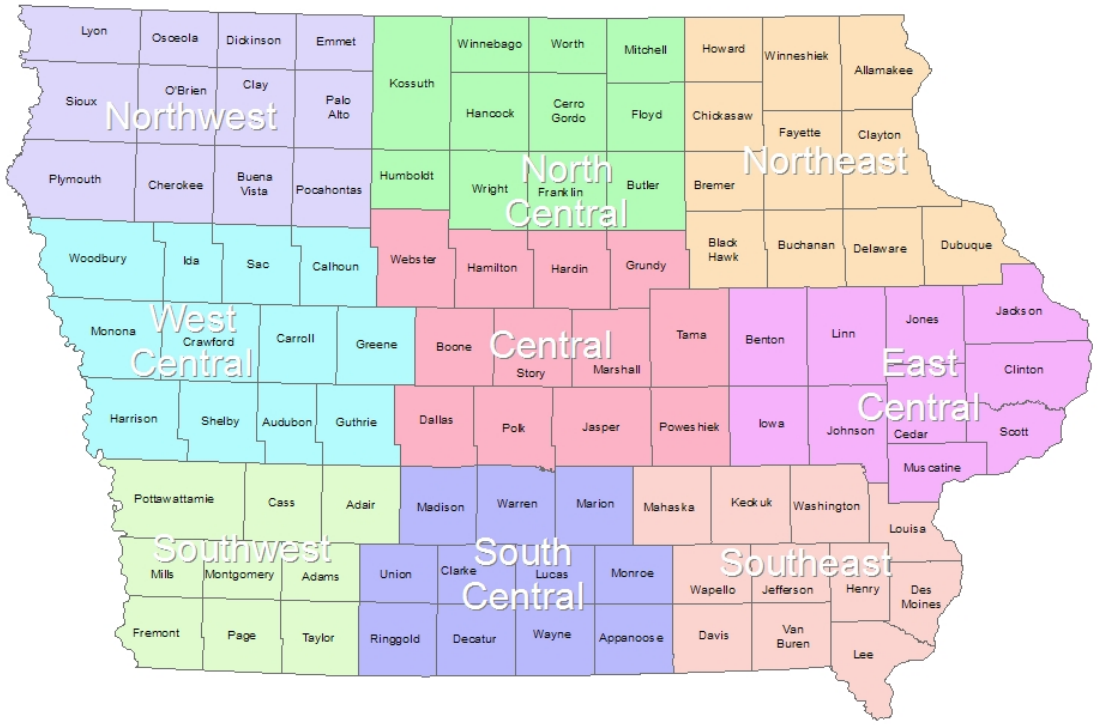
2020 Changes

- Cover Crop
- MCEU by Practice
- County Elections
  - PLC
    - SCO
  - ARC

Cover Crop

- New Rules for cover crop
  - Must terminate prior to crop emergence

New Wind Zones



U.S. Department of Agriculture Crop Reporting Districts

Multi County Enterprise Unit

New in 2019

- Can include a contiguous basic unit county to your Enterprise county to capture best discounts

Claim Concerns

- Had several MCEU policy last year that kicked out a claim on smaller county
- Claims over $200,000 will be subject to RMA review

2018 Farm Bill

ARC vs PLC

- New in 2019
  - **Decision by 3/15/2020**
  - If you elect ARC
  - No changes to your Crop Insurance

- If you elect PLC
  - Then SCO is available

- 2020 Election recommendations
  - Corn PLC- SCO Option
  - Soybeans- ARC

SCO

- Available with only PLC election
- SCO Example
  - Up to 86%
  - It is COUNTY! Not your farm!

2020 SCO Option

CROP RISK SERVICES
An AIG company

Administered by:
Crop Risk Services
132 S. Water Suite 500
Decatur, IL 62523
800 500 2836
cropriskservices.com

Policyholder Information
[Not Specified]

Agency Information
NONE SPECIFIED

Quote Information
State: IOWA
Policy #:

Policy Type: MPCI	Qte	Plan / Share / Options	Acres	Price	Pct Price	Vol	APH			Guarantee / Acre	Liability / Acre	Gross Prem / Acre	Net Prem / Acre	Liability	Net Prem
							AY	Adj	Rate / Idx						
MUSCATINE(CORN) Totals	1	SCO-RP-85 / 1% ()	100.0	4.00	100	0.00	200		190	**170.0**	**8.00**	**2.77**	**0.97**	**800**	**97**
		SCO-RP-80 / 6% ()								**160.0**	**48.00**	**13.48**	**4.72**	**4,800**	**472**
		SCO-RP-75 / 11% ()								**150.0**	**88.00**	**19.30**	**6.75**	**8,800**	**675**
0001-0000 NI/GSG	1	SCO-RP-85 / 1% @ 1.000 ()	100.0				200		190	170.0	8.00	2.77	0.97	800	97
		SCO-RP-80 / 6% @ 1.000 ()								160.0	48.00	13.48	4.72	4,800	472
		SCO-RP-75 / 11% @ 1.000 ()								150.0	88.00	19.30	6.75	8,800	675
MUSCATINE(CORN) Totals	1	RP-85% (EUTAYAYC)	100.0	4.00	100	0.15	200	200	200	**170.0**	**680.00**	**31.40**	**14.76**	**68,000**	**1,476**
		RP-80% (EUTAYAYC)								**160.0**	**640.00**	**22.50**	**7.20**	**64,000**	**720**
		RP-75% (EUTAYAYC)								**150.0**	**600.00**	**15.65**	**3.60**	**60,000**	**360**
0001-0000 NI/GSG	1	RP-85% @ 1.000 (EUTAYAYC)	100.0				200	200	200	170.0	680.00	31.40	14.76	68,000	1,476
		RP-80% @ 1.000 (EUTAYAYC)								160.0	640.00	22.50	7.20	64,000	720
		RP-75% @ 1.000 (EUTAYAYC)								150.0	600.00	15.65	3.60	60,000	360
MUSCATINE(SBEAN) Totals	1	SCO-RP-85 / 1% ()	100.0	9.50	100	0.00	60		59	**51.0**	**5.70**	**1.30**	**0.45**	**570**	**45**
		SCO-RP-80 / 6% ()								**48.0**	**34.20**	**6.03**	**2.11**	**3,420**	**211**
		SCO-RP-75 / 11% ()								**45.0**	**62.70**	**8.25**	**2.89**	**6,270**	**289**
0001-0000 NI/COMM	1	SCO-RP-85 / 1% @ 1.000 ()	100.0				60		59	51.0	5.70	1.30	0.45	570	45
		SCO-RP-80 / 6% @ 1.000 ()								48.0	34.20	6.03	2.11	3,420	211
		SCO-RP-75 / 11% @ 1.000 ()								45.0	62.70	8.25	2.89	6,270	289
MUSCATINE(SBEAN) Totals	1	RP-85% (EUTAYAYC)	100.0	9.50	100	0.12	60	60	60	**51.0**	**484.50**	**25.19**	**11.84**	**48,450**	**1,184**
		RP-80% (EUTAYAYC)								**48.0**	**456.00**	**18.67**	**5.97**	**45,600**	**597**
		RP-75% (EUTAYAYC)								**45.0**	**427.50**	**13.04**	**3.00**	**42,750**	**300**

Planting & Other Dates

Acreage Reporting Date

Iowa & Illinois

- Corn & Beans – July 15th
- Sales closing date – March 15th

Billing Date

- Due – August 15th
- Interest Due if Paid After Oct. 1st

	Early Corn	Early Soybeans	Final Corn	Final Soybeans
Iowa	April 11th	April 21st	May 31st	June 15th
Illinois	April 5th	April 20th	June 5th	June 15th

2019 Exceptions

Haying Grazing- Moved to September 1st

- Applies to spring prevent plant cover crop
- Included chopping, baling, and harvesting

Premium Deadline- January 31st of 2020

2020 Back to Normal

Haying Grazing- November 1st

- Applies to spring prevent plant cover crop

Premium Deadline- August 15th

Hail Products

- Basic Hail with Replant Option
- Policy Value vs. Cash Value
- Includes Field Grain Fire
- Grain in Storage

Wind Products

- Green Snap
- Wind (Un-Harvested Grain; 5-10% Deduct)
- Wind with Extra Harvest Expense

Field Grain Fire

- Automatically comes in your Hail policy
- Available as a separate option

CRS Hail Products

Buy up requirements

- Base of $300 hail, in addition to MPCI

Replant Buy- $0.75/ acre gives $75 of replant coverage

Early plant buy up- offers coverage 2 weeks prior the early plant date

- $0.30/acre gives $75 of replant coverage

2020 Hail Bundles

Basic CRS Bundle

- Wind with 5% Deductible
- Extra Harvest Expense
- Green Snap
- Increased Replant Option

Deluxe Hail Bundle

- All coverages of the Basic Bundle, plus
- Early Replant
- Wind extension to December 15th

CROP RISK SERVICES

An AIG company

Rain and Hail - Replant Extra

- Purchase: Corn $10 to $60
  Soybean $10 to $50
- Coverage attaches 20 days prior to RMA Early Plant Date
- Sales Closing Date 3/15

Crop	
Corn	Full $60 buy up = $1.77/acre
Soybeans	Full $50 buy up = $2.68/acre

- *Purchasing this product does not change replant date of underlying MP policy

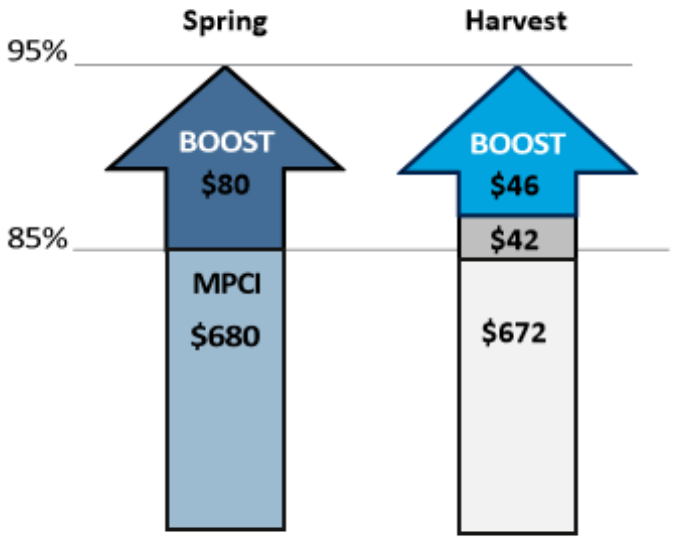
Crop Risk Services Revenue Boost

- Enterprise unit
- Guarantees Spring Price
- Coverage levels
  - 70-80%
  - 75-85%
  - 80-90%
  - 85-95%

CROP RISK SERVICES

An AIG company

Boost Revenue to 95% with a Harvest Loss



*Figured using RP MPCI Policy

APH: 200 bu./acre	MPCI Coverage: 85%
Spring Price: $4.00/bu	BOOST Coverage: 85%-95%
Fall Price: $4.20/bu	BOOST Coverage per acre: $80

BOOST GUARANTEE: $760 (200 bu. x 95% x $4.00)

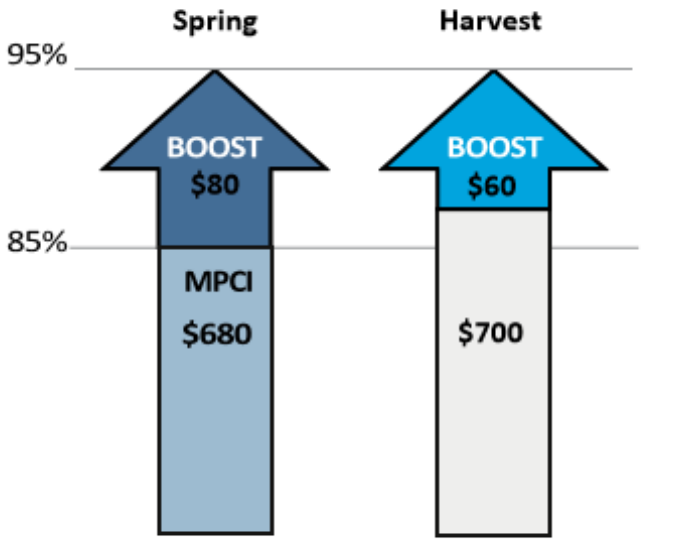
HARVEST REVENUE: $672 (160 bu. x $4.20)

MPCI PAYMENT: $42 ($672 Harvest Revenue < $714 MPCI Guarantee)

BOOST PAYMENT: $46 ($760 BOOST Guarantee - $714 MPCI Guarantee)

Partial payment: harvest revenue fell below the BOOST and MPCI Guarantee

Boost Revenue to 95% with a Price Decline



*Figured using RP MPCI Policy

APH: 200 bu./acre	MPCI Coverage: 85%
Spring Price: $4.00/bu	BOOST Coverage: 85%-95%
Fall Price: $3.50/bu	BOOST Coverage per acre: $80

BOOST GUARANTEE: $760 (200 bu. x 95% x $4.00)

HARVEST REVENUE: $700 (200 bu. x $3.50)

MPCI PAYMENT: $0 ($700 Harvest Revenue > $680 MPCI Guarantee)

BOOST PAYMENT: $60 ($760 BOOST Guarantee - $700 Harvest Revenue)

Partial payment: harvest revenue fell below the BOOST Guarantee

Farmer's Mutual Hail - What is RAMP?

- Multi-Peril Coverage as high as 90 or 95% of expected Revenue
  - Added on top of an MPCI Policy
  - Or Can drop down to lower levels of coverage
  - Can elect harvest price to be included
- Available on Optional Units even if your MPCI unit structure is Enterprise Units
  - Cover riskiest bushels (10% to 20% of APH) on OU basis
- Coverage is Guaranteed – No Guessing games.

Farmer's Mutual Hail - RAMP

RAMP REVENUE ADDING COVERAGE **ABOVE YOUR MPCI**

Insured Sample Selections

MPCI Coverage: 85% Revenue Protection	APH: 200 bu./acre
RAMP Band: 95-85%	Spring Price: $4.00/bu.
RAMP Coverage per acre: $50	

- **Total payment** if harvest revenue falls below $680
- **Partial payment** if harvest revenue falls between $760 and 680
- **No RAMP payment** if harvest revenue is above $760

Note: If a higher harvest price occurs, RAMP Revenue works like RAMP Yield

Coverage Highlights

- Begins after harvest revenue falls 5% below your APH revenue (APH x Projected price)
- All RAMP liability will be paid before an MPCI claim is triggered

ADDING FORWARD PLUS TO YOUR RAMP COVERAGE

Insured Sample Selections

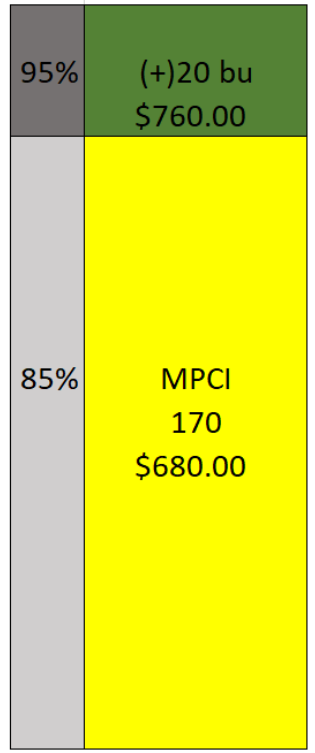
MPCI Coverage: 80% Revenue Protection	APH: 200 bu./acre
RAMP Band: 90-80%	Spring Price: $4.00/bu.
RAMP Coverage per acre: $80	Harvest Price: $5.00/bu.

- **Total RFP payment** if fall production is less than 160 bu./acre, RAMP Forward Plus totals out at $100 an acre ($80 payment from RAMP and $20 payment from RFP).
- **Partial RFP payment** if fall production lands within the selected coverage band (between 160-180 bushels). For example, if fall production was 166 bu./acre, RAMP Forward Plus adds $1.00 to all bushels short of 180 bu. (14 bushels x $5.00/bu. = $70) for an indemnity payment of $70 per acre.
- **No RFP payment** if fall production is above 180 bu./acre.

Ramp & Revenue Boost benefits Additional Bushels to Market

- The value of your MPCI policy goes beyond insurance payments.
- Guaranteed bushels gives farmers freedom to market their crop throughout the year
- Each product offers different benefits
- We recommend to utilize full MPCI benefits

Corn			
APH	200	85%	MPCI
APH Guarantee	170	$4.00	Spring Price



Crop Risk Services – Revenue Net

Problem

- MPCI only allows for two valuations of the crop

Solution

- Revenue Net allows for 15 additional valuations
- Two-week window averages of CBOT close
- Enterprise Unit Structure
- Tailor fit a plan since not all acres are required

CROP RISK SERVICES
An AIG company

Rain & Hail – Revenue Price Option (RPO)

- Adds Additional revenue protection coverage by increasing the spring price
  - Up to $0.50 for Corn
  - Up to $1.20 for Soybeans
- Unit Structure
  - Enterprise units
- Can Add to Harvest Price Option

Corn

Lower Harvest Price

Approved Yield/Acre (BU) 180
Crop Share 100%
CEPP Projected Price $4.60
RPO Price $0.25

RP + RPO Projected Price $4.85
CEPP Harvest Price $4.50

CEPP Projected Price + RPO Price	$4.85	
CEPP Harvest Price	$4.50	
Levels of Coverage	80%	85%
Projected and Harvest Guarantee/ Acre	$698.40	$742.05
Initial Yield Trigger	144	153
Final Yield Trigger	155.2	164.9
Bushels Harvested x Harvest Price		
150 x $4.50 = $675	$23.40	$67.05
120 x $4.50 = $540	$158.40	$202.05
100 x $4.50 = $450	$213.40	$292.05

MARGIN PROTECTION (MP)

Margin Protection is an area-based insurance plan that provides coverage against an unexpected decrease in operating margin (revenue less input costs), caused by reduced county yields, reduced commodity prices, increased prices of certain inputs, or any combination of these perils.

Because MP is area-based (average for a county), an individual farm may have a decrease in its margin but not receive an indemnity or vice-versa.

Crop Insurance vs. Forward Marketing

- Effects of Crop Insurance on your Operation in 2012 - 2019
- Best Levels Purchased
- Effects of Forward Marketing

Operation Overview

Three Operations

- 1 @ 85% Each Year
- 1 @ 80% Each Year
- 1 @ 75% Each Year

APH's

All Fell Between 181 -210

How Did We Fare?

2012 – 2019 – Rolling totals

85% Operation
- Claim Payment per Acre: $737
- Premium: $146.32
- Return per Acre: $590.68

80% Operation
- Claim Payment per Acre: $189 +
- Premium: $78.90
- Return per Acre: $110.10

75% Operation
- Claim Payment per Acre: $50
- Premium: $41.50
- Return per Acre: $8.50

Forward Selling Potential Risks

- 200% maximum upward price movement
- Harvest price is the average of October
- Inverted basis
- You MUST plant the crop – otherwise Prevent Plant = 55%

Using Insurance to Protect Marketing

- Use 85% of Crop Insurance Guarantee
- Forward market your bushels
  - We can provide a calculator to show bushels available
  - Sell 25% the months of April, May, June and July
  - Or 10% over 10 months

Know your input costs!!

We have a spreadsheet to help!

LEE Agency
Insurance Professionals

Built on Niches

- Farm Insurance
- Crop Insurance
- Ag Business
- Trucking

"I called Jon Bell and he was on my farm the very next day, prepared to work with my contractor. Their service and response to my claim exceeded my expectations."
-Larry Holliday

Specializing in Agriculture means:

- Dedicated Account Managers with Ag backgrounds
- Multiple Carriers that specialize in Agriculture Insurance

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Crop Insurance: Service Expectations

Our Promise:

- Annual one-on-one consultation with a dedicated full-time crop insurance specialist
- Tailor coverages to suit your needs
- Forward Marketing Calculator
- Remind you of reporting deadlines
- Additional seminars for extraordinary circumstances
- Precision & Automated Crop Reporting availability (PCR)
- Audit your production reports for potential claims
- Follow-up on claims
- Honesty, Integrity and Reliability

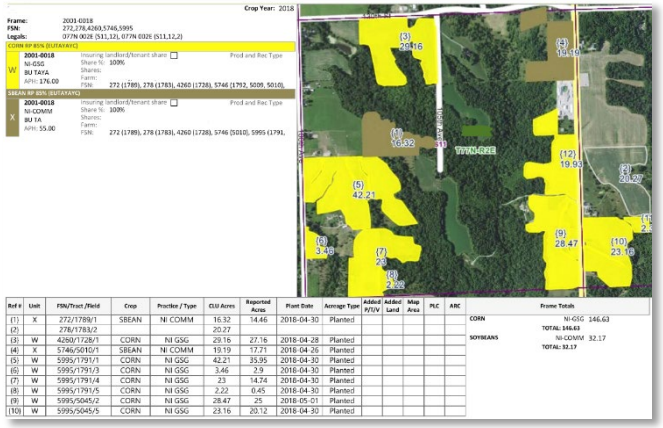
Precision Crop Reporting - PCR

Powered by TruAcre Technology

1. Upload Data

2. CRS & TruAcre Process Data

3. Print Acreage & Production Reports



Mark Your Calendars!

- March 11th – TruAcre Training Event • Muscatine
- June 5th – TruAcre Field Day • TruAcre Test Plot
- February 5th – 2021 Spring Ag Seminar

We're Hiring!

IS AGRICULTURE IN YOUR BLOOD?
Experienced with Precision Ag Technology?
We're the first step in taking your passion and making it a career!
TRUACRE TECHNOLOGY
PRECISION FARMING SOLUTIONS
TruAcre is seeking a highly-driven team member to lead and grow the organization as the
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Base salary with unlimited commission potential.
Great company benefits!
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Or know someone who would be a great fit?
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Questions?

Thank You for Attending!

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