



What's Happening at NCIS

October 15, 2013

Topics this week:

- Pennsylvania Crop Insurance Conference
- 2013 AAEA Symposium
- AIP Conference Call
- NCIS Responds to EWG Report



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Another active week at NCIS. With many new and important developments taking place in our industry, we bring you a "round-up" of NCIS activities, meetings, projects and progress. A list of future events will also be included in each edition.

We welcome your comments and look forward to sharing this update with you.

Pennsylvania Crop Insurance Conference

NCIS participated in the 14th Annual Pennsylvania Crop Insurance Conference, held October 8, 2013 in Harrisburg, Pennsylvania. The purpose of the conference was to provide crop insurance agents and other allied professionals with update information on the crop insurance program, agricultural policy, and agriculture in general. Dr. Laurence Crane, NCIS, moderated a producer panel discussion on risk management planning and emerging trends in agriculture. The conference was approved by the Pennsylvania Insurance Department for continuing education hours for the crop insurance agents who attended.

2013 Agricultural & Applied Economics Association (AAEA) Symposium on Crop Insurance and the Farm Bill



NCIS staff traveled to Louisville, Kentucky, to attend the AAEA symposium on Crop Insurance and the Farm Bill on October 8 and 9. Dr. Keith Collins, as opening speaker, provided an extensive discussion on the evolving role of crop insurance in farm risk management. In addition to summarizing the history of crop insurance in the United States, his presentation reviewed the historical performance and expansion of the program, discussed the value of the program to farmers, reviewed the participation of the private sector delivery system, and examined the government and taxpayer commitment to the program. The symposium covered a variety of additional topics, ranging from the interaction between Federal programs and crop insurance, to the modeling of crop insurance performance, the impact of crop insurance on farm management decisions, and the effort to achieve a balance between political and actuarial considerations in ratemaking.

All Approved Insurance Providers (AIPs) Conference Call

An all AIP conference call was held October 8. Because of the recent government shutdown, it is important to NCIS that its member AIPs communicate regularly through conference calls and meetings to stay abreast of issues affecting the membership. Also staff briefed the AIPs on the Board of Directors minutes from the September Board meeting.

NCIS Responds to Latest Environmental Working Group (EWG) Report

Last week, EWG released a report by Dr. Bruce Babcock entitled: “Pumped Up: How Supplemental Insurance Could Bulk Farm Subsidies.” In response to a request from a few members of the media, NCIS provided the following statement:

(Oct. 10, 2013) – This statement should be attributed to Tom Zacharias, President, National Crop Insurance Services:

“EWG released yet another one-sided and slanted “report” today in its ongoing efforts to criticize the actions of Congress. EWG’s actions are an attempt to dismantle the remaining tools farmers will have to rely on to protect their livelihoods. The report estimates potential costs of the proposed Supplemental Coverage Option (SCO) using the extreme and unrepresentative one-in-25-year drought event of 2012, ignoring how the program would actually work over a number of years that experience both good and bad harvests. NCIS does not put any stock in EWG’s assertions or claims because EWG’s perspective is simply wrong.

“These are the same critics who said that the 2012 drought-related taxpayer costs for crop insurance could be \$40 billion. They were off the mark by \$26 billion. EWG also accused farmers of “praying for drought,” “laughing all the way to the bank,” and likened them to “drunks at an open bar.” Their cheap metaphors only serve to deride a farm community that deserves praise, not criticism.

“The EWG “report” makes a series of assumptions that overstate the expected costs, even in 2012, such as assuming harvested production is sold at the October 2012 futures price rather than a lower farm price, that every farmer buys Revenue Protection (RP), and that no farmer substitutes SCO for some of their RP coverage, which is highly likely to occur and would reduce the costs of the traditional crop insurance program. Most importantly, EWG ignores the fact that there will be no SCO unless Direct Payments are ended, saving taxpayers \$5 billion annually.

“The report criticizes crop insurance, a program that prevented widespread financial harm in agriculture in 2012 and allowed farmers to come back and plant large crops in 2013 and replenish the nation’s food stocks, which remain at historic low levels. Rather than rely solely on supplemental disaster legislation, which is 100 percent funded by taxpayers, the expansion of crop insurance has reduced taxpayer risk as farmers and crop insurance companies both contribute funding to the costs of the program. The EWG release should be taken for what it is – another flawed attempt to discredit the farm community in order for EWG to pursue its political agenda.”

Future Meetings and Events Calendar (Regional/State Meetings in Orange)

<i>Event</i>	<i>Date(s)</i>	<i>Location</i>
<u>2013 Meetings</u>		
NCIS Spring Train the Trainer Conference	November 6-7	Overland Park, KS
MPCI Citrus Fruit and Nursery	November 19-20	Kissimmee, FL
NCIS Board of Directors Meeting	December 12-13	Off-Site
NAIC Fall Meeting	December 15-18	Washington, DC
<u>2014 Meetings</u>		
Minnesota-North Dakota-South Dakota Regional/State Meeting	January 7-8	Fargo, ND
Colorado-Wyoming Regional/State Meeting	January 9	Littleton, CO
Gulf States Regional/State Meeting	January 16	Tunica, MS
2014 Claims Managers Conference	January 22-23	Overland Park, KS
Southwest Regional/State Meeting	January 30-31	Chandler, AZ
Nebraska-Iowa Regional/State Meeting	February 4-5	Council Bluffs, IA
Illinois-Wisconsin Regional/State Mtg.	February 6	Springfield, IL
Indiana-Ohio-Michigan Regional/State Meeting	February 6	Ft. Wayne, IN
Kentucky-Tennessee Regional/State Meeting	February 6	Nashville, TN
Kansas-Oklahoma Regional/State Meeting	February 13	Wichita, KS
Crop Insurance Industry Convention	February 9-12	Scottsdale, AZ
Missouri Regional/State Meeting	February 18	Columbia, MO
California-Nevada Regional/State Meeting	February 18-19	Monterey, CA
Northwest-Montana Regional/State Meeting	March 4	Missoula, MT
Southeast-East Regional/State Meeting	March 4	Charleston, SC
Regional/State Chairman Training	TBD	Overland Park, KS
NAIC Spring Meeting	March 29-April 1	Orlando, FL
NCIS Fall Train the Trainer Conference	July 22-23	Overland Park, KS
NAIC Summer Meeting	August 16-19	Louisville, KY
NCIS Spring Train the Trainer Conference	November 5-6	Overland Park, KS

NAIC Fall Meeting

November 17-20

Washington, DC