

# TheCloud

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**Farmers Mutual Hail**  
Insurance Company of Iowa

## DEFENDING CROP INSURANCE

FMH President and CEO Ron Rutledge testified before the Senate Ag Committee during a July Farm Bill Hearing, asking for its continued support for affordable and effective crop insurance for producers of all sizes, crops, and regions. Read more on page 2.

“Crop insurance provides farmers, ranchers, and their lenders with certainty that ad hoc disaster assistance cannot provide.”

-Ron Rutledge  
President & CEO

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**Farmers Mutual Hail**  
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## Celebrating 125 YEARS

By upholding a legacy of our own, we approach business with the future in mind, ensuring a financially stable company will be here for generations of farmers to come. We're celebrating legacy this month with a brief look at the Rutledge family's dedication and leadership over the past 125 years on page 8.





# RUTLEDGE DEFENDS CROP INSURANCE

## Providing testimony in Senate Ag Committee Farm Bill Hearing

On Tuesday, July 25, the Senate Committee on Agriculture, Nutrition, and Forestry held a hearing titled “Commodities, Credit, and Crop Insurance: Perspectives on Risk Management Tools and Trends for the 2018 Farm Bill.” Ron Rutledge, President and CEO of Farmers Mutual Hail Insurance Company of Iowa (FMH), provided testimony showcasing the vital role that federal crop insurance plays for America’s farmers and the rural economy.

“Crop insurance provides farmers, ranchers, and their lenders with certainty that ad hoc disaster assistance cannot provide,” Rutledge said. “It provides assistance in a timely manner when disaster strikes. And importantly, farmers are always expected to pay for the protection of crop insurance, unlike ad hoc disaster assistance which is fully-funded by taxpayers.”

Rutledge is the current Chairman of the Crop Insurance and Reinsurance Bureau (CIRB) and serves on the Board of Directors for the National Crop Insurance Services. FMH is celebrating its 125th year as a policyholder-owned, family-run mutual company headquartered in America’s heartland. As an Approved Insurance Provider, FMH underwrites crop insurance policies provided through independent agents, and invests in technology, training, and services to ensure program integrity.

During his testimony, Rutledge asked the Committee for its continued support for affordable and effective crop insurance for producers of all sizes, crops, and regions. In 2016, crop insurance was purchased for more than 90 percent of the nation’s 300 million total acres of cropland.

He urged the Committee to protect crop insurance in the 2018 Farm Bill and oppose harmful efforts such as means

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***“Heading into the 2018 Farm Bill we know we are going to face opposition from those who wrongly believe that the nation’s budget woes can be balanced on the backs of rural America.”***

*-Ron Rutledge, FMH President & CEO*

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testing or cuts to the premium discount for farmers or private sector delivery.

“Crop insurance is a big tent. Our industry covers farmers of all sizes and covers more than 100 different commodities, including a significant number of specialty crops,” Rutledge said, referencing the broad coalition of farm, lending, ag input, conservation, and crop insurance and reinsurance stakeholders who work together to preserve crop insurance.

“Heading into the 2018 Farm Bill we know we are going to face opposition from those who wrongly believe that the nation’s budget woes can be balanced on the backs of rural America and who see farm programs, including crop insurance, as a bank account to draw down at will,” Rutledge added.

“During the upcoming Farm Bill debate, we fully expect to see attacks that pursue cuts to the private sector delivery system for crop insurance, seek cuts to premium discounts for farmers and demand means testing for crop insurance. We oppose each of these proposals to harm crop insurance and urge the committee to stand united with us in that opposition.”

*Source: Crop Insurance and Reinsurance Bureau*

## 2017 MID-YEAR FMH CLAIMS REPORT

A wet planting season and early hailstorms generated a majority of the claims received so far this year. As of July 31, FMH has had a total of 23,893 claims reported for both MPCl and Private Product lines of business. For comparison, the total was only 18,802 claims this time last year.

### Crop Hail

Hail storms started sweeping across the Midwest in early May and didn't slow down into summer. June was a particularly hard-hitting month, and was a reminder of the importance of having good, comprehensive crop hail coverage.

By the end of July, FMH had received 9,676 Crop Hail and private product claims. The states with the highest claim activity were Iowa, Nebraska, and Illinois, respectively. These states account for nearly half of the crop hail claims received so far.

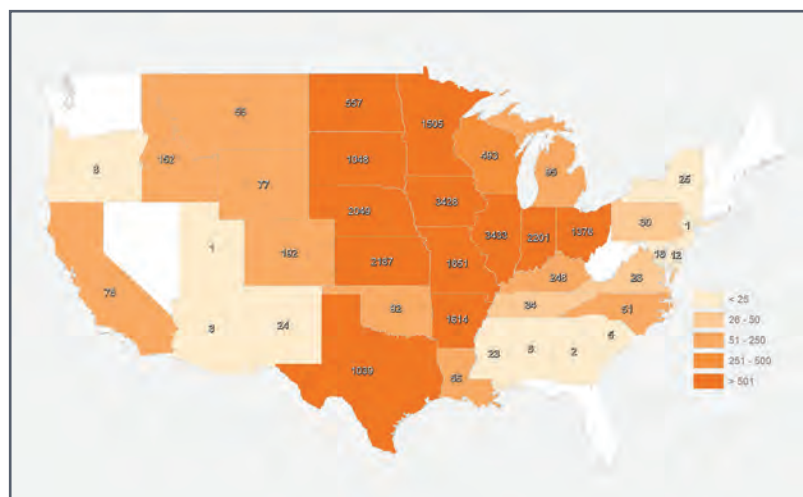
### MPCI

Early season rains at planting or right after planting caused a majority of FMH's MPCl claims, with replant and prevented planting claims being the most popular claim type this year to date.

By the end of July, FMH had received a significant 14,217 claims for MPCl. Illinois, Indiana, Kansas, Iowa, and Missouri had the highest claims activity, respectively, and account for just over half of the received claims. Arkansas and Ohio also deserve a mention, as these states come in sixth and seventh place for most claims, with each having over 1,000 reported claims as of July 31.

"As we enter into the most critical part of our liability exposure, we will continue our focus on and dedication to our claim service," said Larry Ewart, Senior Vice President of Claims. "The goal at FMH has always been to pay all claims in a fast, fair, and accurate manner. It's a known fact that outstanding claims service drives this business."

### MPCI & Crop Hail Claims Map



2017 Claims YTD (includes both open & processed claims)

## PRECISION CLAIMS PROVIDE SPEED AND ACCURACY

### DID YOU KNOW?

Producers don't have to report acreage or production via Automated Crop Reporting (ACR) to use Precision Claims. To be eligible, they just need to:

- Record Planting Data
- Calibrate
- Record Harvest Data

Precision Claims use the precision data that is already being collected within a producer's Farm Management Software (FMS) for claim settlement.

### WHAT IS NEEDED TO PROCESS A PRECISION CLAIM?

Only a few pieces of documentation are needed to complete a Precision Claim:

- Seeding Map
- Wet-Weight Yield and Moisture Map
- Calibration Report

No need for feed records, bin measurements, settlement records, or a load log!

### BENEFITS

#### Faster Payment

With fewer documents and accurate records, adjusting a claim can take just a fraction of the time a traditional claim may take.

#### Most Accurate

Have the confidence that the producer's data is submitted accurately, consistently, and completely – which results in the most fair loss payment.







# 2018 MPCCI FALL UPDATE MEETINGS

There's still time to join us for a 2018 MPCCI Fall Update meeting! Trainers will go over 2018 MPCCI program changes and subsequent impacts to policy processing, fall crop reminders and actuarial changes, FMH Agent Center highlights, and Margin Protection training where applicable.

All meetings begin promptly at 9:00 a.m. and will conclude at noon. Please arrive 30 minutes early to check-in. Lunch will be served at the meeting.

**Register now at [FMH.com/training](https://www.fmh.com/training).**

## **Colorado**

8/24/17 Sterling

## **Indiana**

8/24/17 Bloomington  
8/31/17 Kokomo

## **Michigan**

8/29/17 Frankenmuth

## **Minnesota**

8/31/17 Willmar

## **Mississippi**

8/22/17 Southaven

## **Missouri**

8/23/17 Kansas City  
8/23/17 Miner  
8/24/17 Columbia

## **Nebraska**

8/29/17 Scottsbluff  
8/30/17 Ogallala  
8/31/17 Kearney

## **North Dakota**

9/6/17 Mandan  
9/7/17 Fargo

## **Ohio**

8/30/17 Lima

## **Wisconsin**

8/23/17 Eau Claire  
8/24/17 Madison

Questions about the meetings can be sent to FMH Training & Development at [FMHTraining@fmh.com](mailto:FMHTraining@fmh.com).

# MARGIN PROTECTION TO BE OFFERED FOR 2018

FMH will be offering Margin Protection (MP) in RY 2018.



## How does Margin Protection Work?

- A Margin Protection policy provides coverage against an unexpected decrease in operating margin (revenue less input costs).

### Allowed Inputs Subject to Price Change

|          |  |
|----------|--|
| Corn     | Diesel, Urea, Diammonium Phosphate (DAP), Potash, Interest   |
| Soybeans | Diesel, DAP, Potash, Interest                                |
| Rice     | Diesel, Urea, DAP, Potash, Interest                          |
| Wheat    | Diesel, Urea, Monoammonium Phosphate (MAP), Potash, Interest |

- MP is area-based, using county-level estimates of average revenue and input costs to establish the amount of coverage and indemnity payments.
- MP can be purchased by itself, or in conjunction with a Yield Protection or a Revenue Protection policy.
- To the extent that the average margin for a county is lower than expected, due to a decrease in revenue and/or an increase in input costs, Margin Protection will cover a portion of that shortfall.
- Sales Closing Dates are September 30, 2017 for Corn, Soybeans, and Spring Wheat; and January 31 or February 28, 2018 for Rice

## Enhancements and Expansion for 2018

- 95% coverage level now offered (Coverage levels are 70-95% in 5 point increments)
- Harvest Price Option now available
- Protection Factor included (80-120% in 1 point increments)

### States Available (in select counties)

|          |  |
|----------|--|
| Corn     | IL, IN, IA, KS, MI, MN, MO, NE, ND, OH, SD, WI |
| Soybeans | IL, IN, IA, KS, MI, MN, MO, NE, ND, OH, SD, WI |
| Rice     | AR, CA, LA, MS, MO, TX                         |
| Wheat    | MN, MT, ND, SD                                 |

Please watch for more information on product comparisons, quoting, marketing materials, and additional details to be communicated in the near future.



## ANNUAL REINSURANCE MANAGERS MEETING

The annual FMH Reinsurance Managers Meeting was held in West Des Moines, Iowa in late June. Managers, board members, and key staff from all FMH direct reinsured mutual insurance companies were invited, along with their families.

“FMH is extremely lucky to have the clientele we have. They prove year-in and year-out why they typically outperform their peers,” said Ron Kuethe, Executive Vice President of Reinsurance.

“Each year, we offer this meeting with the goal of providing them with educational sessions geared towards ensuring that they continue to ‘stand out.’ The sessions typically cover topics ranging from underwriting, claims, technology, financial analysis, and client-company panels on current issues. In addition, each year we bring in speakers from outside the insurance industry to provide more of an ‘outside-in view’ of what other industries are doing that could be adopted by our client companies.”

This year’s keynote speaker was Karen Furtado, a Partner at Strategy Meets Action. Other speakers included Iowa’s Insurance Commissioner Doug Ommen, Iowa State University Director of Athletics Jamie Pollard, and Director of Cooperative Development Stacey Webster of the Iowa Institute for Cooperatives.

In addition to the educational opportunities, attendees were invited to the FMH home office for a building tour and dinner, a tour of the John Deere Des Moines Works factory, and golf at the Otter Creek Golf Course.

## NEW & IMPROVED FMH.COM

Check out our redesigned website at  
[www.fmh.com](http://www.fmh.com)!



### Enhanced Navigation

The enhanced navigation makes it easier to find resources and product information.



### Simplified Login

The login process has been simplified for easier access to FMH systems.



### Responsive Design

The new responsive design provides users with the best experience across mobile phones, tablets, and desktops.



### Modern Look

The new modern look creates a clean layout for the content users value most.

## RECENT SYSTEM UPDATES

### Final Phase of FMH Claims Center Launch Complete

FMH has completed the final phase of the launch of the FMH Claims Center (FMHC), a new claim processing system for adjusters. Built and released in six phases, the launch began in December 2016, and with this final release, the system is now fully-functional to meet the needs of all claim types.

Though agents will be minimally impacted by the launch, they can expect to see improvements in the FMH Agent Center (FMHA) and adjuster technology because of the new system.

- FMHC has e-signature capabilities, meaning insureds only need to sign claim documents once per visit with the adjuster, rather than multiple pages.
- The new system also brings touch screen technology to the field, and will allow for quick viewing of documents and signing without the need for a pen.
- Completed claim documents are now immediately and electronically uploaded to the FMH Agent Center once an adjuster finalizes a claim - reducing the time an agent needs to wait to view the documents.

In addition to these improvements, agents will continue to experience the benefits of tracking claims within FMHA, including instant adjuster assignments, agency status reports, and the claim activity log in each policy. These reports allow agents to stay up-to-date in every step of the process.

### eCrop System Access

On October 1, agent access to eCrop will be disabled. Much of the information previously contained in eCrop has migrated into the FMH Agent Center and remains available to agents. This message only applies to agents who have eCrop access.

Please contact your Insurance Specialist with any questions.







## FMH RECEIVES CISCO DIGITAL INNOVATION AWARD

In early July, Farmers Mutual Hail was honored to receive the Cisco Digital Innovation Award for leading the way in providing an enhanced digital experience for employees, customers, and business partners.

FMH is the only company in Iowa to receive this award this year, and one of only four companies selected in the Midwest region. The other winners are companies in Missouri, Nebraska, and Kansas.

“Each state had several nominees, which were considered based on their strategic objectives supporting customers and employees around digital innovation,” explained Larry Casey, Chief Information Officer and Senior Vice President of Information Technology. “Final nominees were voted on and selected by the Cisco account teams, leadership team, and engineers. The basis of the innovation award is that FMH has adopted a forward thinking infrastructure approach to running the company, which is called converged infrastructure.”

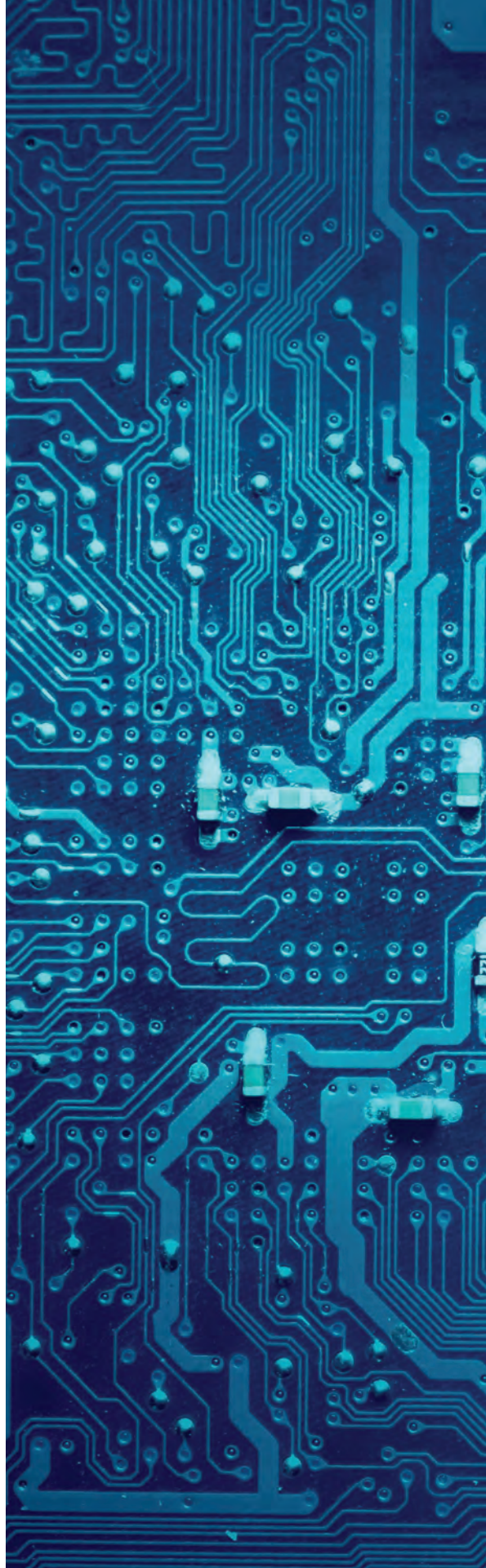
A converged infrastructure aligns multiple IT components such as servers, data storage devices, software, and networking equipment into a single computing package, which optimizes management and automation. By creating a converged infrastructure, FMH is able to meet the technical needs of employees, agents, and customers much more quickly and efficiently.

“FMH selected Cisco and NetApp to provide the core hardware on which we run the company. Cisco was selected for their leadership and innovation in core networking and computing capabilities. NetApp was selected for their class-leading performance and features in enterprise data storage,” said Dru Lesnick, Assistant Vice President Information Technology and Corporate Security Manager.

“The Information Technology technical services team has been working in partnership with IP Pathways, Cisco, and NetApp to implement this solution throughout the summer,” Lesnick added. “This is a large effort with multiple impacts. Our expectation is that the transition will be seamless to our customers and provide an infrastructure platform to support the company for the next five to six years.”

The award was presented to key members of the FMH IT team, and will be displayed with other corporate accolades near the FMH home office lobby.

“This demonstrates FMH’s continued investment in advancing technology to drive better customer experiences,” said Casey. “I’d like to thank the entire IT team, our partners, and FMH executive leadership for accomplishing this initiative and achieving this award.”







# *Celebrating* **LEGACY**

A nationwide company with a family-run legacy is unique these days, and a source of pride at Farmers Mutual Hail. Just as farms are passed down through families, FMH has been passed down from one generation to the next - managed by the same founding family. By upholding a legacy of our own, we approach business with the future in mind, ensuring a financially stable company will be here for generations of farmers to come.

As many of our employees, agents, and business partners are aware, it is the Rutledge family which has been involved since the beginning. This is a brief look at their dedication and leadership over the past 125 years.

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**“ Now it is not my contention that the Rutledge brothers are exceptionally capable, exceptionally wise, exceptionally honest, or exceptionally anything else. They are just common, everyday, plodding persons, all farm-bred, which in itself is to their credit. ”**

- FMH Founder W.A. Rutledge, 1948

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*Contributing Writer: Tim Rutledge*



## Before FMH

The Rutledges typified the hardworking persona of the Great Plains settlers. W.A.'s father, Foster, settled his family near Early, in northwest Iowa, in the 1880s. W.A. and his brothers engaged in various pursuits, served as community leaders, and grew the communities in which they lived.

## Rutledges Become Majority on Board

In 1901, four of the nine board members attempted to take control of the association due to W.A.'s attention to other interests. Failing to convince the other board members, they instead resigned. The board was reduced to five members, four of whom were Rutledges. As a result, the future of FMH – often known as “the Rutledge Company” – has remained in the hands of the family to the present day.



## Family Values

In 1993, FMH celebrated its Centennial Anniversary. During the celebration, the Company found that many employees' careers regularly spanned over 30 years, as well as multiple generations of non-Rutledge families employed by FMH. It was clear that over the past century the Company had succeeded in the transfer and utilization of critical values.



## Celebrating 125 Years

For 2017, our quasiquintennial year, the family remains firmly rooted in the qualities that have led our customers to depend on the “Old Reliable” for 125 years: fairness, loyalty, and service. What

began with W.A. Rutledge and his brothers has transcended into an enduring legacy for all who contribute to the cause of the Farmers Mutual Hail Insurance Company of Iowa.

## FMH's Founding

W.A. applied the concept of mutual insurance to the menace of hail, and in 1893 created the Farmers Mutual Hail Insurance Association of Iowa. His wife Jessie wrote 2,650 policies by hand that year. Several of his brothers helped adjust losses and grow the business.



## Involved Management

By the 1970s and 1980s, FMH had established a paternalistic feel. Efforts to provide modern benefits and pay equity made FMH a desirable firm to work for. Presidents Al and Dave Rutledge led the Company with involved management, creating an effective environment for office and field staff.



## Growth and Expansion

Under the guidance of President Bill Rutledge, 1999 saw FMH begin participation in the Multiple Peril Crop Insurance program, putting the Company in a position to offer more comprehensive crop protection than ever.

As FMH's territory continued to grow and expand under President Steve Rutledge, so too did its staff. In 2005, FMH moved into new headquarters in West Des Moines after outgrowing its Grand Avenue office in Des Moines, which had served faithfully for 50 years.

Current President Ron Rutledge has overseen continued growth. In 2011, FMH merged with Central Iowa Mutual, greatly expanding its Property & Casualty presence. Then in 2015, the Company acquired John Deere Crop Insurance, nearly doubling FMH's size and achieving a nationwide footprint. As other companies were leaving the industry, FMH proved its commitment to crop insurance and to the legacy of the American farmer by investing in it.

***“Like most of the Rutledge family, I grew up with pink pencils and FMH caps and had the Company in my blood before I knew what the Company was. I heard all of the stories of the original eight brothers and the saga of how the ‘Rutledge’ company, as it was called a century ago, grew to be the company it was when I started working in 1981. The family has had the privilege of being the stewards of Farmers Mutual Hail for over a century and the longevity of its existence is a tribute not only to the vision that W.A. Rutledge had 125 years ago, but to the values and integrity he stood for then that still guide the Company today.”***

*- Ron Rutledge, President and CEO*

## FMH SPONSORS 8TH-ANNUAL CHARITY GOLF EVENT FOR OVARIAN CANCER COMMUNITY OUTREACH ORGANIZATION

On July 28, supporters of the Ovarian Cancer Community Outreach Organization teed off at the 8th annual “Tee Up for Ovarian Cancer” charity golf event, hosted at Thornberry Creek Golf Course in Oneida, Wisconsin.

The non-profit, 100-percent-volunteer organization was founded in 2009 by the late Connie Rutledge, sister of FMH president Ron Rutledge, while she was fighting her own personal battle with ovarian cancer. In addition to golf, the event also featured dinner, raffles, and a silent auction, with all proceeds going to benefit regional cancer research institutes.

FMH was a Teal Sponsor of the event, and has donated \$10,000 to the Ovarian Cancer Community Outreach organization in 2017 alone. FMH has donated over \$72,000 since the organization’s inception.

“It is truly an honor and a pleasure to support the continuing efforts of the Ovarian Cancer Community Outreach that was founded by my sister,” said Ron Rutledge. “Connie was a champion at making a difference in peoples’ lives and her legacy is a tribute to her unending quest to help people.”

During the course of Connie Rutledge’s treatment for ovarian cancer, she discovered three important things that shaped the mission of her organization: many women weren’t aware of the symptoms of ovarian cancer, they couldn’t cope with the financial burden of treatment and, finally, she truly believed that finding a cure was possible. These three tenets — awareness, support, and hope — formed the foundation of Connie’s organization. She passed away in September 2010, but the group continues on in her memory.



*FMH President Ron Rutledge (right) and his wife, Tammy (middle right), with their team at the 8th annual OCCO golf event.*



## FMH EMPLOYEES AND FAMILIES WALK IN IOWA STATE FAIR PARADE



The annual Iowa State Fair Parade had an entry this year that hasn’t been part of the parade for 25 years: Farmers Mutual Hail!

To celebrate the company’s 125th anniversary, employees and their families were invited to walk alongside a new FMH truck during the parade on August 9. FMH was part of the parade in 1993 to celebrate the company’s centennial anniversary.





# PEOPLE IN THE NEWS

## NEW HIRES, PROMOTIONS, AND TRANSFERS



**Jim Harbert** has been promoted to Field Claims Supervisor II.



**Jason Fergusson** has been promoted to Field Claims Supervisor II.



**Eric Daugherty** has been hired as a Lead Adjuster I in Illinois.

## SUMMER EMPLOYEE & INTERNSHIP PROGRAM

Farmers Mutual Hail is proud to announce the success of another summer employee and internship program this year.

Each summer, college students are placed in various departments throughout the company to gain experience in a field or career in which they have interest. Over the past few years, FMH has started enhancing the summer employee program with more structured internship opportunities. This summer, FMH brought in eight interns: four in the field, three in IT, and one in marketing. This is a great way to introduce students to the agriculture and insurance fields. The long-running summer employee program has introduced several of our full-time employees to FMH in past years. The service that we provide our agents and policyholders would not be possible without their help.

Farmers Mutual Hail would like to thank our summer employees and interns for their hard work over the summer. We wish them the best in their future endeavors and as they head back to school.



**2017 Summer Field Interns** (pictured left to right): Marcus Faust, Elliot Callow, David Klein, and Tyler Danilson



**2017 Home Office Interns and Summer Employees** (pictured left to right): Jonathan Gunti, Zach DeMouly, Kale Biehl, Kate Faga, Jacob Mury, Fuller Biehl, Sam Hermes, and Nathan Ladehoff

## IN MEMORY

### **Virginia Pattee**

We regret to inform you of the passing of FMH retiree Virginia Pattee of Urbandale, Iowa, on June 17, 2017, at the age of 88.

Virginia worked at FMH for 30 years as an administrative assistant. She never missed a day of work.

Virginia grew up in Missouri Valley, Iowa. She and her husband, Warren, moved to Urbandale in 1954, where they raised their four sons. She was very involved in raising her sons and participating in their hobbies, school and sports. She was always up for a concert especially the Rolling Stones or Pink Floyd, a picnic or softball game. She loved gardening, and was an avid Chicago Bears and Cub fan.

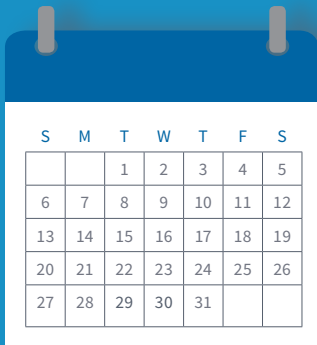
Our thoughts and prayers are with her family and friends.

### **Dennis Wilt**

We regret to inform you of the passing of longtime FMH adjuster Dennis Wilt of Shelbina, Missouri, on July 23, 2017, at the age of 52.

Dennis adjusted for FMH from 2003 to 2014. Born in Hannibal, Missouri, Dennis worked as a farmer and crop adjuster throughout his life. He enjoyed watching Cardinal baseball and being outdoors, and he especially liked fishing and hunting. Most of all, he loved spending time with his wife, Laura, and their family and friends.

Our thoughts and prayers are with his family and friends



## MARK YOUR CALENDARS!

Join FMH at these  
upcoming events

### Farm Progress Show

Decatur, Illinois  
August 29-31, 2017  
[Farmprogressshow.com](http://Farmprogressshow.com)

### Harvest Husker Days

Grand Island, Nebraska  
September 12-14, 2017  
[Huskerharvestdays.com](http://Huskerharvestdays.com)

### The Ag Data Conference

Iowa City, Iowa  
November 29-30, 2017  
[Theagdataconference.com](http://Theagdataconference.com)

### Farm Futures Business Summit & Ag Finance Boot Camp

Coralville, Iowa  
January 18-19, 2018  
[Farmfuturessummit.com](http://Farmfuturessummit.com)

## TheCloud

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