

# TheCloud

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**Farmers Mutual Hail**  
Insurance Company of Iowa

## A YEAR IN REVIEW

In his reflection on 2016, President and CEO Ron Rutledge discusses the transitions felt through the policy migration project and the company's year-end results for the Reinsurance, P&C, Crop Hail, and MPCl lines. Read more on page 2.

### NEWSLETTER HIGHLIGHTS :

“Change is always a little painful, but I'm very pleased to see that a lot of folks have gone from being apprehensive of change to embracing it.”

- Ron Rutledge  
President & CEO

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## FMH INCENTIVE TRIPS

Check out our line-up of upcoming incentive trips for this year, including a Minnesota Twins game, the 2017 Solheim Cup, and a pheasant hunt. Plus get a sneak peek at our Platinum Trip for 2018: Carmel-by-the-Sea and Napa Valley! Read more on page 4.





# 2016: A YEAR IN REVIEW

with President & CEO Ron Rutledge

It seems like every time I look back at the year gone by I find it 'amazing.' Sometimes because of results - good or bad, sometimes because of storms - or the lack of them, and sometimes because of the challenges we faced or the progress we made in our endeavors. 2016 didn't disappoint me from any of those perspectives. It was an amazing year on a multitude of fronts, and to our delight, most of it was amazingly good.

The year gone by was a year of transition; transition that was expected, and which we are glad to have in our rear view mirror. Our acquisition of John Deere Insurance Company in 2015 required a lot of work at the time, but for our agents and customers it was pretty much business as usual. 2016 was a little different.

Getting all of our business into one computer system was essential in 2016 and the policy migration that we started the year with was a big, big deal. At times it wasn't as smooth as we would have liked, but we had a good plan in place, great effort from the entire company, and worked our way through the complications we encountered. I know we tested the patience of some of you a time or two along the way, and I sincerely thank you for working through this initiative with us.

**“ Change is always a little painful, but I’m very pleased to see that a lot of folks have gone from being apprehensive of change to embracing it, and even so far as being genuinely excited about the functionality and new capabilities of the FMHA system. We are close to finishing up the last of the migration tasks and look forward to focusing our efforts on just one system! ”**

- Ron Rutledge  
President & CEO





Our 2016 MPCI results are nothing short of stellar with the projected loss ratio at just over 28 percent. The stability in prices was a little surprising considering the bin-buster harvest we experienced. The average loss ratio for the last five years is still a little over 96 percent, and the fact that it took a year like 2016 to get it back under 100 percent is a reminder of how tough years like 2012 and 2013 can be for us.

The 2016 Crop Hail loss ratio is projected to come in at a little over 57 percent – a profitable year for this line, too.

Our Canadian crop insurance business didn't fair too well this year, and that has had the biggest impact on the Reinsurance Division results. In spite of this, they will have a small profit.

Our P&C Division was on the bubble close to year-end, but Mother Nature gave us a lump of coal for Christmas in the form of wind storms on December 25, and we will post a little red ink this year.

Being in multiple lines gives us a nice spread of diversity, and with the year we had in MPCI, we will make a nice addition to surplus. Our conservative management continues to keep us financially strong and makes Farmers Mutual Hail a company you can count on year after year, in good years and bad.

Thanks to our employees for your dedication and hard work, to our agents for your business and your confidence in FMH, and to our reinsurers for your long-term support that we can't do without. We have an amazing group of partners on every level, and I look forward to another successful year with all of you in 2017!

*Being in multiple lines gives us a nice spread of diversity, and with the year we had in MPCI, we will make a nice addition to surplus*

**MPCI**  
PROJECTED LOSS RATIO  
**28%**

**CROP HAIL**  
PROJECTED LOSS RATIO  
**57%**

WE HAVE AN AMAZING GROUP OF PARTNERS ON EVERY LEVEL, AND I LOOK FORWARD TO ANOTHER **SUCCESSFUL YEAR WITH ALL OF YOU IN 2017!**

## CHRISTMAS DAY DAMAGE IN MIDWEST

The P&C Division received a not-so-welcome Christmas surprise on December 25: a rare December wind storm occurred in Iowa, Minnesota, Nebraska, and South Dakota. This wind event resulted in over \$1.4M of incurred losses for FMH.



Damaged cattle shed  
Sioux County, Iowa



Damaged machine shed  
Yankton County, South Dakota

## RIVIERA MAYA INCENTIVE TRIP IS SUNNY SUCCESS

In mid-January, FMH hosted an incentive trip for our top producing agents in the beautiful Riviera Maya, Mexico. Attendees were invited to enjoy natural splendors where the pristine waters of the Caribbean Sea, lush Yucatan jungle, and gorgeous white sand beaches meet.

Participants welcomed the relaxed-island feel while immersing themselves in one of several curated experiences; agents chose among an ocean safari, deep sea fishing, Paradise Reef adventure, or a tour of ancient Mayan sites, as well as a shopping shuttle to downtown Playa Del Carmen.

The incentive trip created ample opportunities for attendees to celebrate the accomplishments of 2016 and anticipate the upcoming 2017 sales year.



## 2017 INCENTIVE TRIPS

If you are eligible to attend the following trips, your agency will receive an email invite to register. More information about availability will be included in the registration email.

### Minnesota Twins VS. Cleveland Indians Game

Minneapolis, Minnesota | Saturday, June 17, 2017

Join us for America's favorite past time! FMH will host a tailgate for guests before cheering on our teams during the big game. Afterwards, guests can enjoy the night-life of the Twin Cities before tucking in at the luxurious Loews Hotel in downtown Minneapolis.

### 2017 Solheim Cup

West Des Moines, Iowa | August 17-20, 2017

This prestigious event matches the best professional female golfers from the United States against the best female players from Europe. Tickets will be available for all days of the tournament (Thursday-Sunday). Attendees will enjoy food and beverage at the climate-controlled FMH-sponsored tent on the 16th hole.

As the event is located just two blocks from the FMH Home Office, office tours will also be available during the week. A limited number of hotel rooms will be available at the Staybridge Inn & Suites and Hampton Inn & Suites, which are both located within three blocks of the event.

### Pheasant Bonanza Hunt

Tekamah, Nebraska | Oct 11-12, 2017

Experience a hunt like no other with FMH this fall. Enjoy a two-night stay at the lodge, along with a guided, full-day upland hunt with dogs (six rooster limit), and two group dinners. Clay shooting, bird cleaning, ammo, and permits will also be included.

## PLATINUM TRIP FOR 2018 CARMEL-BY-THE-SEA/NAPA VALLEY

Our top producing agencies will be invited to join FMH next April 18-24 as we enjoy the breathtaking views and delicious foods and wines that can only be found along the northern California coastline! The private products premium written with FMH in 2017 will determine the agencies that qualify for this trip. Contact your District Sales Manager for more details.



# 2017 INDUSTRY ASSOCIATION COMMITTEE MEMBERS

*FMH Thanks These Individuals for Their Contributions to the Industry*

We are very proud to have so many FMH employees that volunteer their time for industry committees and associations. We would like to recognize those who are currently serving terms and thank them for their extra time and effort above and beyond their daily responsibilities.

## **Chris Burkett**

Member, National Crop Insurance Services (NCIS) Actuarial & Statistics Committee

## **Ryan Benes**

Member, Crop Insurance and Reinsurance Bureau (CIRB) Emerging Leaders Program

## **Larry Casey**

Member, NCIS TIP Committee  
Member, Technology Association of Iowa  
Member, Iowa CIO Forum

## **Larry Ewart**

Chairman, NCIS Crop Hail Policy, Procedure, and Loss Adjustment (CHPPLA) Committee

## **Pat Faga**

Board of Directors and Treasurer, Iowa Insurance Institute

## **Carrie Flynn**

Board of Directors Communications Co-chair, National Agri-Marketing Association (NAMA) Iowa Chapter

## **Chad Groen**

Co-chair, NCIS Minnesota Crop Hail School

## **Nick Harris**

Co-founder and Vice President, Central Iowa Customer Service Leaders

## **Chock Hefner**

Member, CIRB Emerging Leaders Program

## **Tracy Klever**

Member, NCIS Training & Education Committee

## **Grant Krohn**

Member, NCIS MPC Policy Procedure and Loss Adjustment (PPLA) Committee

## **Candy Magee**

Board of Directors and Education Committee Chair, Intermediaries and Reinsurance Underwriters Inc. (IRUA, Inc.)

## **Rob Martin**

Member, Illinois Association of Mutual Insurance Companies (IAMIC) Education Committee

## **Scott McEntee**

Board Member and Mentor, Global Insurance Accelerator  
Board Member, Ag Tech Accelerator  
Chairman, Insurance Accounting and System Association (IASA) Membership Committee  
Member, IASA E-Learning Committee  
Member, IASA Strategic Planning Committee

## **Becky Piechowski**

Member, NCIS Communication & Outreach Committee

## **Jim Polish**

Board Member, Iowa Farm Safety Council  
Chairman, MIAI Claims and Loss Control Committee

## **Ron Rutledge**

**Ron Rutledge has recently been elected to serve as Chairman of CIRB for the 2017 through 2018 term.**

Board of Directors, Executive Committee, and Chairman, CIRB

Board of Directors and Audit Committee, NCIS

## **Shannon Rutledge**

Member, NCIS Program and Development Committee (PDC)

## **Curtis Swain**

Member, CIRB Emerging Leaders Program

Member, NCIS Legal Affairs Advisory Board

## **John Thompson**

Co-founder and Secretary/Treasurer, Central Iowa Customer Service Leaders

## **Bryant Tjeerdsma**

Member, NCIS Underwriting and Operations Committee

## **Lance Van Vleet**

Member, Securities & Insurance Licensing Association (SILA)

Member, Insurance Carrier Relations Committee

## **Renee Walters**

Member, MIAI Planning Committee  
Board Member, NAMIC Merit Society Board of Directors



# USING SOCIAL MEDIA TO SUPPORT CROP INSURANCE

The use of social media continues to grow rapidly, including within farmer and rural populations. A *Farm Futures* study published in July 2016 found that 46 percent of farmers are using Facebook. Of those, just over half were age 35 and under. As this next generation of farmers makes more operation and business decisions, social media can become an important communication tool for an agency.

Agencies can use the platform to share information about upcoming dates, meetings, and relevant tips and advice. They can also use social media to raise awareness about the agency's value, involvement in the community, and important causes. By regularly sharing important and relatable information, an agency can become a source of knowledge for its customers, and a way to connect with potential customers.

On a larger scale, social media can be used to spread information and support for the agriculture and crop insurance industries. As the government turns its attention to the 2018 Farm Bill, sharing facts and success stories on social media can go a long way to support both industries and counteract misunderstanding about farming and farming risk management needs.

Crop insurance companies, industry associations, and advocates joined together this year to start a grass-roots movement on social media platforms to support the industry. Most notably, National Crop Insurance Services (NCIS) and the Crop Insurance

and Reinsurance Bureau (CIRB) gathered facts and content for posts to be shared by companies, agencies, and farmers. Farmers Mutual Hail will be sharing these facts on the company's Facebook, Twitter, and LinkedIn pages. Agencies can simply follow FMH on one or all of these platforms, and share or copy the posts for their agency pages.



**FarmersMutualHail**



**@FMHIns**



**Farmers Mutual Hail Insurance**

**Like FMH on Facebook or follow on Twitter  
with your agency page and we'll like and  
follow you back!**



## TIPS TO GET INVOLVED IN SOCIAL MEDIA



### Start with one platform

Facebook is most popular with farmers, so it would be a good place to start.



### Follow Farmers Mutual Hail and other industry associations

Follow industry-related pages and share the content they post, or re-use that content for a more customized post on your agency's page.



### Posts can be simple

Community involvement, event reminders, and interesting news stories related to your business make for good content.



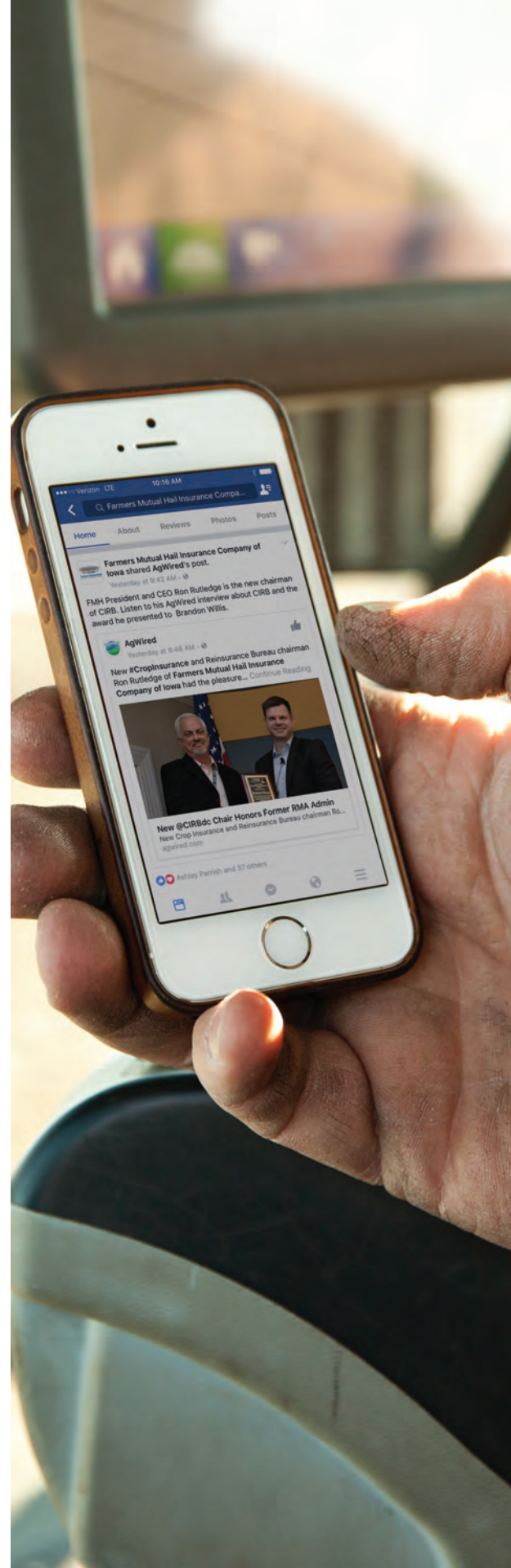
### Quality over quantity

When getting started, do not worry about frequency of posts. Share relevant information when you can to get used to incorporating social media into your business communication plan.



### Photos and videos catch attention

Share an interesting photo during planting or harvest, or share photos of your agency's employees volunteering in the community.



ACCORDING TO A RECENT SURVEY BY FARM FUTURES



**46%**  
**OF FARMERS**  
**USE FACEBOOK**

21% OF THOSE AGE 35 & YOUNGER

**ADVOCATE FOR**  
AGRICULTURE ON FACEBOOK



**OVER**  
**HALF**  
— ARE —  
**35 &**  
**YOUNGER**



# NEW FMH CLAIM PROCESSING SYSTEM BENEFITS AGENTS AND INSURED

In mid-December, FMH launched the FMH Claims Center (FMHC), a new claim processing system for adjusters to begin using for all 2017 claims. 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.

### E-SIGNATURE CAPABILITIES

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.

### REDUCED CLAIM DOCUMENT WAIT TIME

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. Agents may also notice that many claim documents in FMHA have been updated to meet FMH document standards. One of the updated documents, the Notice of Loss form, is also now printable.

### STAY UP-TO-DATE

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.

## 2017 ADJUSTER SCHOOLS

Providing outstanding service for policyholders is a key component to FMH's long-term stability and success. Our large staff of adjusters plays an essential role in providing the World Class service that FMH is so well-known for throughout the nation.

Our adjusters must complete a substantial amount of training each year to ensure accurate adjustments and quality service. In addition to field days, one-on-one training, and specialty classes, FMH is holding two, three-day adjuster schools that will cover MPCI topics of importance for adjusters in the company. Below are the dates and locations for this year's adjuster schools.

### 2017 ADJUSTER SCHOOL DATES

#### February 20-23

Location: Sheraton Hotel  
West Des Moines, Iowa  
  
Best school for: Delta, Midwest,  
Northeast, Southeast, Southwest &  
West Central Regions

#### March 20-23

Location: Sheraton Hotel  
West Des Moines, Iowa  
  
Best school for: East Central,  
Far West/Dakota, Great Lakes &  
Northern Regions



## POLICY MIGRATION COMPLETED AHEAD OF SCHEDULE



Farmers Mutual Hail has completed the final phase of the policy migration project. The final phase involved keying the remaining 2016 eCrop Crop Hail policies with a Goodstanding status into RY 2017 in the FMH Agent Center (FMHA).

“This is a significant accomplishment. I cannot thank the employees involved in this project enough, and all of our agents for their patience,” said Executive Vice President and COO Shannon Rutledge.

The policy migration project began in the fall of 2015. Phase I included the migration of all 2016 spring MPCI policies from eCrop into FMHA before the March 15 sales closing date, and was completed ahead of schedule. Phase II included the migration of 2017 fall MPCI policies, and was completed on time. The final phase – moving the remaining Crop Hail policies – could not begin until December 2016 due to a system dependency on the 2017 spring ADM load. This phase was completed ahead of schedule.

### Crop Hail Agents New to FMHA

Now that all policies are in FMHA, agents are responsible for proofing all of their migrated policies in the system. Agents are also responsible for keying any 2017 policy changes and new applications following the migration.

Training webinars and guides are currently available for agents new to the system, or those that are new to processing Crop Hail in FMHA. Impacted agents should watch their email for information on upcoming FMHA system training webinars, or contact the FMH Training Team if they have any questions at [FMHTraining@fmh.com](mailto:FMHTraining@fmh.com).

## POLICYHOLDER CENTER SUCCESSFUL LAUNCH IN JANUARY

FMH policyholders can now easily access crop policy provisions, coverage details, and agency contact information online through the new FMH Policyholder Center. Check out the December 2016 Cloud to learn more about it.



## QUICKBIND LAUNCHES FEBRUARY 2017

The new QuickBind Application from FMH will allow agents to secure Crop Hail coverage for their insureds from anywhere, at any time. QuickBind is currently available for states with Crop Hail rates loaded in FMHA. Check out the December 2016 Cloud to learn more about it.

# PEOPLE IN THE NEWS

## NEW HIRES, PROMOTIONS, AND TRANSFERS



**Pat Faga** has been promoted to Executive Vice President - Property & Casualty Division



**Ron Kuethe** has been promoted to Executive Vice President - Reinsurance Division



**Larry Casey** has been promoted to Senior Vice President - Information Technology



**Debbie Ladehoff** has been promoted to Senior Vice President - Human Resources



**Ken Liljedahl** has been promoted to Senior Vice President - Corporate Administration



**Nancy Bockelman** has been promoted to Assistant Vice President/Accounting Manager II



**Jodie Dalsing** has been promoted to Assistant Vice President - Information Technology



**Curtis Swain** has been promoted to Assistant Vice President/General Counsel



**Rachelle Adams** has been promoted to Insurance Specialist II



**Lyn Bell** has been promoted to Insurance Specialist III



**Elizabeth Benson** has been hired as Accounting Specialist II



**Carol Bishop** has been promoted to Insurance Specialist III



**Leslie Bruett** has been promoted to Insurance Specialist III



**Marlene Churchill** has been promoted to Insurance Specialist III



**Wendi Cihacek** has been promoted to Insurance Specialist III



**Kelly Gates** has been promoted to Insurance Specialist II



**Carrie Gilleland** has been promoted to Associate Insurance Specialist II



**Nick Harris** has been promoted to Help Desk Manager I



**Ryan Hastings** has been promoted to District Sales Manager II



**Tracy Klever** has been promoted to Training & Development Manager II



**Sheri Luett** has been promoted to Claims Analyst II



**Randy Magee** has been promoted to Field Claims Supervisor II



**Jeff Manthei** has been promoted to Field Claims Supervisor II



**Diane Morgan** has been promoted to Insurance Specialist III



**JR Oliphant** has been promoted to Field Claims Supervisor II



**Ashley Parrish** has been promoted to Sales & Marketing Administrator II



**Sayer Peterson** has been promoted to Underwriting/Operations Specialist



**Dan Phelps** has been promoted to Field Claims Supervisor II



**Matt Quindel** has been promoted to Field Claims Supervisor II



**Amber Rikkels** has been promoted to Insurance Specialist III



**Jenny Shoeman** has been promoted to Senior Accountant I



**Dave Snyder** has been promoted to District Sales Manager II



**Greg Taylor** has been promoted to District Sales Manager II



**Brenda Trenter** has been promoted to Insurance Specialist II



**Judy Van Houten** has been promoted to Accounting Specialist II



**Karly York** has been promoted to Insurance Specialist III



**Shannon Cook** Hired as an Associate Insurance Specialist I

**Agent Ervin Eckmann Retires** Congratulations to longtime FMH agent, Ervin Eckmann of Cavour, South Dakota, upon his retirement at the end of December 2016. Ervin was appointed with FMH to write crop hail business in 1979. FMH wishes Ervin the best in retirement and thanks him for his 37 years of service!

## TY KUMLER RETIRES AFTER 29 YEARS



Ty Kumler, Strategic Account Manager, retired at the end of December after 29 years with FMH. Ty's father, Tyke, worked for FMH, and introduced him to crop insurance. Ty started working for FMH as a crop hail adjuster, and then worked as an agent for four years until he was hired as a field supervisor for Northern Ohio in 1987.

**Favorite FMH memory:** "I have so many good experiences and pleasant memories associated with my career, but all of the quality relationships that were made along the way would have to stand out the most. FMH has the ability to attract and keep good people, which says a great deal about the company."

**Plans for retirement:** "I will be joining an agency to write crop insurance, which is going back to where I started in the business back in 1983. In my spare time, I am very much looking forward to enjoying my hobbies including hunting, fishing and woodworking. It has been a real pleasure working with FMH and I would like to thank all of the people that have touched my career over the last 29+ years."

FMH wishes Ty the best in retirement and thanks him for his 29 years of service!



# 2017 MARKETING MATERIALS

Find a variety of advertising and marketing options including updated brochures, booklets, worksheets, and a new selection of branded promotional items.



Go to **STORE.FMH.COM** to order your 2017 marketing materials!

## TheCloud

The Cloud is published six times annually for the agents, adjusters, associates, employees, and retirees of Farmers Mutual Hail Insurance Company of Iowa.

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