



Farmers Mutual Hail
Insurance Company of Iowa

THE CLOUD

Farmers Mutual Hail Insurance Company of Iowa Newsletter

October 2021



FMH CELEBRATES \$1 BILLION IN PREMIUM MILESTONE

For the first time in its history, FMH reached \$1 billion in premium this past July. Find out how far FMH has come over the past 25 years and what obstacles it has faced in reaching this milestone.

Read about how FMH has grown on page 6.

NEW ENHANCEMENTS OFFER AG-FOCUSED INSIGHTS

The redesigned FMH Producer's Corner offers a new and improved experience for agents and producers. Plus, FMH InsureCast is now available on public platforms!

Find the details on page 3.



OCTOBER 2021

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A Look at the Team Behind FMH Precision Solutions

Get to know your Precision team and find out more about what a day in the life of an FMH Precision Technology Specialist (PTS) is like in this recent question-and-answer session.

Read more about what team members do on page 4.

Live Oak Bank Selected as Preferred Lender for Agencies

When you are ready to purchase another book or develop your succession plan, you need a financial partner who understands your needs and is prepared to back your business.

Find out what Live Oak offers on page 8.



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NEW ENHANCEMENTS OFFER AGENTS AND PRODUCERS **AG-FOCUSED INSIGHTS**



Producer's Corner: New & Improved

Now available across our entire footprint, FMH's Producer's Corner has been redesigned for easy web access to commodity futures, local cash bids, weather, news, and the FMH Policyholder Center!

New Look

Updated look and feel to help you find what you need, all in one place.

Mobile-Friendly Design

Now mobile-responsive to accommodate phones and tablets.

Easy to Access

Access directly through a browser on your desktop or mobile device.

Visit fmh.com/resources/producers-corner-redesign for more information and to visit the new Producer's Corner.

Remember that you can access the same great information and features from the desktop version of the Producer's Corner through the FMH Mobile App. Download on the App Store, or get it on Google Play!

FMH InsureCast: Now Available on Public Platforms!

Earlier this year, FMH launched FMH InsureCast, a podcast series designed to bring you the latest FMH and industry information in an on-demand format. Now, you can find the latest InsureCast episodes on many popular podcast platforms, including Google Podcasts, Apple Podcasts, Spotify, Amazon Music, and Podcast Addict!

Be sure to subscribe wherever you get your podcasts so you don't miss our latest episodes. Recent topics include impacts of a high price environment, as well as new crop insurance options to consider, including Margin Protection and PRF. Consider sharing episodes like these with your interested customers, and look out for future episodes on seasonal topics. Learn more at fmh.com/podcast.

Subscribe and listen on these podcast platforms



A LOOK AT THE TEAM BEHIND FMH PRECISION SOLUTIONS

Ever wonder what a day in the life of an FMH Precision Technology Specialist (PTS) is like? Or what the challenges of implementing Precision Crop Insurance Solutions™ might be?

For this Q&A, PTS Evan Harbert interviewed his fellow teammates to discuss the ins and outs of helping agents and producers use their precision data for crop insurance.

FMH's team of specialists focus only on assisting agents and farmers with Precision Solutions, a support system unique to FMH.

Precision Technology Specialists



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WHAT DOES A TYPICAL DAY FOR A PTS LOOK LIKE?

Branden: *It's very seasonal. We recently came out of acreage reporting, which is a busy time for all of us at the computer. We've really started to switch gears the past several months getting into the harvest conversation, talking silage. I get busy traveling after harvest through planting for those prospecting months to bring on new agents and talk expectations with farmers.*

Patrick: *A typical day for a PTS really varies by where everybody is at. A typical day for me now is in my home office. When I get out on the road, a typical day is a lot of windshield time, and trying to get as many visits as I possibly can with agents and get them set up. Also, trying to go visit farmers if I can, and trying to do follow-ups when I get back into my home office.*

HOW OFTEN DO YOU WORK DIRECTLY WITH THE FARMER AND THE AGENT?

Marc: *Primarily, we visit more with agents. It goes back to seasonality. When we're out of acreage or production reporting, we try to get there and meet with the agent in person at their office. If we can, we try to schedule some visits with their farmers that are using precision too. As we get back into the home office, we do a lot of work on the phone and meet virtually through Zoom or TeamViewer.*

Cole: *I work mostly with the agent and have several who are interested in having me work directly with the farmer. A lot of that is done over the phone.*

WHAT'S THE BEST PLACE TO GRAB LUNCH WHEN YOU'RE OUT ON THE ROAD?

Branden: *I can't name just one restaurant — pretty much it's just any small-town restaurant and their daily special. That's something I picked up when I started out adjusting and riding around with our adjusters. They would take me to some pretty good spots.*

WHAT IS SOME OF THE BEST FEEDBACK YOU RECEIVED FROM AN AGENT OR INSURED WHO USED THE PRECISION SOLUTIONS PROCESS FOR THE FIRST TIME?

Joe: *I worked with an agent this year who used the Precision Solutions process for the first time. The best thing she said — after it was all said and done — was how simple it was from what she normally did. She was a little worried about getting into precision because it's a new process for her, but with support from FMH, it was a lot easier than what she thought it would be.*

WHAT'S THE MOST COMPLICATED PART OF IMPLEMENTING PRECISION? AND THE EASIEST?

Patrick: *One of the most complicated things is changing the mentality of acreage or production reporting. For many years with acreage reporting, people were told, "You need to have 578's [FSA crop acreage reports]." So, people got used to that. Then we offered this new thing and tell them, "We can use this, you don't need 578's anymore." Changing that mindset and getting everyone onboard has been one of the most complicated things. The easiest part though is talking about saving acres and money for the farmer; they jump at the idea.*



Drop Us a Line

Interested in learning more about Precision Solutions and how it can benefit your agency? Contact your PTS or the FMH Precision team at precision@fmh.com.

SUMMER FMH EVENTS INVITE **AGENT INPUT AND NETWORKING**

FMH held two recent events that focused on supporting agents, both professionally and personally. The Agent Advisory Council (AAC) met for its annual in-person meeting in Des Moines, IA, and FMH held its first Wellbeing Retreat in Scottsdale, AZ. Each event allowed agents face-to-face time with FMH leadership and industry colleagues. FMH values feedback from its agency partners and opportunities for in-depth discussions through events like these.



Agent Advisory Council Meeting: August 17–18

The AAC met for its annual in-person meeting to discuss results of the 2021 sales season, company updates, new products, and agent tools. During the Division Head Round Table, FMH management spoke to attendees about future company strategy, profitability, industry updates, and the FMH presidential transition. Agents were asked to provide their input on these topics and share examples of their own recent experiences. The meeting also covered several agent tools on sales and risk management as well as precision and mapping systems. In addition, FMH presented on agency succession strategies.



FMH Wellbeing Retreat: August 30–September 2

FMH offered its first Wellbeing Retreat this year to provide an opportunity for invited agents to relax, recharge, and connect. After experiencing the effects of the pandemic, many attendees welcomed the chance to focus on their own wellbeing and personal development. During their time in scenic Scottsdale, AZ, attendees enjoyed networking over group activities including a hike, yoga session, and dinners. FMH also offered attendees a mindfulness workshop and leisure time at the pool and spa.

One attendee reflected, “This was a great way to share ideas and relax with women that have the same business interests. It is rare to have this type of opportunity to interact with women that possess so much talent.”



FMH CELEBRATES \$1 BILLION IN PREMIUM MILESTONE



In the 1996 spring issue of our Cloud newsletter, Tyke Kumler, who was then FMH's Vice President of Sales, authored the front-page column, entitled "Revised Goal: \$100,000,000 Premium, and No, I'm Not Kidding!" Management set a goal of \$94 million in premium for that year.

In his last production season with FMH, Kumler informed agents that, given their "desire to provide your clients with the best service available" and the "steady and continuing rise in the market," the goal of \$100 million of annual premium written was within reach. "If you keep up your present momentum," he wrote, "the goal of \$100 million premium will be achieved with the same kind of mastery that you have achieved all of the past goals we have set before you." FMH reached the revised goal of \$100 million in premium later that year.

Twenty-five years later — with that same dedication to service from our employees and our agents — FMH has surpassed its 1996 achievement and then some. For the first time in its history, FMH reached \$1 billion in written premium this past July.

During a recent all-employee update meeting, FMH President and CEO Ron Rutledge announced, "We wrote a billion dollars in crop insurance. How about that?"

FMH first came close to achieving this milestone a few years ago with the acquisition of John Deere Insurance Company (JDIC). "If you took the combined premiums of FMH and JDIC in 2014, that total would've exceeded \$1 billion," said Rutledge. "But in 2015, when the two companies came together, commodity prices fell, and our combined premiums never managed to hit that level."

It's taken a long time for prices to recover, but they've seen a significant increase this year. Increased commodity prices, combined with some new insurance plans and increased acres, pushed FMH over the top, according to Shannon Rutledge, FMH Executive Vice President and Chief Operating Officer. "The 2021 acreage reporting and sales season was about as perfect as we could have asked for," he said. "Acres increased significantly, which is a true sign of growth." Even more exciting, he added, "We feel there's even more of an opportunity next year for organic growth in certain regions."

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- Shannon Rutledge, FMH EVP & COO

As was the case 25 years ago, this milestone would not have been achievable without the efforts of our staff and you, our agency partners. Your commitment to outstanding service for your customers shines through every day, and we thank you for partnering with us to protect America's farmers. "I want to sincerely thank all of you for a job well done," said Ron Rutledge. "Congratulations!"

FMH's premium milestone is the latest in a storied history of more than 125 years. **To commemorate this achievement, here are some other memorable highlights.**

1893

FMH Becomes a Mutual Association

FMH founder W.A. Rutledge secures 250 members through handwritten letters and printed materials, and his wife, Jessie, handwrites 2,650 policies in just three months.

1896

FMH Experiences First Major Deficit

Crop failure and low commodity prices leave FMH in a \$25,000 deficit. Board members borrow against their personal credit to pay indemnities, resulting in policyholder confidence and loyalty.

1922

FMH Extends Crop Hail Business Into Nebraska

FMH's successful expansion of its writing area paved the way for additional expansion into Wisconsin ten years later, as well as the implementation of coverage for specialty crops like tobacco.

1925

FMH Writes \$1 Million in Crop Premium for First Time

By the end of the 1920s, FMH crosses the \$1 million mark three additional times.

1947

FMH Celebrates First Million Dollar Salesperson

John Gana becomes FMH's first million-dollar-in-liability sales agent, a milestone which would soon be achieved by many more agents.

1993

FMH Celebrates 100 Years

In addition to the year-long centennial celebration, the business also reached its first year of \$2 billion in-force by the end of the production season in the year leading up to the 100th anniversary.

2008

FMH Writes \$500 Million in Crop Premium for First Time

Expanding into the multi-peril market in the late 1990s continues to drive FMH's premium up.

2015

FMH Acquires John Deere Insurance Company (JDIC)

The acquisition of JDIC allows FMH to expand its superior service and expertise to a national market.

2018

FMH Celebrates 125th Anniversary

As America's Crop Insurance Company™, FMH celebrates 125 years of commitment to America's farmers.

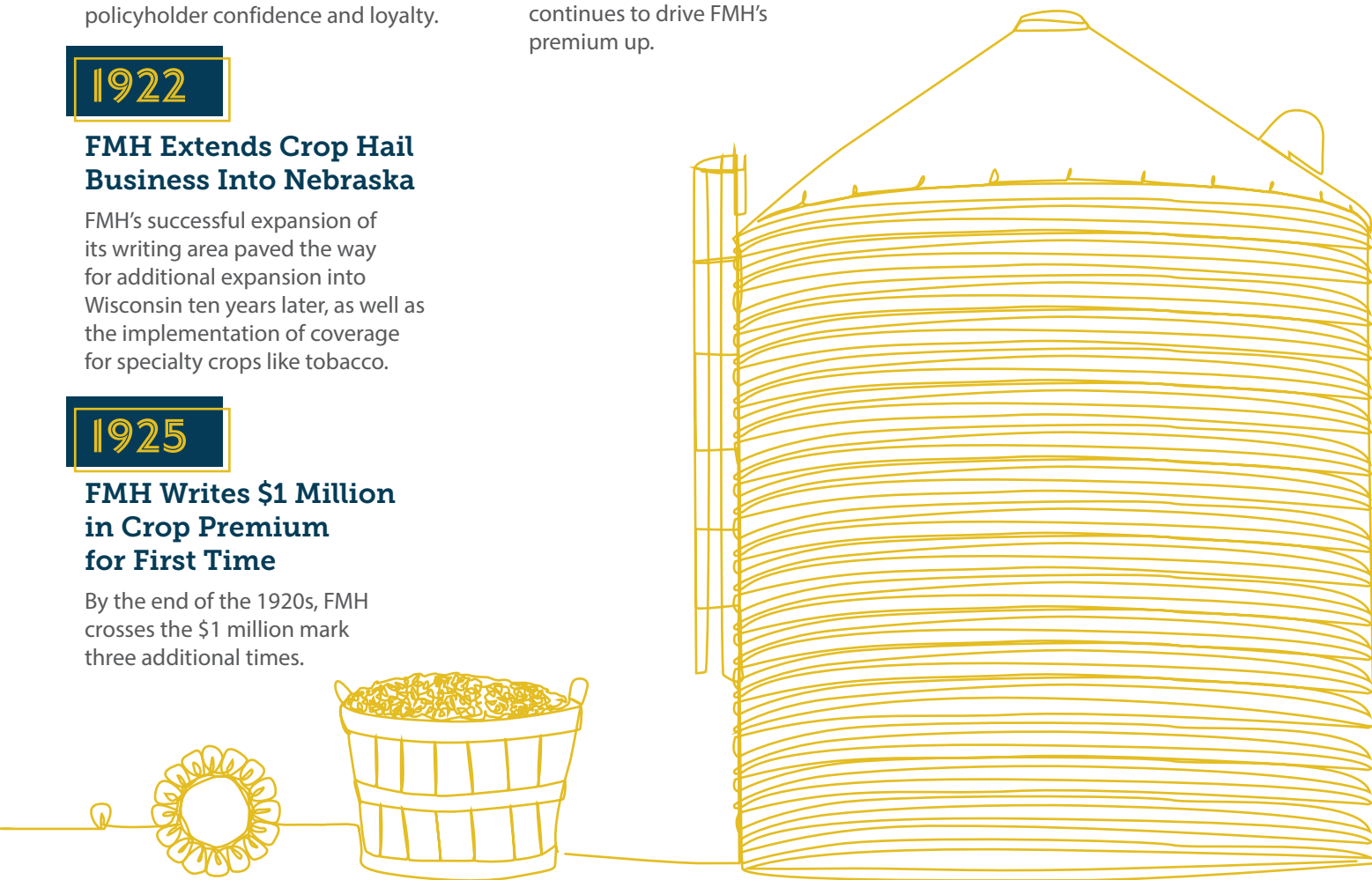
What \$1Billion Looks Like

Kernel of corn = \$1.00

Cob = \$800.00

Bushel = \$90,000

Grain bin = \$1 billion





LIVE OAK BANK SELECTED AS **PREFERRED LENDER FOR AGENCIES**

Agents invest years building an agency into a successful business in the community, and planning for the future of the agency takes time and trust. When you are ready to purchase another book or develop your succession plan, you need a financial partner who understands your needs and is prepared to back your business.

That's why FMH has engaged with Live Oak Bank to be a preferred lender for our agency partners.

Why Live Oak?

An insurance agency is a unique business. Finding the right financing can be a challenge, especially in communities where options may be limited. Live Oak is a nationwide, FDIC-insured bank, leading the banking industry in small business loans and specializing in insurance agencies.

Benefits of Connecting with Live Oak

- **Insurance Business Experience**
Live Oak understands how to evaluate agencies to right-size a financial plan for your agency.
- **Comprehensive Quotes**
Live Oak can provide you with a quote based on a comprehensive analysis of your business.
- **Competitive Lender**
Live Oak rates and terms are competitive and as a national lender, a financially stable choice for the future of your agency.

“At FMH, we know that agents are more than risk management advisors for their customers – they are also small-business owners faced with the same challenges as any business. We want to ease the challenges of managing a business by presenting our agents with resources they can trust. Live Oak has the insurance business experience many of our agency partners are looking for in a financial lender,” said Dave DeCapp, FMH Senior Vice President – Marketing.

How to Connect with Live Oak

FMH's engagement means you get expedited access to a dedicated and experienced loan officer. Talk to your FMH Sales Manager about your interest in connecting with Live Oak Bank.



3 THINGS NEEDED TO WORK A CROP CLAIM

Help your customers experience a smooth claim process this year. Let them know what their adjuster needs to finalize their MPCI claim:

PRECISION CLAIM

1. A seeding measured rate map or seeding field summary*
2. A harvest wet-weight map or harvest field summary*
3. A calibration report where calibration is recorded manually or a software-generated report for each crop

NEW FOR 2021: The Calibration Upload feature in the FMH Policyholder Center allows insureds to submit their calibration records quickly and securely for their agent and adjuster to access.

To learn more about FMH Precision Claims and qualifications, go to fmh.com/precision-solutions/claims.

**FMH can generate these maps if the policyholder submitted precision data through one of our electronic reporting connections.*

TRADITIONAL CLAIM

1. Acreage and share verification by: FSA certification, precision farming technology, or other acceptable methods for the county (typically gathered by the FMH adjuster)
2. Complete records of disposition of grain, including copies of summary and/or settlement sheets
3. Estimated yields of all non-loss units of the crop

Remember To Report All Claims Timely



Claims submitted after the policy-defined deadlines must be rejected. Exceptions to this rule are extremely limited. We encourage all agents and policyholders to promptly examine their coverage and report any potential claim in a timely manner.

BUILD YOUR EXPERTISE WITH TRAINING FROM FMH

Continuing education is important to ensure you have the latest knowledge of crop insurance products and programs. Stay up to date on changes happening in the industry and potentially earn continuing education credit with training from FMH.

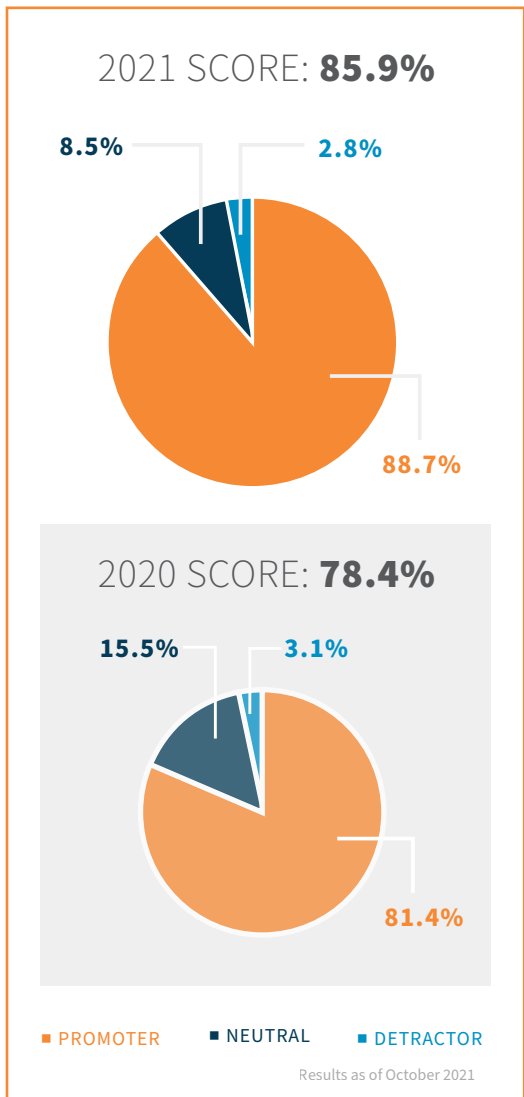
FMH offers training sessions on topics including:

- MPCI 101 training
- Precision-focused updates, including Precision Tech Tuesday webinars
- FMHA webinars
- Product and processing webinars

Register today to attend, and watch for upcoming Spring Update Training sessions at fmh.com/training!



FMH SERVICE EXPERIENCE SCORE **IMPROVES IN 2021**



Despite another year with pandemic restrictions impacting offices and in-person visits, FMH's internal staff service survey results increased over seven points in 2021, a testament to the dedication of FMH's employees. FMH surveyed agency contacts about their FMH service experience this past September. This year's survey results reflected an increase in FMH's internal service experience score from 78.4% to 85.9%.

Conducted annually, the FMH Agency Service Survey offers a chance for agency contacts to share feedback on the quality of service they receive from FMH's internal staff, including the underwriting team and the Help Desk.

"These surveys are one key methodology we utilize in gathering the 'voice' of our customer," said Underwriting Senior Vice President Bryant Tjeerdsma. "Each response is reviewed, and the overall results are used to further refine individual and departmental goals."

Tjeerdsma added, "The annual results for the Underwriting department have been extremely positive and affirm our goal of delivering timely, professional service."

Thank you to those who gave feedback on their service experience. Your input helps ensure FMH continues to best serve its agency partners!

How Results are Calculated

FMH based the agent's true overall experience on the likelihood they would promote the company. Agents were asked to measure on a scale of 0-10 the likelihood that they would recommend FMH to others.

The Net Promoter Score™ methodology categorizes the scores into three descriptive groups: scores from 0-6 are considered detractors; scores from 7-8 are considered neutral; and scores from 9-10 are considered promoters. The net score is the promoter score minus the detractor score.

**Net Promoter Score is a customer loyalty metric developed by (and a registered trademark of) Fred Reichheld, Bain & Company, and Satmetrix.*

TRACK HARVEST PRICES USING **THE PRICE DISCOVERY TOOL**

Harvest price values are in the discovery period for many crops across our writing area. Stay informed about the markets and when final crop insurance prices are established with the FMH Price Discovery Tool.

Stay in the know as this year's final harvest prices are being calculated. Find the Price Discovery Tool at fmh.com/pricediscovery.

Features:

- Accessible on both desktop and mobile devices
- Links directly to RMA data, so information updates automatically as RMA makes changes
- Simple filter options and easy-to-read charts for quick access to the information you want

PEOPLE IN THE NEWS

Promotions, New Hires, and Transfers

OFFICER ANNOUNCEMENT



Dereck Klaassen has been promoted to Assistant Vice President Compliance Manager – Legal & Compliance.



Cody Ankrom has been promoted to Crop Adjuster II.



Jason Denning has been hired as a Crop Adjuster I.



Kelly Engelland has transferred to Field Claims Trainer II. She was previously a Regional Trainer II.



Derek Duoss has been hired as a Crop Adjuster I.



Kathleen Juffer has transferred to Sales Coordinator. She was previously an Associate Sales Representative.



Julie Susie has been hired as a Crop Adjuster I.

IN MEMORY

Van Thompson

We regret to inform you of the passing of Van Thompson of Viroqua, WI, on August 27, 2021, at the age of 68. Van worked as a part-time lead adjuster for FMH.

Van was born in Waterloo, IA, and graduated from Dunkerton High School in 1971. In 1972, he began working at John Deere in Waterloo. He started in the foundry and ended his career at John Deere in 2007 as a tractor master. In 2008, he began his career at Farmer's Mutual Hail as a crop adjuster.

Van loved riding his UTV, spending time using his travel trailer, and taking his pontoon out on the river. He enjoyed going out to eat, cooking, playing cards, and spending time with his wife, Janelle. Our thoughts and prayers are with his loved ones.

Merv Van Deest

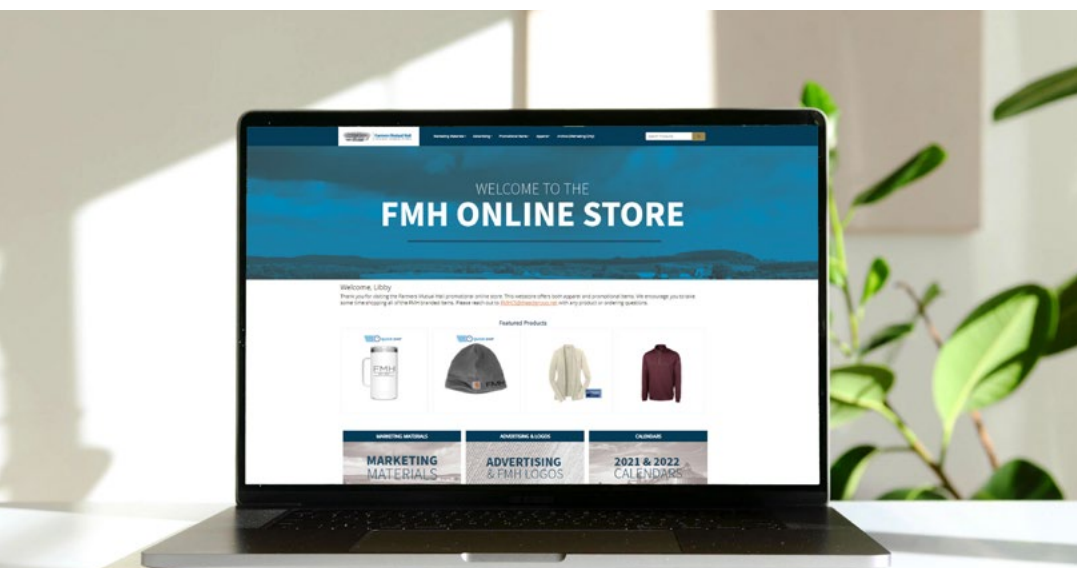
We regret to inform you of the passing of Mervin Van Deest of Grundy Center, IA, on September 21, 2021, at the age of 82. Mervin worked for FMH for 22 years before retiring as a part-time adjuster in 2011.

He was born on his family's farm in Grundy County, IA, and graduated from Grundy Center High School in the class of 1957. In 1960, he began farming after purchasing the farm next to his parents' farm. In the spring of 1988, Mervin retired from farming and began working for Farmers Mutual Hail.

Mervin was a member of the American Lutheran Church, where he served the church as a past church council member and president. Among his many other memberships, he was a proud life-time member of the NRA, ITA, and the NTA. He loved being outdoors and enjoyed hunting, fishing, and trapping. Mervin was also an avid collector. He had coin, stamp, belt buckle and gun collections to name only a few. Our thoughts and prayers are with his loved ones.



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NEW LOOK. **SAME STORE.**



With a new, streamlined navigation and just-added fall items, finding your next favorite FMH hat just got a lot easier.

STORE.FMH.COM

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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