



FARMER'S INSURANCE AGENCY
 5048 US Highway 29, Blairs, VA 24527
 Phone: (434) 835-0107
 Toll Free: (800) 458-3440
 Fax: (434) 835-0109



CROP INSURANCE NEWSLETTER WINTER 2005

CROP INSURANCE DINNERS SCHEDULED

As we did last year, we will be hosting dinners for our crop insurance customers to discuss changes in the crop insurance program, strategies for insuring your crops, etc. The meetings are scheduled for the following dates.

Reidsville, NC – Golden Coral Restaurant
Thursday, February 16th, 2006 @ 6:00 pm

Halifax, VA – Molly's Restaurant (behind Toot's Creek Antiques)
Tuesday, February 21st, 2006 @ 6:00 pm

Roxboro, NC – Outer Banks Restaurant
Thursday, February 23rd, 2006 @ 6:00 pm

Danville, VA – Mary's Diner
Tuesday, March 7th, 2006 @ 6:00 pm

Rocky Mount, VA – Fisherman's Galley
Thursday, March 9th, 2006 @ 6:30 pm

If you plan to attend one of the meetings, please fill in the enclosed RSVP form and mail it back to us so that we can make plans for the meals. You may also call us at 1-800-458-3440 and we will add your name to the list of attendees. Please respond by February 1st and be sure to bring your spouse or a friend. All farmers and their guests are welcome, whether insured by our agency, insured by another agency, or not insured at all.

FORWARD PRICING WORKSHOPS SCHEDULED

Recently, we held a meeting jointly with a commodities marketing specialist by the name of Jonah Bowles in Danville. Because there was so much interest in learning more about futures pricing, Jonah will be holding two workshops in January to teach futures contracts, options and the use of these tools to hedge your crop. The dates for these meetings are:

January 23rd, 2006 – 10:00 am until 4:00 pm
Location: The Post Office Restaurant, Gibsonville, NC

January 27th, 2006 – 10:00 am until 4:00 pm
Location: Mary's Diner, Danville, VA

If you have an interest in attending one of these workshops, please give us a call so that we can add your name to the attendee list for the date that you choose. The workshops are free due to a grant provided to Jonah from Risk Management Agency, which is the federal agency that administers crop insurance. The workshops are designed for a maximum of 12 people each, so be sure to call us promptly if you would like to attend. These workshops are designed to teach you how to market your grain crops so as to achieve a guaranteed profit before ever producing the crop.

OUTSTANDING CLAIMS

If you have a claim that has been filed but hasn't yet been worked, we need to hear from you immediately. To our knowledge, all claims for the 2005 crop year are complete or an adjuster is currently working on any open claims.

PRODUCTION REPORTS DUE

If you had a soybean, corn, grain sorghum or tobacco crop on any farm that didn't have a loss, we need to get your production on those particular farms as soon as possible. These "no loss" yields are generally higher than your average yield and tend to strengthen your yield database. Failure to report your yields will result in an assigned yield that is 75% of your average yield, thus reducing your average.

We have sent production reporting forms to any farmers for which we show farms that didn't have a loss. However, your RCIS Schedule of Insurance is also a production reporting form. If you can locate that document, you can write your production amounts on the form the right hand column, sign it and send it back to us. Otherwise, you can write the farm numbers on a blank sheet of paper along with the production for each farm, sign and date the paper and send it to us.

If you are reporting corn that was cut for silage, you may report the tonnage figures to us and we will convert the tonnage to grain amounts. Our conversion is 6 2/3 bushels per ton of silage in case you want to convert the tonnage before reporting to us.

If you are reporting tobacco production, be sure not to include any carryover tobacco produced in a previous crop year but you should include any carryover tobacco that you are holding to sell next year.

CROP-HAIL PREMIUMS DUE DEC 1, 2005 IN NC AND JAN 1, 2006 IN VA

Most of you have already paid your crop-hail premiums for this crop year. If you have already sent your premium, we appreciate the prompt payment.

MPCI PREMIUMS DUE NOVEMBER 1, 2005

As of November 1, 2005, any unpaid MPCI premium amounts have been accruing interest. If you have an unpaid premium, it could affect your ability to have coverage for the coming crop year. Also, we don't get paid unless you pay your premium. Just like you, we don't like to work for free.

If there is ever a situation where we have failed to satisfy, please let us know. We welcome suggestions and even complaints, as they are the only way that we have of knowing where we are falling short.

SALES CLOSING DATES FOR CORN, SOYBEANS AND TOBACCO

If you plan to make any changes in your crop insurance policies or if you intend to insure a crop for the first time, these changes must be done by **February 28, 2006 in North Carolina and March 15, 2006 in Virginia**. If you wish to cancel coverage, it must be done by those dates as well. Any policy in force after the above dates causes coverage to be in place on the insured crop as soon as it is planted. It is important that you know that your multi-peril crop insurance policy is a continuous policy and premium will be incurred on planted acreage if the policy isn't cancelled by the above dates.

MISREPORTED INFORMATION PENALTY (MIF FACTOR)

For the first time in 2005, there is a penalty that is assessed on any claim where the acreage is over reported or under reported by greater than 10%. The penalty is a percentage equal to the amount in excess of 10% that your acreage report is in error. This penalty applies not only to acreage, but also when there is an error in the liability amount due to incorrect production reported or production for which there are no supporting documents (if audited). Please give extra attention to the acres and production that you report.

VERIFICATION OF MARITAL STATUS

If your marital status changed during the last year or if it changes in the future, we need for you to contact us. Your spouse is considered by the federal government to be an SBI (Substantial Beneficial Interest) to your policy and in the event that a person is married but hasn't reported his/her spouse's information, then any loss adjustment will be reduced by 50% due to lack of that information. If you've already given us this information, there is no need to re-report.

If you are insured as a corporation, we need the name, social security number, telephone number and address for everyone holding a 10% or more interest in the business. However, we don't need spousal information in the event that we're insuring the crop's owned by a corporation.

FARMOWNERS COVERAGE NOW AVAILABLE

Many times in the past, we have been asked about farmowners coverage and have not had a product that we've felt enthusiastic about offering. We now have access to three companies that write farmowners coverage and are confident in offering them to our customers. We are licensed with Countryway Insurance, St. Paul/Travelers and American Reliable. Our office is already staffed with three people that deal solely in products other than crop insurance. They are Jason Guzauskas, Charlie Lloyd and Susan Eggleston.

If you would like a quote on your farmowners insurance, auto insurance, life or health insurance; feel free to give us a call. You can check out the companies that we write with by going to our new website at: www.farmersontheweb.com.

WHEAT POLICYHOLDERS SHOULD REPORT IDENTICALLY TO FSA

We recently obtained an acreage report from each of our wheat policyholders. It is very important that you turn in the same acres to FSA for your wheat that you have turned into us. If you don't have a copy of your wheat acreage report that you submitted to us, please contact us and we will send a copy to you. All wheat that was planted by the final planting date should be signed up at FSA as grain and not forage.

Recently, you should have received a summary of coverage for your wheat crop. We still have a chance to make corrections to acreage that was reported incorrectly if you make us aware of the error within 10 days of receiving your summary of coverage. **Please** review your acreage and farm numbers to be sure that your wheat was reported correctly. Changes are now nearly impossible to accomplish once a loss has been turned in.

PREMIUM REDUCTION PLANS

Recently you may have heard of premium reduction plans on crop insurance. In brief, a PRP is a plan to rebate a portion of your premium to you in the event that the company is able to operate in an efficient enough manner to pay the rebate, while still achieving a profit on the amount of money allowed by the federal government to administer crop insurance. Recent legislation requires that we provide the following statement to each of our customers:

"I write for Rural Community Insurance Services (RCIS) that has been determined by the Risk Management Agency to be eligible to offer a premium reduction plan for the 2006 reinsurance year in Virginia and North Carolina. Premium Discounts are not available for crops insured at the catastrophic (CAT) level of coverage or for ineligible producers. The past payments of premium discounts are not a guarantee that future payments will be made or an indication of the amount of future premium discounts."

PRP's have been hotly disputed by many in the crop insurance business due to the fact that they appear to be a sales tool only, with no guarantee to the customer. RCIS and most other companies fought against PRP's but RCIS has applied to be eligible to pay a premium discount in order to maintain their competitive position in the industry.

In short, we feel that you shouldn't count on any premium discounts to be paid by RCIS or any other company approved to offer the discount. By nature of the legislation, any discounts paid will not be known until well after the crop year for which it is paid.

EQUIPMENT EXCHANGE PROGRAM

It is our plan for the future to advertise equipment for sale and equipment needed in our newsletter. If you have equipment that you would like for us to list, feel free to mail your equipment descriptions to us or fax us and we'll add your equipment to our list. This will be a service that is free to our customers as long as your listing is kept to 25 words or less.

CLASSIFIED ADVERTISEMENTS

MIGRANT WORKER AVAILABILITY

Local farmer seeks other farmers interested in alternative source for H2A laborers. The price per farmer and the price per laborer charged for services rendered by the company in question are considerably less than the prices paid by most farmers in this area. There is a need for at least 10 farmers in this area to participate. If interested, please call 434-835-0263 and ask for Wendy. She will put you in touch with the above-mentioned farmer.

PULL-TYPE COMBINE WANTED

Seeking an 80's vintage John Deere pull-type combine. Contact Jewell @ (540) 576-3426

WE, AND OUR FAMILIES, GREATLY APPRECIATE YOUR BUSINESS AND WISH YOU AND YOUR'S THE BEST OF HOLIDAYS!!