

A MILESTONE ANNIVERSARY

By Bob Parkerson, NCIS

The year 2005 is a milestone for our Industry. Twenty-five years ago, a historical partnership was created between the private insurance industry and the Federal government. A partnership that enabled you, me and thousands of others have an integral part in keeping farmers in business and ultimately protecting the economic viability of rural communities across this country.

The growth of the program has been phenomenal in these 25 years. From a beginning of \$377 million in premium and \$3 billion in liability in 1981, crop insurance has grown into an Industry with over \$4.1 billion in premiums and over \$46 billion of liability in force. The program may not be perfect, but there are obviously many farmers that are using crop insurance as a viable risk management tool.

Let's look at some other significant growth in the program:

1) Coming out of the 2002 crop year, indemnities paid to participating farmers surpassed disaster aid payments to all farmers for the first time.

2) Acres insured increased significantly. In the years 1938-1979, ten percent of the insurable acres were protected. Today that number exceeds 75 percent!

3) The number of insurable programs has grown from 20 in 1980 to well over 100 today.

Private industry involvement would not have been successful without several key individuals spending long hours of hard work to make sure policy language and loss adjustment procedure was fair and accurate. On the company side, people like Don Fraley, Spike Tomlinson, Jim Dawson, Rick Gibson, Irl Oaks, Dutch Erickson, Lew Wills, Bill Classen, Bland Lee, and many others who will always be known

as instrumental in getting this program up and running. Others who were part of this Industry in 1980 are still working hard to improve the program and make it more beneficial to farmers and ranchers.

Throughout the last 25 years of this Association, past board members provided excellent direction and leadership to the staff. Today, that leadership continues with our current board members: Ben Latham, Chairman of the Board, Producers Ag Insurance Group; John Joyce, Vice Chairman, Rain & Hail L.L.C.; Ron Brichler, Great American Insurance Company; Greg Burger, Farmers Crop Insurance Alliance; Michael Connealy, Rural Community Insurance Services; Steve Rutledge, Farmers Mutual Hail Insurance Company of Iowa; and, Roger Swartz, American Farm Bureau Insurance Services, Inc. I would also like to thank Lanny Remmers, Hartford Insurance, who served for many years on the NCIS Board of Directors and has recently retired from crop insurance. Without their guidance and direction, NCIS' role as a trade association would not be as strong as it is today.

During the beginning, there was a lot of effort and guidance from CHIAA & NCIA and the Board of Directors of those two associations and their staff. They were instrumental in developing policy language and loss adjustment procedures. With the dedication of people like Ray Fosse, John Ames, Lloyd Lindstrom and Alan Walter, the association role has become a part of the success story of the private/public development of this program.

Even though the private industry has worked hard to keep the program moving forward, we owe a great deal to another driving force behind this success. Over the years, our Industry

has worked with many interested and dedicated congressmen and staff of the Risk Management Agency to improve and expand crop insurance to meet the needs of producers across the country. Together, our relationship with these in the public sector who have put in long hours and hard work has made crop insurance the cornerstone of the nation's agricultural safety net.

There are so many people involved in crop insurance who do more than just sit behind a desk for 40 hours each week. They serve on agent advisory committees for companies. Or they participate in an NCIS regional/state committee. They provide input and direction as part of an NCIS standing committee or on the NCIS Board of Directors. Many are sitting in the NCIS office right now. I would be remiss if I didn't thank our dedicated and talented staff for their time and effort they give to this program. Many spend countless hours traveling and away from their families to ensure that adjusters are adequately trained. Many work hours of overtime to prepare for update conferences that will ensure companies, and ultimately agents, are informed of the changes for the upcoming season. Wherever they work or serve, people in crop insurance are always working hard to improve the program and ensure that crop insurance remains as important to the farmers in the next 25 years as it did in the last quarter century.

There is a new generation of crop insurance leaders who are either just now starting out in this business, or who may have already started working their way up in an organization. They will celebrate the Golden Anniversary of this partnership in 2030. It will be exciting to see the kind of landmark growth and the traditions they carry forward in the next 25 years.