

Country Times



**Crop Industry
Leadership Award**



**2018 Farm Bill
Update**



**Déjà Ruba - Agent
Trip 2017**



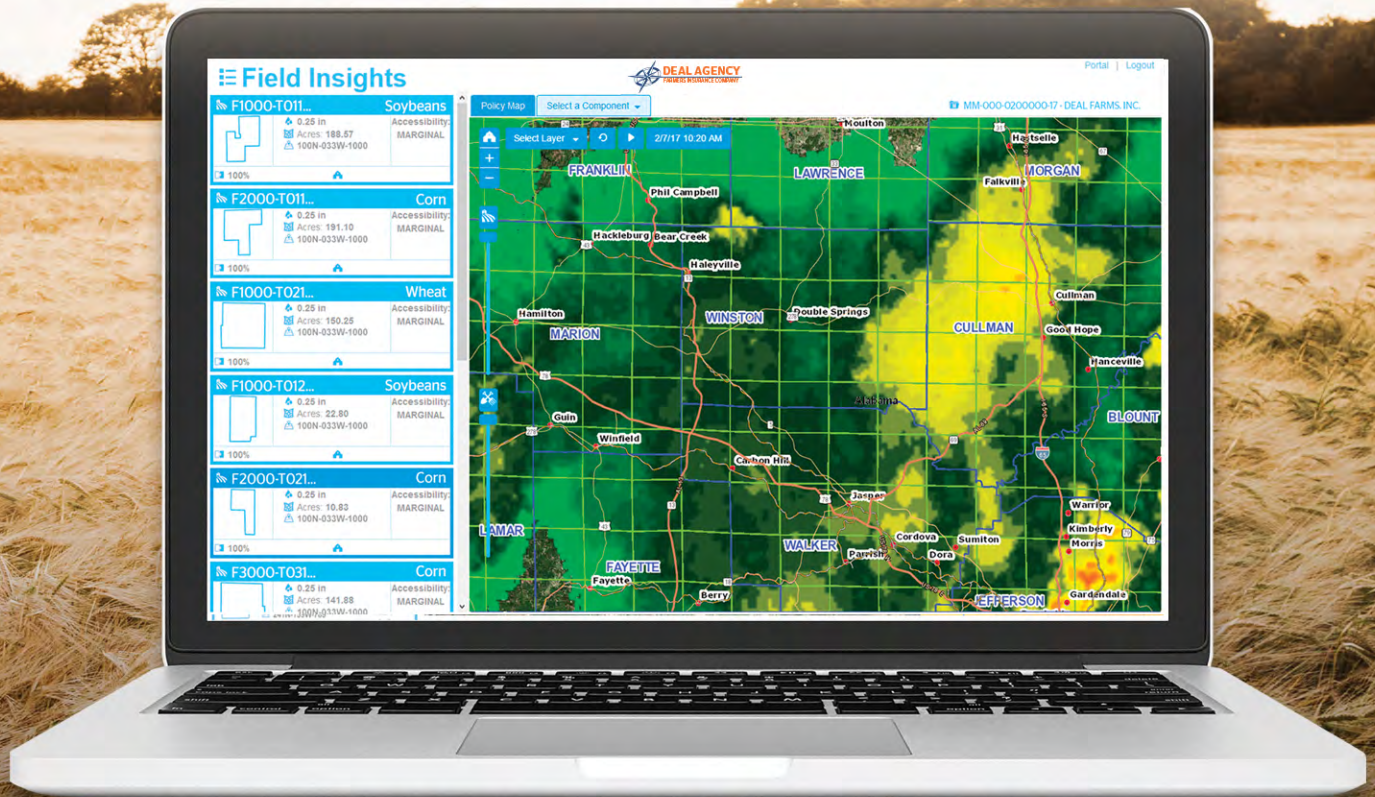
**Whole Farm
Revenue
Protection**

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The Power of KNOWLEDGE!

Introducing **Field Insights**, a suite of tools designed for farmers that will assist in understanding crop health conditions. These tools will help reduce loss risk and allow you to be more productive in the field.



Field Insights is available on computers, tablets, mobile devices and from within the QBE NAU mobile app. The suite of tools includes:

- ▶ Current, future and historical weather data.
- ▶ Radars, including 2 hrs. and 24 hrs.
- ▶ Wind speeds.
- ▶ Precipitation, including the last 24 hrs. and next 24 hrs.
- ▶ Canopy wetness.
- ▶ Spray windows.
- ▶ Planting conditions.
- ▶ Growth models and growing degree days.

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Available on the iPhone
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President's Update

Jim Korin on QBE NAU

It's hard to believe that the 2016 political races are finally over and we're well into the 2017 crop year. Regardless of which side of the political spectrum you are on, the election results were "remarkable;" that certainly is true of our 2016 crop year results - remarkable! Coming off some of the worst years in the program's history (2012-2014), the crop insurance industry experienced needed relief in the 2015 crop year. Based on a current industry gross loss ratio of 38%, 2016 will probably go down as one of the lowest loss ratios in the program's history. Even so, the mounting costs of underwriting, claims, program administration and compliance continues to chip away at the profitability of our industry. Don't be surprised when more companies hit the blocks for sale over the upcoming months. With last month's announcement of International Ag's sale to Pro Ag and the sales of RCIS and ADM in 2016, industry consolidation is becoming routine, fueled by tight margins that have come about since the 2010 Farm Bill cuts and the 2011 SRA revisions that substantially changed the profitability of the program for agents and companies.

At QBE NAU, we are continuing to invest in people and systems that will increase our ability to service our customers (agents and farmers). Our 2017 budget includes the expansion of our agent and farmer portals and resources through a new contractual relationship we have with Clear Ag, one of the largest data resources in the farming world. Look for us to provide our agents with **new data resources** that can be rolled out to your farmers as helpful tools to add value to the already strong relationships you have with them (Field Insights is being rolled out as we speak). We have embraced the new **Whole Farm policy** and made sure that we had the resources to train all agents that wanted to get up to speed on that product. We are looking at the potentials with the new **Margin Protection program**. There are many approved changes that should be announced soon and ready to roll out this fall. You can be confident that we will keep you up-to-date on program changes as they come out.

On March 20, I attended the AgriPulse Farm Bill Summit at the National Press Club in Washington, D.C. We had an unbelievable line up of speakers including Senate Agriculture Chairman Pat Roberts and House Agriculture Chairman Michael Conaway and ranking members of the minority parties, Debbie Stabenow and Collin Peterson (Senate and House, respectively). I came away with feeling good about the support crop insurance has with this group and the growing coalition, including the American Farm Bureau Federation, National Farmers Union and Farmers Coop, Soybean and Corn Growers Associations, Cotton, Wheat and other traditional ag lobbies. We are also joining with non-traditional friends like Ducks Unlimited, Environmental Defense Fund and various nutritional groups.

While we are in good shape, it is very apparent that the next Farm Bill is taking shape in D.C. over the upcoming months. As an industry, we need to educate those that are sending out strong misinformation about the federal crop insurance program. To combat this, we need two things:



1. A strong coordinated message of unity and strength with the companies, independent agents, farmers and all other coalition members;
2. Money and members for AACI, CIPA or other organizations you choose to support to get our message out (like the Big I, NFU, Farm Bureau, etc.).

Our program has already taken more than our fair share of cuts and our farmers need the support of crop insurance more than ever before. As chairman of AACI, our own Larry Heitman is working with other members to restructure that organization and provide a better level of communication and support for the program. Williams and Jensen, a top lobbying firm in D.C., has been hired to take over the management and direction of that organization. This is something that was greatly needed as we look to build a stronger membership and coalition with all parties that support crop insurance. Please take the above message seriously. Consider joining AACI or one of the other groups mentioned above. The program's continuance is dependent on getting further support (and yes, money) to educate our leaders on the value of crop insurance!

As we continue to process the new apps, we look forward to the upcoming growing season with great policy count growth. We appreciate our loyal independent agents and are committed to working with you in 2017 and future years. Thanks for your business and we will stay in touch.

Sincerely,

A handwritten signature in black ink that reads "James R. Korin". The signature is fluid and cursive, with a large initial "J" and "K".

President, QBE NAU



We've all felt it before; that odd feeling of having experienced something before. They call it déjà vu; a "been there, done that" sort of feeling. QBE NAU agents and staff experienced a different sort of déjà vu this past January; we called it, "Déjà Ruba!"

The annual Agent Trip took place for a second time in Palm Springs, Aruba. Many of our agents and staff had travelled to Aruba for the 2015 Agent Trip. However, for 17 agents and six staff members, the agent trip was a new experience altogether. The group of over 150 agents, guests and staff agreed; Aruba was a destination worth revisiting.

The all-inclusive RIU Palace-Aruba was a luxurious site for the Agent Trip, which took place January 14-21, 2017. Attendees enjoyed a week of fun, networking and business meetings. Newcomer and QBE CEO, Russ Johnston, presented alongside QBE NAU President, Jim Korin, for the State of the Union during the Monday morning business meeting. Russ received a hearty welcome from agents and staff. Tuesday's business meeting included presentations on Whole Farm Revenue Product (WFRP) & New Product Development, presented by SVP Branch Executives Mark Masters, Ken Janicek and Bill Lorimer. The Claims Dashboard update was presented by SVP Claims, Mark Mossman, and VP-Regional Claims, Brad Fink and Don Connealy. The popular Agent Forum, where agents ask questions and choose topics for discussion, was held on Wednesday. Conversations and networking between agents and staff continued throughout the week.



After the daily business meetings, agents and staff had plenty of time to discover for themselves why Aruba is named “One Happy Island.” Many agents revisited familiar sites and tastes of the island as they ventured down the beach. The favorite group excursion was a thrilling (and bumpy) tour of the rugged Aruban outback via open-air Land Rovers. On this heart-racing adventure, the group toured popular sights, but then got off the beaten path to find the secluded “conchi” or Natural Pool, a unique formation of volcanic rock, only accessible by foot, horseback or 4x4 vehicle. Other fun water activities and must-do’s while in Aruba included snorkeling and deep sea fishing. The trip ended with a Caribbean Carnival themed farewell dinner, as guests enjoyed an exciting live show of energetic performers who took the stage on the beach. Déjà Ruba accomplished all we had hoped for: a little business, a lot of networking, new friendships formed and old relationships strengthened. A good time was had by all!

Although they say, “the third time’s the charm,” we won’t be heading back to Aruba next year. We’re currently setting our sites in the Caribbean where breath-taking views, natural waterfalls, unspoiled rainforests and majestic mountains will lure you away from wherever you call home during the week of January 13-20, 2018. We hope that you’ll “Save the Date” to be overwhelmed by the beautiful scenery found only in exotic Saint Lucia! The mango-shaped island is part of the Lesser Antilles and is located midway down the Eastern Caribbean chain. It’s described as “an island plucked from the South Pacific and set down in the Caribbean” just north of Barbados. Stay tuned for more details and instructions on how to register for the 2018 Agent Trip.

SPOTLIGHT on our EMPLOYEES



KIM DURKES

Title: Underwriting Manager - Kansas.

Branch Office location: Southern Branch Office - Topeka, KS.

Years of service: 11.5 years.

Hobbies:

Watching my kid's rodeo, chasing after my grandson-Tripp and I just started learning Drone Videography and Photography.

Best part of your job:

Attending agent meetings and visiting with agents. It's nice to actually meet the agents that I talk to on a weekly basis and put a face with the voice.



ANNETTE HAHN

Title: Lead Solution Engineer - IT.

Branch Office location: Northern Branch Office - Fargo, ND.

Years of service: 18 years.

Hobbies:

Needle crafts, reading, gardening, repurposing and refurbishing old items into new home and garden décor for my small business, Sunday's Child.

Best part of your job:

The best part of my job is seeing an idea transformed into a fully functioning software application.



TIMOTHY RUNKE

Title: Underwriter - Minnesota.

Branch Office location: Northern Branch, Regional Office - Ramsey, MN.

Years of service: 8 months.

Hobbies:

Hockey, golfing, fishing, snowboarding, going out to eat, hunting, playing cards, reading, watching movies and bicycling.

Best part of your job:

Working with my team and learning crop risk management policies and strategies to support agents in order to care for farmers and provide superior risk protection.



BILLIE SHEPARD

Title: Claims Processing Manager - IA, MN, MT and ND.

Branch Office location: Central Branch Office - Council Bluffs, IA.

Years of service: 15 years.

Hobbies:

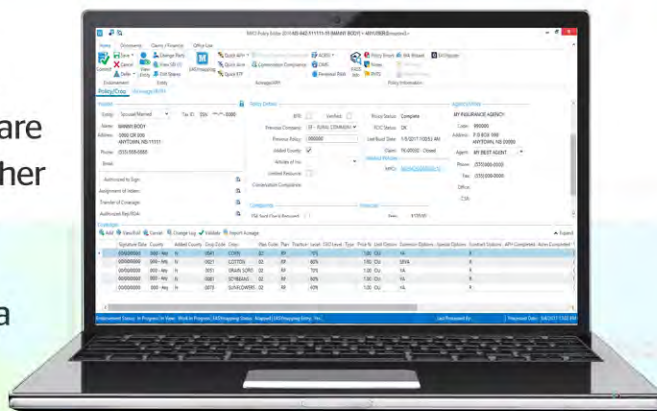
In my spare time, I love to cook and entertain with my family and friends. I enjoy painting, ladies' night out, motorcycle rallies, travel and I have a love for the beach. The beach calls to my soul!

Best part of your job:

I like the diversity of working with different states and crops. Plus, I have an AWESOME team of claims processors that have a wealth of knowledge and work very well together.

Enhanced systems for efficient processing

QBE NAU dedicates time towards improvements to our EASYwriter Pro (EWP) system to allow for quicker and more efficient processing. The EWP system has been around since 2001, and continual updates and maintenance to the system are always in the works. However, we wanted to take it a step further and truly advance the system. These improvements include front-end changes to allow for a new look and feel, but also behind the scene changes to ensure the system retrieves data quickly and efficiently. A few of our main updates this year include the Policy Editor, Coverage window and the Dashboard. Through agent focus groups and panels, we have worked to find out what you need to process and run your business efficiently. This can be seen within the Dashboard. This project incorporated feedback to determine the most important information you use on a daily basis. The Policy Editor improvements focused on feedback we heard from you over the years. Some of the improvements include, detailed tool tips and icons, user-friendly messages, increased processing speed, larger APH Database screens and an improved look. Our goal is to have EWP completely updated in 2018. We have already completed 80% of the updates to the system. Some of the new items in the upcoming year will include a new Hail Policy Editor, Claims Manager and a dynamic Reports Manager functionality. Thank you for your feedback!



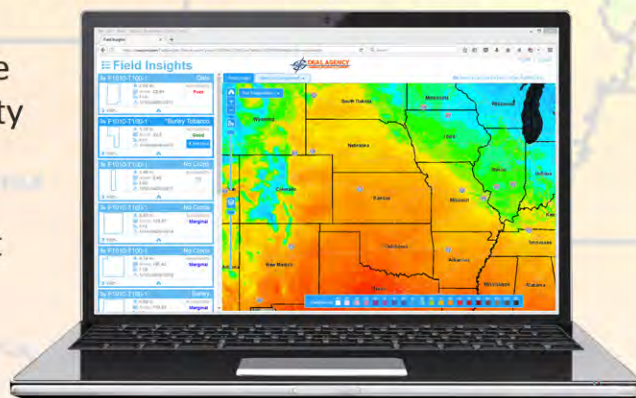
Shown above: The new Policy Editor Window with redesigned icons and tabs.

Technology to help you gain business

We know it's something nobody likes to talk about, losing a farmer or a policy to that competitor down the street. What if we could help you get new farmers and your current farmers hooked on the services you provide them?

With QBE NAU, we've got a suite of specialized web and mobile applications that will do just that! Again, this is your opportunity to get new and current farmers hooked on your agency and services! You'll be able to help your farmers keep up-to-date on loss events, easily report precision ag acres and know what to expect when heading out to their fields.

- Our **Hail Probability** emails and **EASYview Weather** hail maps help your farmers know when and where it hailed. Daily Hail Probability emails let you know when to notify your farmers that hail might have fallen on their field. Our detailed hail maps help us to adjust all damaged areas and pay claims quicker.
- Our **Precision Farming** solution is the easiest in the industry to use. You or your farmer can send us the files and rest easy knowing we'll generate the most accurate planted acreage report possible.
- Our **Field Insights** is available now. Your farmer will have access to past and future weather radar, field level precipitation, field accessibility, ideal spraying windows and crop growth modeling with growing degree days.



Shown above: Field Insights scheduled to release early this spring.

Please contact your QBE NAU Marketing Rep today to get more information. Let us know what else you're up against and how we might be able to help!



2018 Farm Bill, Trump Administration and Political Action Update

It seems like just last year we implemented the 2014 Farm Bill, and now the House and Senate Ag Committees are holding hearings on the 2018 Farm Bill. However, I remember the 2012 Farm Bill starting off early too, but it failed to get passed for two years, so it became the 2014 Farm Bill. We have a long way to go, but both the House and Senate Agriculture committee chairmen are on record saying they are determined to have a 2018 Farm Bill passed in a timely manner. We will watch closely and keep you updated, as it affects crop insurance and your customers.

In the meantime, there are “huge” changes in Washington D.C. that happen anytime there is a new president, but even more so when there is a change in the White House’s political party.

With the political party changes, we are looking at a new administration. That means there will be over 5,000 personnel changes where the new people will have positions of some significant authority. Here are just a few numbers to help paint a picture of the significant 2017 personnel changes:

- The current administration oversees 31 departments, USDA being one.
- The administration involves over 125 independent agencies and government corporations. These include the CIA, Farm Credit Administration and the Federal Reserve System, to name only three.
- The administration comprises of the Executive Office of the President, which houses 11 offices, a few of which are the Office of the Vice President, the Office of Management and Budget, the U.S. Trade Representative and the National Security Council.
- In the Executive Office alone, there are 150 presidential appointees and another 112 political appointee positions.
- Finally, some closer-to-home numbers. The USDA has about 250 “political appointee” positions, with 16 presidential appointees, of which 14 require Senate confirmation. The Risk Management Agency has four “political appointee” positions, with none being a presidential appointee.

In addition to the “new” people in positions of authority, we also have 52 new members of congress elected for the first-time last November. This creates a huge task to make sure all of these people are educated and hear the TRUE story of the crop insurance program’s great successes and significant benefits for our national economy, both rural and urban.

The American Association of Crop Insurers (AACI) was founded 36 years ago because the revolutionary FCIC Act of 1980 was being implemented using private delivery of a federal program for the first time. The purpose of AACI was (and still is today) to educate members of congress and all influential USDA and RMA staff that impact the private delivery system of the federal crop insurance program and to promote the importance of a viable, affordable and available insurance protection to all farmers, growers and ranchers regardless of size, income, crop or state.

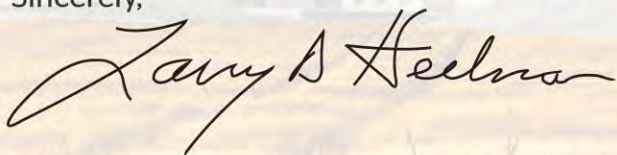
It’s hard to believe how many people mentioned above don’t fully understand how important crop insurance is, not only for the insureds, but for local jobs, for businesses, for the borrowing power and ability to repay loans to the lenders. Also, how that all relates to U.S. Agriculture being able to provide the world’s best, safest and cheapest food supply for all Americans.

I don't need to explain these facts to any of you reading this, but I may need to explain the importance of an effective lobbying association in this highly political and polarized budget cutting environment we find ourselves in today. AACI is the only crop insurance organization with a board of directors made up of all aspects of the private delivery sector; AIPs, Agents and Reinsurance companies, each with the power to vote on the direction and plans to achieve the goals stated above. These directors pay significant dues each year to make sure AACI is fully staffed in D.C. The AACI staff works all year long, every year to be effective lobbyists with members of congress and responsive when crop insurance is attacked.

All of you can help protect the crop insurance program and our futures by supporting AACI and the AACI Political Action Fund. Get involved by asking your Marketing Rep, Branch Managers or any QBE NAU manager for a combo membership application and PAC Contribution form. Once you are a member, you will begin getting regular email updates on general Farm Bill news, budget concerns and most importantly, receive alerts to make some phone calls to congress when needed on critical issues.

As the new chairman of AACI Board of Directors (thanks to Jim Korin for giving me the time), I can assure you that the board recently put in place many changes to create an improved association that will be even more effective than ever. Now is the time to support AACI so we can continue to educate and protect the crop insurance program.

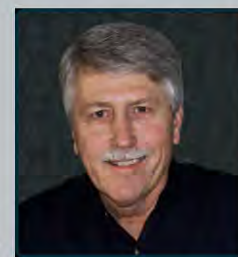
Thank you and look for news on this topic in future newsletters. Sincerely,



Senior Vice President, QBE NAU Western Branch Office

About Larry Heitman

Larry is the Senior Vice President for the QBE NAU Western Branch Office. Larry has been in crop insurance for over 35 years touching many aspects and showing a true progression through the ranks. Larry started out his career in the crop insurance industry as an hourly wheat adjuster in the drought of 1976 for the USDA Federal Crop Insurance Corporation. In 1979, Larry moved cross country to Washington D.C. to work for Jim Deal, who at that time was manager of the FCIC. During this time the crop insurance legislation was moving through congress and eventually passed as the FCIC Act of 1980. This act allowed the private insurance sector to begin participating in the MPCCI program. By fall of 1982, Larry decided it was time for a move - he opened the first MPCCI company branch office in California, becoming the largest writer of crop insurance in California. Larry used old fashion printing techniques and convinced agents to move from FCIC policies to his own private company. His main selling point was he could pay claims faster! In 1999, Larry accepted his current position with QBE NAU, opening the Western Branch Office in Woodland, California.




The screenshot shows the AACI website with a navigation bar (HOME, ABOUT AACI, CROP INSURANCE HISTORY, RESOURCES, CONTACT, MEMBERS) and a search bar. The main content area features a 'Crop Insurance Generations' diagram showing the transition from C2 (1988-2014) to C3 (2014-2024). Below the diagram is a red banner with the text: 'AACI: The Industry's Only Advocate in Washington for All Crop Insurance Sectors'. The banner states: 'AACI has proven to be the most effective crop insurance industry voice in Washington D.C. Top contributing factors include its membership structure and staff experience. AACI's membership, as well as its governing structure, includes individuals from all segments of the crop insurance industry. AACI's staff has held a number of top Washington positions, including General Counsel and Chief of Staff of the Senate Agriculture Committee, Chief of Staff of the House Agriculture Committee, Chief of Staff to the Secretary of Agriculture and president and CEO for several national agricultural trade associations. Click here for staff bios.' Below the banner are three columns of featured articles: 'Focus on Crop Insurance Industry', 'Congressional Focus on Crop Insurance', and 'Focus on Farmers and Crop Insurance'. A 'Join AACI' button is visible on the right. At the bottom of the page, there is a footer with contact information: 'Home | About Us | Crop Insurance History | Resources | Contact', 'Copyright American Association of Crop Insurers (AACI) © 2012. All Rights Reserved.', 'One Massachusetts Ave., N.W., Suite 800 - Washington D.C. 20003-1401', 'Tel: (202) 789-4100 - Fax: (202) 408-7763 - aaci@mmmlaw.com'.

<https://www.cropinsurers.com>
 You can help by supporting the AACI and the AACI Political Action Fund.

Mark Mossman receives the Crop Industry Leadership Award

QBE NAU's Senior Vice President of Claims, Mark Mossman, was presented with the 2017 Crop Insurance Industry Leadership Award at the 2017 Crop Insurance Industry Annual Convention earlier this year. This award is given to individuals who are directly involved in the crop insurance industry and who consistently serve the industry by providing outstanding leadership through NCIS committees.

As chairman of the Policy, Procedure and Loss Adjustment Committee, Mark has the opportunity

to address critical issues for both today and the future. He joined the committee in 2006 and has been its chairman since April 2011. Mark has been instrumental in establishing recent goals for the committee and ensuring their successful achievement. Additionally, he has organized the last two farm tours during the two most recent committee offsite meetings. These tours are effective in educating committee members to crops and farming practices specific to an area, which is generally outside of the members' expertise. Mark is also a member of the NCIS Program Development Committee.

Mark has worked in many areas over his tenure in the crop insurance business including underwriting, compliance and claims. The majority of that time has been spent within the claims area due to his strong conviction in providing the best claims service to the American farmer. "This has been very important to me as our commitment to the American farmers and ranchers is priority number one," said Mossman.

Mark is committed to continually working towards finding new ways to improve the crop insurance program, and as a member of two NCIS committees, he is always thinking of what is best for the industry and not just the company he represents. "It was a great honor to be recognized by NCIS for this award. Across our industry, there are many professionals committed to improving the crop insurance program and to be singled out for this honor is very humbling," Mossman said, "at QBE NAU, we have representation on every NCIS standing committee and each of these individuals dedicate their time in order to stay committed to the work on behalf of our agents and policyholders as we move forward."

Mark graduated from Northwestern College with a Bachelor of Science degree in Business Education. He began his career in 1989 with National Ag Underwriters. In 2004, Mark joined QBE NAU as the Ramsey Branch Claims Manager and was promoted to the role of Senior Vice President of Claims a year later. Congratulations, Mark!



Best wishes, Kurt Johnson!

In December of 2016, Kurt Johnson of the Ramsey, MN Corporate Office, made the leap into retirement. Kurt was instrumental in QBE NAU's day-to-day success for the last 15 years. His role of Lead Procurement Analyst was one of many he held throughout his time at the company.

Some of Kurt's biggest accomplishments, to just name a few, incorporated the creation and implementation of our infrastructure to include the server room which supports our EASYwriter Pro systems. In addition to the IT support Kurt provided, he was also responsible for recruiting many of our current team members, which include several managers.

In keeping with Kurt's work ethic, he has several things planned during retirement. Kurt wants to focus more on the Parkinson's Association. He currently leads one of their support groups. Motorcycling, fishing and most importantly spending more time with his family are also items at the top of his list.

Best wishes, Kurt, on your well-deserved retirement!



Spring 2017 wildfires impact the south

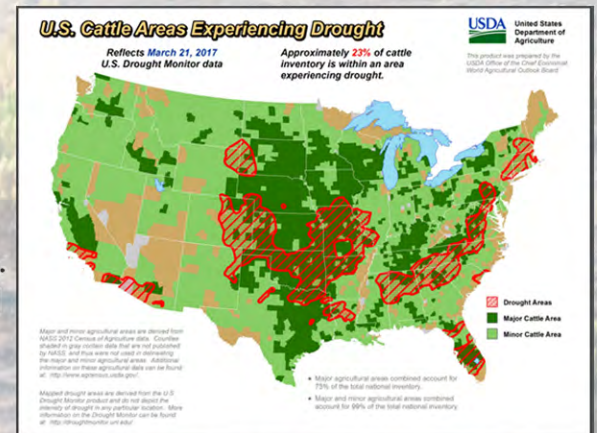
The Southern Region consisting of Kansas, Oklahoma, Texas, New Mexico, Missouri, Arkansas and Louisiana have experienced abnormally dry fall (2016) and winter (2016-2017) seasons, leaving topsoil moisture at a deficit for crop and pasture growth.

In early March, winds began to blow and humidity levels were low setting up the Southern Branch for high fire dangers in many areas. As a result of these persistent conditions, several of our agents and many farmers were affected by fires across Colorado, Kansas, Oklahoma and Texas.

Our worst nightmare came true when wildfires began to spread in Northwest Oklahoma and the Eastern Texas panhandle spreading north into Kansas with the dry conditions, low humidity, high winds and plenty of fuel load (tall grass) from the wet summer in 2016. These wind driven wildfires were moving at speeds up to 70 miles an hour, burning everything in their path including farmsteads, homes, outbuildings and pasture. In total, the acres burned were in excess of 1.5 million leaving devastation for miles. Several ranchers perished in the fires attempting to save their livestock. Many herds of cattle were totally destroyed when the livestock was overtaken by the fast moving fires and not able to get to safety. We have heard 5,000 head or more of livestock have been lost to the fires.

Many farmers, ranchers, businesses and QBE NAU staff from all across the U.S. are currently sending loads of fence, hay, clothes tack, feed, medicine and anything they can spare to the fire ravaged areas in support.

God bless farmers and ranchers!



U.S. Cattle areas experiencing drought (red hatched) with significant drought increase as of end of March 2017. Source: USDA

2017 S TRADES

Southeast Branch tradeshow participation

The first few months of 2017 have been busy for our Southeast Branch. We have participated in several successful tradeshows.

In January, the Southeast Branch attended the Virginia Farm Show and the Agribiz Show. Rebecca Hudson noted that, "This was the first year we attended the Virginia Farm Show. It was a great experience and we got a chance to make some great connections."

In early February, we had the Southern Farm Show in Raleigh, NC. This is one of our largest tradeshows. We had Southeast Marketing Representatives and Claims staff in attendance, including: Rebecca Hudson, Dave Overman, Jordan Atkinson, Linson Stegall, Matthew Neal, William Morris, Jesse Morrison and Michael Sizemore.

The Southern Farm Show attracts farmers and their families from North Carolina, Virginia, South Carolina and Kentucky. We had many agents stop by to visit with their farmers. Visitors received a free rain gauge and nearly 100 additional participants signed-up for our giveaway - a free Yeti Cooler.



2017 National Farm Machinery Show

The National Farm Machinery Show in Louisville, Kentucky is one of the largest agriculture exhibitions in the United States. The show is held at the Louisville Convention Center which covers over a million square feet. This year's event was centered around the four-day 2017 National Tractor Pull held in the 11,000 seat Freedom Hall Stadium within the Louisville Convention Center.

Representing QBE NAU Crop Insurance at this year's show were Marketing Representatives Terry Hayes (Southeast), JC Large (Great Lakes), Andrew Abner (Great Lakes), Technology Field Service Representative Tim Manthey (Northern, Regional), IT Marketing Representative Shane Kvalevog (Northern) and VP, Branch Operations Manager John McDermott (Great Lakes), We were fortunate to have former Marketing Manager Ron Nash (Southeast), Lead Field Marketing Representative Dale Ward (Central) and Marketing Representative Alex Mizell (Great Lakes) stop by our show during the four-day event.



PRING SHOWS

The focus of this year's booth was Farmer Tools, featuring EASYview Weather, Precision Farming, QBE NAU Mobile and the upcoming release of Field Insights. With 850 exhibitors, the attendees of this event are farmers and agents. We were able to showcase these tools to our current farmers as well as potential customers that visited our location.

During the event, those that stopped by our booth could sign up for the chance to win their choice of Yeti coolers: either the Yeti 45 hard sided cooler or the Yeti Hopper 40 soft-sided cooler, plus the two daily prizes of a Yeti Mug. The grand prize winner was Chip Kinsey from Kevil, Kentucky, who chose the tan Yeti Hopper.



Commodity Classic 2017

In early March, QBE NAU Crop Insurance had the opportunity to exhibit at the Commodity Classic tradeshow in San Antonio, TX. This convention started in 1996, and since then, the show has offered farmers the opportunity to attend educational seminars and interact with businesses that support their farming operations. This year, QBE NAU Representatives: Jay Domer, Terry Hayes, Tim Manthey, Lucas Graunke, Aaron Chamley and Adam Flynn spent three days at the event meeting with our current farmers, agents and potential customers on the benefits of QBE NAU and our latest technology. The 2017 Commodity Classic had over 9,000 registered in attendance, with 425 companies exhibiting in 226,600 net square feet of booth space. Those that visited the booth were able to chat with our Representatives, grab some free QBE NAU swag and register to win our daily Yeti Tumbler giveaway, as well as our grand prize Yeti cooler. Congratulations to our grand prize Yeti cooler winner, John Quinn, from Chillicothe, MO!



2018 brings the Commodity Classic show to Anaheim, California. Please plan to take a trip out west February 27 - March 1, 2018!

Great Lakes Branch Office volunteers!

Over the 2016 holiday season, the Great Lakes Branch Office took part in volunteer events and charity work for several organizations. In November 2016, Eau Claire employees helped the “Feed My People Food Bank” downsize 2,000 lb. bags of potatoes into 40 lb. manageable packages. In total, the group repackaged 7,000 lbs.!

In December 2016, employees volunteered with the “Western Dairyland Community Action Agency” to organize a homeless shelter storage unit. The volunteers were thanked on the agency’s Facebook page. QBE NAU prides itself on volunteering and our branches have made our company proud!

Thank you to all who made these volunteer opportunities happen!



Social media emphasis on crop insurance

In anticipation of the impending 2018 Farm Bill, NCIS hosted representatives from many of the Approved Insurance Providers (AIPs) to provide training and insight regarding the social media world that we live in and how we can contribute factual and useful information to our agents and farmers. Those who took part in the training discussed why using social media was so important and effective in engaging audiences, and how their companies can use it to enhance their brand image. QBE NAU Marketing Representative, Gene Grimsley and IT Marketing Representatives, Katie LaMere and Shane Kvalevog were in attendance. Speakers at the event included Phillip Hayes, North Bridge Communications, Ken Schultz, Abundance Media, and Laurie Langstraat with NCIS.

Accessing the Farmer in Social Media

There are many companies, organizations and individuals working in agriculture who utilize social media to engage customers and share information about products and services. Statistics show that 46% of farmers use Facebook while only 9% of them utilize Twitter. 12% use social media to advocate for agriculture. This is where you come in. See a post you think would be interesting to your farmers? Feel free to “Share” our posts to your agency page!

The goal moving forward is to encourage those who work in the crop insurance industry to be active in social media by staying connected and work together to effectively communicate the importance of crop insurance prior to the 2018 Farm Bill discussions and beyond.

Who is NCIS?

National Crop Insurance Services (NCIS) is a service organization representing the 16 crop insurance companies that sell and service federally regulated multi-peril crop insurance through the United States Department of Agriculture’s (USDA) Federal Crop Insurance Corporation (FCIC). NCIS members also service the state regulated line of crop insurance, called crop-hail. For 2015, the crop insurance industry provided coverage on nearly \$150 billion of insured crop value.

Western Branch: Breaking the drought cycle

After experiencing one of the driest years on record in 2015, we provided rain gauges to our agents at our update training in the fall in hopes of reversing the trend. Well...in 2016, we had a marginal year for precipitation, which helped us reverse the trend. However, not like we had hoped to achieve with our rain gauge tactics. Heading into 2017, we were still in dire need of a good precipitation year in California to help erode the five-year drought cycle. I believe we just

primed the pump on those gauges in 2016, because in 2017, we have more water than we know what to do with. We went from one of the driest years to one of the wettest years on record. Currently, we are 200% above normal for the year and are tracking to have the wettest year in recorded history.

What does this mean for crop insurance in the Western Branch? One, it's a major relief for us and our farmers to finally break the drought cycle, and not have that worry about failure of irrigation water supply issues for prevented planting and perennial crops. Two, we now have concerns for prevented planting for being too wet. However, this concern is way more manageable to deal with than being too dry. Three, the cool/wet winter hopefully recharged our perennial crops that need good chilling hours during the winter months to reset. Overall, we are set up for a good year in the Western Branch. We will have minor issues with flooding and Prevented Planting (PP), but favorable conditions this winter left us plenty of water to go around. This has brought optimism back to farming in areas where drought was a factor.

This story sums it all up:

Traveling back and forth between the Woodland Branch Office and the Fresno Regional Office during the five-year drought period, I noticed a farmer placed a sign along the highway that said, "Pray for Rain". On a recent trip to Fresno, I noticed the sign had been appropriately replaced with another sign that read, "Thank you!"

Article by: John Weinstorer, SVP QBE NAU Western Branch Office

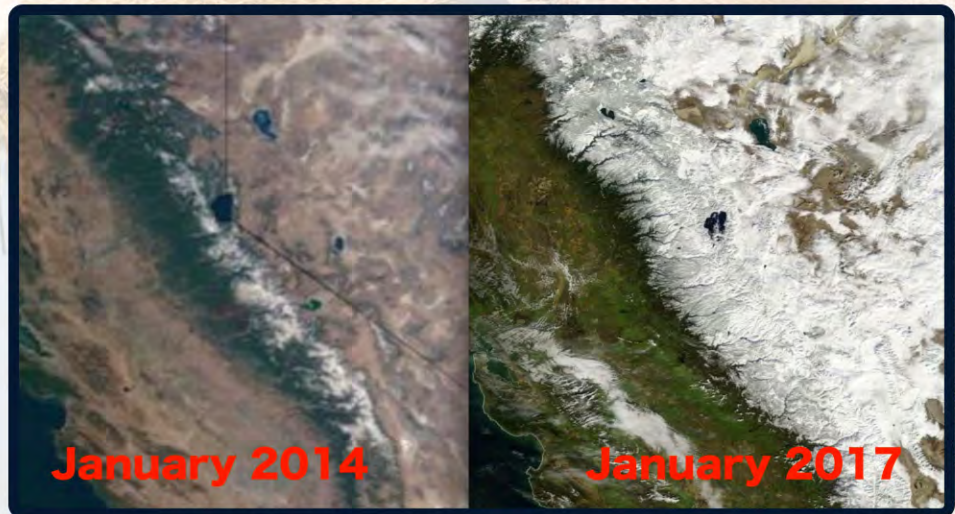


Figure 1: Snow pack January 2014 in the Sierra Nevada vs. January 2017.
Image source: NASA



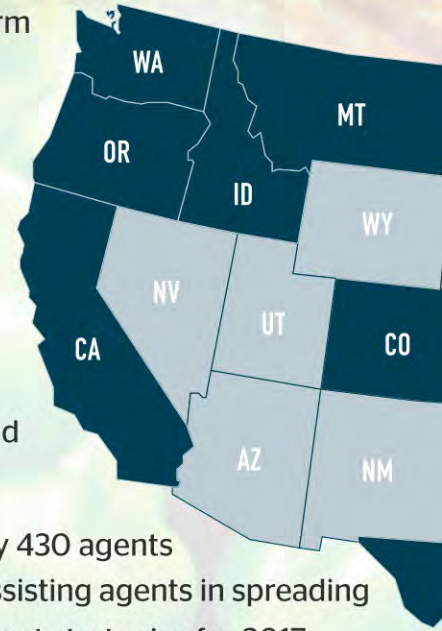
Figure 2: Field Claims Manager, Tim McGrew took this picture of the Lake Berryessa Spillway. The water in this lake has not spilled over this drain in over 10 years!

Whole Farm Revenue Protection protects your farmers

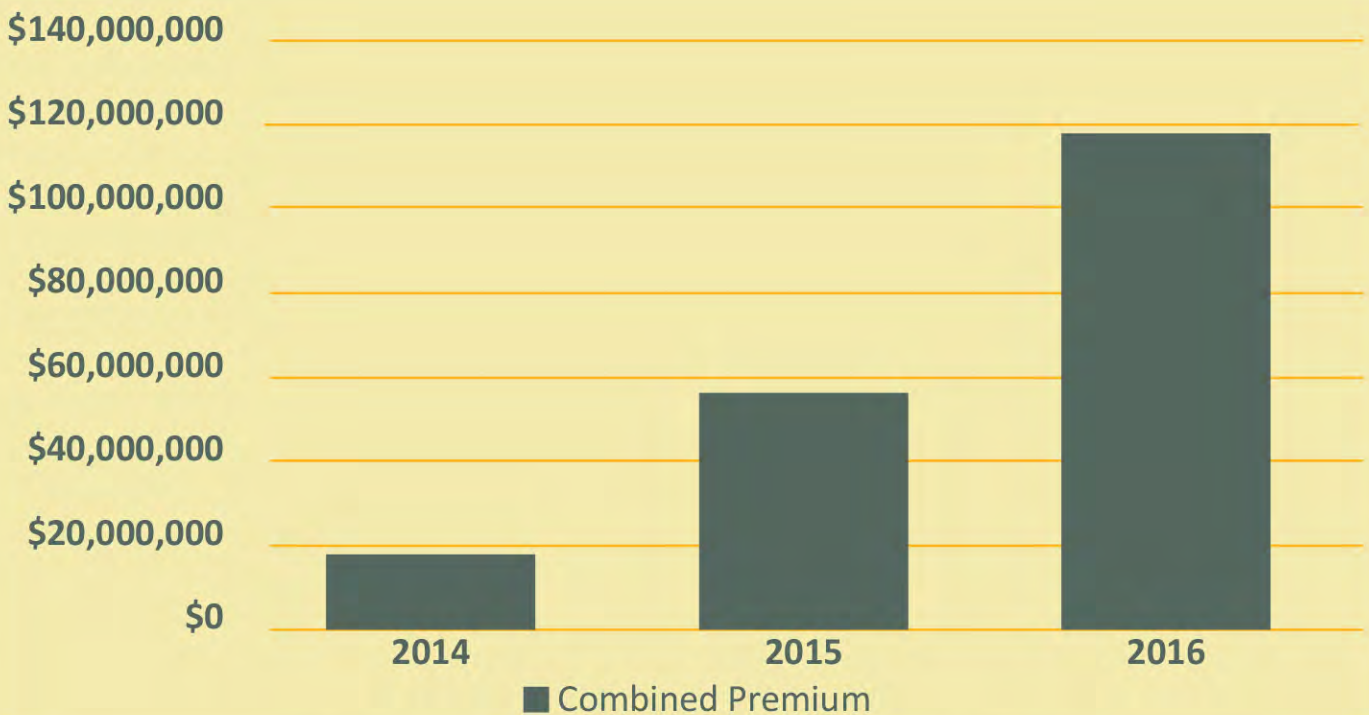
QBE NAU has been quite busy for the past six months training agents on Whole Farm Revenue Protection (WFRP), which is a risk management safety net for all commodities on the farm under one insurance policy. Each insurance plan can be tailored for any farm with up to \$8.5 million in insured revenue, including farms with specialty or organic commodities (both crops and livestock), or those marketing to local, regional, farm-identity preserved, specialty or direct markets.

The RMA introduced WFRP for the 2015 crop year. Since then, total premium has increased steadily, nationwide. QBE NAU expects that trend to continue. In preparation for the 2017 crop year, we focused our attention on providing agent and producer WFRP workshops throughout the country.

Since September 2016, WFRP workshops were held in 20 states with approximately 430 agents attending. In addition, multiple producer workshops were held in many locations assisting agents in spreading the word on how WFRP can benefit producers as they planned their risk management strategies for 2017.



COMBINED PREMIUM



Whole Farm Premiums 2014-2016

The results of these efforts have increased sales under WFRP from policies written in 23 states in 2016 to WFRP policies in 33 states so far in 2017. We expect the numbers and the states where policies are sold to increase as the rest of the application packets come in for 2017.

QBE NAU has made dedicated efforts to becoming the experts in WFRP in regards to providing agents and the American farmer the level of customer service that they deserve. We have specialized staff in the fields of Underwriting, Marketing and Claims providing our agents and farmers with the resources they need throughout the year.

If you have questions regarding WFRP and how it can benefit your farmers, please contact your local Marketing Representative.

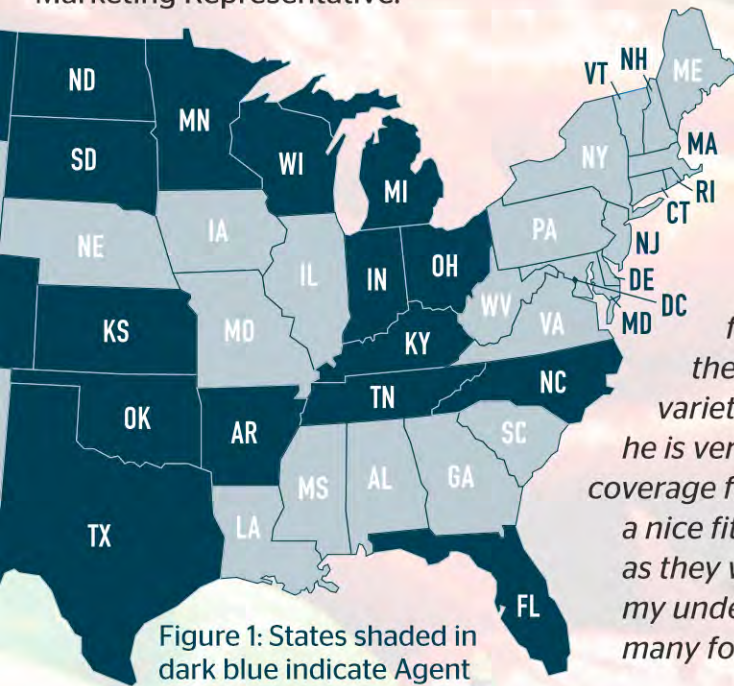


Figure 1: States shaded in dark blue indicate Agent Workshops across the U.S. since September 2016

Agent Feedback on how Whole Farm Revenue Protection is helping their clients.

After working through the process of a quote and application for the Whole Farm Revenue Protection policy for a prospect in Kansas, I must say I am very impressed with the coverage my new insured will be receiving. He has a variety of crops (corn, milo, oats, wheat) along with livestock and he is very happy that he will be getting over a million dollars of coverage for roughly \$10K in farmer premium. This product is such a nice fit for his operation. I also want to thank the staff at QBE NAU as they were extremely helpful in the process!! Both Dave Paul and my underwriter, Brian Johnson, helped me with the quoting and the many forms needed to get the job done. Thanks again!

**Jeanne T. Huggins, Insurance Manager
Rabo AgriFinance**

QBE NAU has provided excellent hands on training and support of the Whole Farm Revenue Protection (WFRP) product offering. Their knowledge and continuing assistance they've offered has allowed me to better serve my current customers. As well as created an opportunity to reach new operations within the region. QBE NAU has proved themselves to be the experts on WFRP with their prompt and accurate attention to questions. The addition of Dave Paul, and his extensive knowledge of WFRP, has been invaluable. Future whole farm policies will confidently be written with QBE NAU. Thanks,

**Mike Krause, Crop Insurance Specialist
Badgerland Financial**

Historically, there has not been sufficient coverage available for Vineyards in our Vineyard prolific area. With over 45 Wineries/Vineyards within the five county Traverse City Region of Michigan, there was a lot of unprotected liability in the vineyards. Unfortunately, there have been a few devastating years due to severe cold winters and a few rare hail storms that have left growers very vulnerable to withstand any more damage, without better risk protection. One of these Vineyards was Brys Estate Vineyard. Whole Farm Revenue Protection could not have been available at a more relevant time to the grape industry in Northern Michigan. Brys Estate also grows a significant amount of Lavender, so they benefit from the higher subsidy level. Whole Farm is now an important tool for Brys Estate Vineyard, to help protect the crops that produce their prized Estate Wines for many years to come.

**Cory Blumerick, Crop Insurance Specialist
GreenStone Farm Credit Services**

Roy Jackson and Jimmy Raivala receive 10/10 Recognition

QBE North America's 10/10 Recognition Program emphasizes the outstanding work from all of our business units and our commitment to our values. Throughout the year, employees from our five operating divisions have the opportunity to nominate colleagues who exemplify those values.

This year, QBE North America recognized both QBE NAU's Roy Jackson, Senior Claims Adjuster, and Jimmy Raivala, Senior Accountant, for their services.

Jimmy has been with QBE NAU for over six years within the Accounting/Finance department. He has worked in many areas of the department including account reconciliations. A number of these account reconciliations relate to balances to be settled with the Federal Government (RMA). These reconciliations can be extremely complex due to all the transactional data that passes between QBE NAU and RMA. Jimmy has been instrumental in improving these reconciliations, which has led to identifying transactions that have not been recorded correctly, allowing QBE NAU to settle balances more timely. Jimmy took the initiative to deliver meaningful and measurable results that benefited QBE overall.

Roy was selected for the North American top honor - representing all who contribute to QBE North America's success. Roy took on the challenge of testing and training a team of people to use drones to inspect 42,000 acres of citrus groves in Florida. His dedication, creative thinking and focus on the customer allowed the team to complete the inspection, while gaining valuable intelligence on how to use the technology in the future.

Both were invited to QBE North America's headquarters in New York City, along with the additional Top 10 employees to tour the New York office. Highlights from the trip were meeting with QBE North America CEO, Russ Johnston, the awards dinner, taking in a Broadway showing of "The Lion King", a ferry ride across the Hudson River, walking across the Brooklyn Bridge and walking around the city. Roy Jackson noted that it was nice to meet folks from different backgrounds and careers. It was interesting to see how similar the experiences were among the nominees.



Working towards QBE ONE

The QBE NAU Corporate Office in Ramsey, MN, has had the opportunity to have QBE North America's executives in town visiting the office over the past few months. At a town hall meeting in December, QBE North America's Chief Operating Officer, Bob James, met with staff and spoke about QBE. In late February, both Kris Hill, QBE - Chief Financial Officer, and Greg Giardiello, QBE - SVP Divisional Controller, met with accounting and QBE NAU executive staff to learn more about the crop insurance industry. Visits from our QBE North America executives provide beneficial updates and give QBE NAU employees the opportunity to connect with our corporate leaders.

ONE  QBE
Make it happen

Central Branch takes pride in community outreach!

The Central Branch Office, based out of Council Bluffs, IA, is very active in the support of the underprivileged and homeless. Throughout the year, the office staff are involved in several community projects providing support and giving to others.

In 2016, the office participated in various community outreach programs. These services include gathering personal hygiene products for the homeless, providing candy to the YMCA daycare for Halloween, donating items for the “Fill the Bus” program for local schools to distribute to children in need and gathering food for the food shelter. We have been busy keeping the thought of helping others in the forefront!

Our largest office giving was during the 2016 Thanksgiving and Christmas season. In November, we collected food items, including Turkeys, to help create Thanksgiving meals for families within the Omaha, NE and Council Bluffs, IA metro area. These meals were then taken to homes in the metro, so the families could fix a holiday meal.



The Central Branch Office’s hearts were fulfilled with giving in December during our second year of involvement with an organization called “Angel’s Among Us”. Each family sponsored through this organization has a child that is currently or has been diagnosed with cancer. The bills and tolls on these families are great. The office staff were blessed to help the family of Bella.

Bella’s family is amazing. When Bella’s mother visited with her children about what they would like for Christmas, they all concurred that they would like Bella to get better. They also wanted to have their basement finished, so they could expand their home to accommodate their five children. When Bella was diagnosed, they had already saved the \$8,000 needed to pour their basement to make rooms for the kids. However, with the diagnosis, the money needed to be allocated elsewhere.

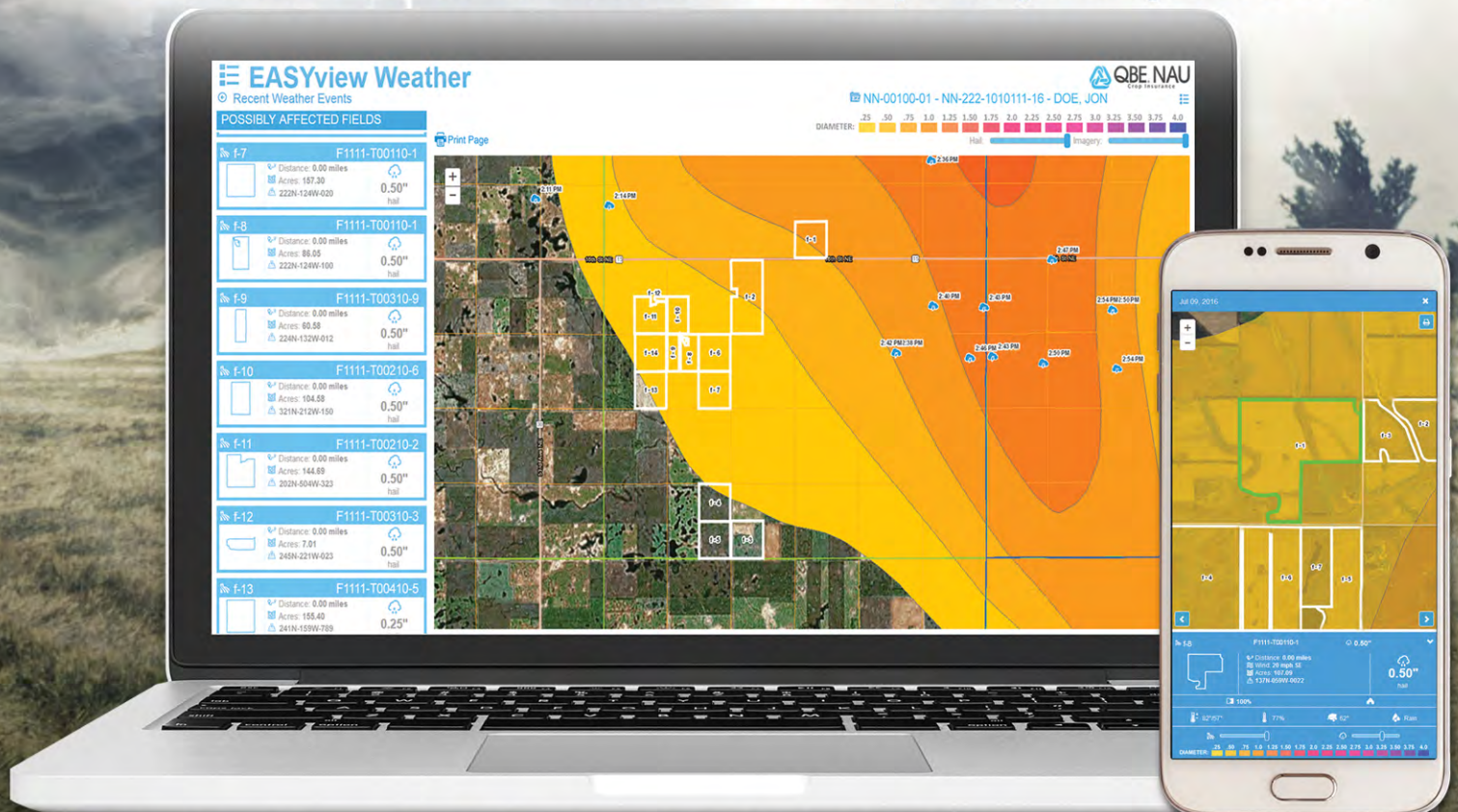
Although we could not pour their basement, the Central Branch office raised \$1,800 to purchase Menards’ Gift Cards to help with the finishing costs of the basement. However, it didn’t stop there! Crop Insurance is known for the generosity of their agents and their caring nature. We took Bella’s story and reached out to our longtime friend and agent, Johnny Kamery of the Gary Thompson Agency. Johnny took this information and contacted a member of the organization called “Concrete Cares”. In January 2017, this small organization reached out to their members and without hesitation, donated their time, knowledge and materials to the family, placing 18 cubic yards of concrete to pour the floor. They were also able to help with some materials to build walls and install flooring. Plus, they donated \$1,000 for gifts that could be opened on Christmas.



In early 2017, employees also took part in “Project Hope” with Open Door Missions in gathering items for the homeless and creating “Hope Totes”, which were distributed to those in need. The Central Branch Office truly knows the spirit of giving and looks forward to future volunteering opportunities.

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