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WOW, 2005 seemed to fly by, and here we find ourselves quickly engrossed in 2006. We hope that you received your 2006 Crop Insurance calendar, and we do hope that it can be put to good use. Please let us know if you did not receive a calendar, our contact information is listed at the end of the newsletter.

In this issue we will cover the changes for the 2006 crop year, as well as provide information about some **NEW SERVICES offered** only through Sonnenberg Agency, LLC.



### Website

As announced in the Fall 2005 edition of the newsletter, our webpage renovation has been completed. Any new articles and breaking Crop Insurance news will be posted on the website's front page. By logging on to the website at [www.crophailins.com](http://www.crophailins.com), you can read the latest Crop Insurance news, look at informative articles, and tell us what you think about the site and its layout.

### Misreported Information

In keeping with tradition, the Risk Management Agency (RMA) is once again putting emphasis on correctly reporting information for the 2006 crop

year and beyond, and stiffening penalties for incorrectly reported information. These additional rule changes are in response to what RMA has now officially termed, "Fraud, Waste and Abuse".

There is almost zero tolerance for incorrectly reported information, such as, SSN's, EIN's, marital status, acreage, and business partners. If any of this information is found to be reported incorrectly (accidentally or intentionally), your policy will be **VOID**.

Most incorrectly reported information appears at loss time when the adjuster is verifying share(s) and other information. There is nothing tougher than finding out an indemnity payment you were counting on is not going to be paid because of an accidentally misreported SSN. **PLEASE DOUBLE-CHECK THE INFORMATION YOU RECEIVE FROM US AND THE COMPANY**, do not put yourself at risk of policy cancellation.

### Changes in Marital Status

This goes hand in hand with the previous heading, but needs to be expanded upon. First, it is important to understand that RMA views the husband and wife as one (1) entity, but each person within the "entity" has a 50% share. Any change in marital status affects the SBI, and unreported or misreported changes to the SBI result in voidance of the policy – there's a theme here.

Bottom-line: A change in your marital status, or a change in, or to your SBI is okay, and you will not be penalized for these changes, if they are reported before September 30<sup>th</sup> and March 15<sup>th</sup>. However, back to the theme again, you will be penalized for not reporting or misreporting the change(s). *This is also applicable for changes in partnerships and corporations.*

### Schedule of Insurance

This is sent from the company via the agent's office. Schedules are issued after acres are reported to the agent, and the agent submits the reported acreage to the company. The schedule outlines coverage per acre, guarantee, and premium. Please note, premiums are not due from the Schedule of Insurance.

**Schedules of Insurance, and all information derived from the schedule are only as**

**accurate as you report** – here’s the theme again. Misreported acres WILL show up, and WILL cause problems.

There is one (1) area of leniency that RMA has given us: If acres are reported before the Acreage Reporting date, and an error is found, the error can be corrected, provided the error is found and reported before the Acreage Reporting date. This is precisely why it is crucial that you **DOUBLE-CHECK THE INFORMATION YOU RECEIVE FROM US AND THE COMPANY** – there’s that theme again.

### **Transfer of Coverage & Successor-In-Interest**

The 2006 Crop Insurance Handbook defines individuals qualified for a Successor-In-Interest as, “An immediate family member (spouse, son, daughter, legally adopted child, brother, sister or grandchild), an authorized representative (administrator or executor of an estate, trustee, guardian of judicially incompetent/minor/or incapacitated individual or a Power of Attorney (POA)), a person whose status has changed, or a change of insurable entity.”

**If any change in ownership of land, or a change in entity structure has occurred, or is going to occur, please notify us A.S.A.P.**

There are rules that we have to work around to keep the policy in force.

### **Revocable Trusts**

New for 2006, Revocable Trusts will now use the same guidelines as Individual Entities. According to the Crop Insurance Handbook, if a producer has an individual policy and a revocable trust, the revocable trust’s interest will be covered by the individual policy, and the trust’s policy will be cancelled. If a producer is married, and both spouses have revocable trusts, both trusts’ interests would be covered under one (1) spousal policy. When these changes are made, the information will not match FSA’s information.

### **Written Agreements**

Written Agreements are requests for RMA to insure a crop, variety or practice that is not listed in the actuarials as insurable. Three (3) years of production records must accompany the request. Records for similar crops or adjacent counties are

allowed. Written Agreements approved in 2004 and prior years will continue in effect.

Each proposed unit must contain at least 320 contiguous acres, and only one (1) Written Agreement will be insured for all insured crops in the county. **Written Agreements are necessary if you are considering, or have decided to plant Skip-Row corn.**

### **Livestock Insurance**

We are pleased to announce that **we offer three (3) different livestock insurance policies.**

The first policy is Livestock Risk Protection (LRP). The program is available in Colorado for Feeder (birth – 900 lbs) and Fed (1,000 – 1,400 lbs) cattle. The policy covers a decline in price, this is not a mortality policy. The policy does offer great flexibility, with the ability to insure 1 head, up to 4,000 head (fed cattle). Lenders prefer this type of risk management because it is an insurance based form of protection.

The second policy we will soon be able to offer is Livestock Gross Margin (LGM). It is a new program being introduced for 2006. The program is designed to cover profit margin. Agent training is ongoing, and we will provide more information as it becomes available to us.

The third policy is a mortality policy underwritten by The Hartford. Please contact Sam or Tim for more information on any of the three policies.

*A mind that is stretched will never return  
to its original dimension.  
- Albert Einstein*

### **Sprinkler Insurance**

We offer Sprinkler Insurance underwritten through Diversified Agrisure. It is a stand-alone policy, covering only sprinklers from all act-of-God perils. Many producers have found it cost-effective to remove the pivots from their farm and ranch policies and insure them under a **policy designed specifically for sprinklers.** Please contact Sam for further information.

## **GRP / GRIP**

Group Risk Protection (GRP) Insurance and Group Risk Income Protection (GRIP) Insurance are county-based insurance plans. Although the plans work back east, neither plan is a feasible insurance product in this area, and banks do not accept GRP and GRIP as sufficient risk management tools. **If anyone contacts you selling GRP or GRIP please contact us immediately.**

## **Marketing**



Sonnenberg Agency, LLC is excited to announce our partnership with Scott Ramey of Paragon Investments. This partnership will give you **access to a professional in commodities marketing.**

The preliminary plan is for Scott to be in our office a couple days a week, but please contact us for further information regarding setting appointments with Scott and what this partnership can do to improve your bottom-line.

## **Auto and Homeowners Insurance**

We have exciting news for auto owners and homeowners. Several of our auto insurance companies have again taken rate decreases, this great news could mean **more money in your pocket.** We are very competitive in the Auto Insurance market, and we would love to show you how. Please contact Lisa for further information and quotes.

We are still competitive in the market of Homeowners Insurance, if you live inside city limits. We would love to put together a package of auto and homeowners insurance for you, please contact Lisa to find out more.

## **Financial Services**



Jared Sonnenberg is pleased to announce his partnership with Marcus Thurston of Spectrum Financial. This partnership gives you access to great alternatives to CD's, as well as other great investment products to safeguard your money. Please contact Jared for further information.

The goal behind this partnership, as well as the partnership with Scott Ramey, is to offer something that no other insurance agency can provide.

At Sonnenberg Agency, LLC, **we want to be your "circle of protection" when it comes to safeguarding your operation and livelihood.**

## **"Crop Insurance 101 for Wives"**

Our **seminar was a great success**, thank you to all who attended. We had a good turnout – over twenty (20) attendees, very good discussion, and we got some great feedback.

We are strongly considering offering another seminar, please contact Jared if you would like to attend again, or attend for the first time. We would encourage you to talk to any of the women who attended, and speak with them about their impression of the seminar. We would love to offer another one, and we would love to see you there!

## **Electronic Newsletter**

If you would prefer to receive this publication via Email, please contact us at 970-522-1681. The newsletter is also available on our website at **[www.crophailins.com](http://www.crophailins.com)**.

*A reputation is not built on what you are going to do; it is built on what you have proven you can do.*

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