



CROP TALK

Premium and coverage increase for 2007

With the current high commodity prices that are likely to remain high, the base price for insurance appears poised to take an increase that could be as high as 50%. Of course this means that your coverage will increase proportionate to the increase in premium. While an increase in coverage always sounds appealing, the increase in premium may be to difficult of a financial mountain for some producers to traverse. There are ways to offset or lessen the increase in premium (if you are interested), please contact us for more information.

If no changes are made by March 15th, the increase in coverage and premium will occur automatically. No changes with respect to your coverage level can be made after March 15th, no exceptions.

The insurance base price for corn was \$2.59/bushel in 2006 and it is reasonable to assume, based on what we've seen, that the 2007 beginning corn price could be near \$4.00/bushel.

We feel very fortunate to work with some of the best producers in the area, and look forward to discussing your risk management options with you. Contact

us to find out how the increase in price and coverage will affect your operation. There are many options available to you concerning coverage levels and the subsequent premiums, and we are excited to show them to you.

Something else to consider: "With the increased winter precipitation and the forecast of a "wet" spring, is this the year you might want to add hail insurance?" We'll show you how hail insurance works in combination with your revenue or MPCl policy to give you the best possible coverage.

Forward contracting: Does it pay?

In one word, Yes. This is especially true for the 2007 crop year as insurance prices are poised to be higher than they have been in the last 19 years. With such a high first price, the probability is good that the 2nd (harvest) price will be lower. Take the opportunity

now to "lock in" a high price for your crop — **forward-contract**.

We work closely with Scott Ramey of Paragon Investments. Scott is a marketing and commodities trading professional. Contact us today to find out how

Scott's expertise can benefit your operation.

"Every producer should be forward-contracting their insurance guarantee."
ARMtech Insurance

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Hayland and pasture policy was a big hit!

If you are not familiar with this policy, the following paragraphs will outline the policy. Please keep in mind that the sales closing date for this policy has passed, and new policies, if written, will not take effect until after November 30th, 2007. (November 30th is the sales closing date). With a November 30th sales closing date, you have time to contemplate if this policy would be a good fit for your operation.

The policy provides financial compensation for hayland and pastures that have become unusable due to a lack of precipitation. The policy is based on National Oceanic and Atmospheric Administration data and uses 12 x 12 mile grids. Producers must select at least two, 2-month time periods in which precipitation is im-

portant during the growth and production of the forage species. These time periods are called index intervals, and precipitation data is collected per interval by NOAA. Insurance payments to a producer suffering a loss are calculated based on the deviation from normal precipitation within the grid and index interval(s) selected. **This insurance provides coverage for lack of precipitation only.** Coverage and claims have nothing to do with tonnage produced on hayland or the number of cattle that can be "run" on pasture ground.

This product was designed to allow maximum flexibility for the producer. You are not required to insure all acres, but you cannot exceed the total number of grazing or haying acres that you operate. By

selecting a Productivity Factor, you establish a value between 60 and 150 percent of the County Base Value and matching the amount of protection to the value of forage that best represents your specific grazing or haying operation.

You have to make several choices when insuring grazingland (pasture) or hayland: including coverage level, index intervals, productivity factor, and number of acres. We will work with you and provide maps and index grids for your area, and then we will assign acreage to one or more grids based on the location and use of the acreage that is to be insured.

Contact us at (970) 522-1681 or at sonag@crophallins.com if you are interested in this policy for next year.

Production reporting deadline

Production from your 2006 spring crops is due by April 29th, 2007. Although this date gives you three more months to turn in your production, we strongly suggest, **if you have not already, get your production to our office A.S.A.P.**

If you are unsure about whether or not we have received your production call us at (970) 522-1681. If we do not have your production, we will be contacting

you to finalize your 2006 spring crop production report. Our intent is to have your production report submitted to the com-

"Our goal is to have all production reports completed by March 1st, 2007".
Tm Sonnenberg

pany before March 15th, so we have an updated APH to quote from. With premiums certain to increase (as mentioned in the first article), we are expecting to run a large number of quotes.

With the large number of claims in 2006, many production reports were considered completed along with the claim. Regardless, if you have any questions about the status of your production, contact us.

New Policy

Adjusted Gross Revenue (AGR-Lite)

Adjusted Gross Revenue (AGR-Lite) provides comprehensive protection against unavoidable natural disasters and price related causes of loss. This policy provides essentially the same protection as MPC1 and revenue policies, but **coverage is based on whole farm revenue provided from the previous five (5) years tax returns Schedule F Income and Expense sheets.**

It appears that this product might work for a producer who derives a majority of his/her income from uninsurable commodities. This coverage can be added above and beyond a normal MPC1 or revenue policy, with additional premium.

Loss payments are calculated by multiplying approved AGR-Lite (adjusted if allowable expenses fall below 70% of average allowable expenses) by the level of cover-

age selected, subtracting the revenue to count (including applicable accrual adjustments) and multiplying this result by the payment rate.

The sales closing date for this policy is March 15th, the same date as traditional spring crop policies. If you think this policy may fit your operation, please contact us to set an appointment and we can explain this policy in more detail.

Skip-row corn



Skip-row corn is once again an insurable practice in Colorado and Nebraska. However, **skip-row corn is only insurable through a Written Agreement**. The written agreement must be submitted to the company no later than March 15th, 2007.

If you are considering planting skip-row corn, it is in your best interest to have

the information for the Written Agreement to us before March 15th. Also, **skip-row corn is not a carryover practice, a Written Agreement must be submitted every year for the practice to be insured.**

Included in the Written Agreement paperwork must be, including but not limited to: FSA maps and 578's, a completed APH form and records indicating soil type. Please contact us if you have questions about the necessary paperwork for skip-row corn Written Agreements.

Skip-row corn is only available on Crop Revenue Coverage (CRC) and MPCl policies, it is not available on Revenue Assurance (RA) policies. If you are interested in planting skip-row

corn, and you have an RA policy, we must do a policy change before March 15th, 2007.

Studies have proven that skip-row can, and does, yield better than conventionally planted corn. Planting skip-row is a sound practice because the crop needs less irrigation, which in the drought is a benefit. If you want more information on insuring skip-row corn, please call us A.S.A.P.

"With the lack of water in northeastern Colorado, skip-row corn is a practice that most producers should consider."

Rain & Hail, LLC

GRP and GRIP: What are they?

Group Risk Protection (GRP) and Group Risk Income Protection (GRIP) were developed and first offered in 1999 in the states of Illinois, Indiana, and Iowa. GRP and GRIP are dramatic departures from traditional crop insurance policies. Although premiums may be cheaper (in some areas) than MPCl or revenue products, **coverage is not specific to individual operations**, it is based on NASS

County Yields. In this area of the country with the many perils producers face, this county-based insurance coverage may not be the best use of your insurance dollars.

The biggest benefits for GRP and GRIP are the possibility of a cheaper premium and the ease of not having to report production. The biggest restrictions of GRP and GRIP are: No prevented planting

coverage, possibility of having a loss and collecting no payment, and lending institutions may not accept GRP or GRIP as reasonable collateral.

Is GRP or GRIP the best insurance policy for your operation? Only you can answer this, but we are more than happy to assist you in making this decision. Contact us if you are interested in discussing the "pro's" and "con's" of these products.

Worker's Comp. Insurance for farms

Farmers and ranchers: Are you tired of trying to find reasonably priced worker's compensation insurance? Or are you struggling to find a company to write your worker's comp. policy? At Sonnenberg Agency, LLC we have the solution, a policy with Applied Underwriters.

Applied Underwriters is an "A" rated worker's compensation company specializing in industries like Agriculture and

Farming. Coverage is available for Dairy Farms and Feedlots, to name a few.

With Applied's integrated program, the need for an end-of-year audit is effectively eliminated, and claims are managed quickly, alleviating a few of the prominent concerns about the common worker's compensation policy. Contact us if you think Applied Underwriters is an option for your worker's comp. situation.



Technology to keep up with the times



At Sonnenberg Agency, we have recently upgraded our office technology to keep up with the changes in the insurance industry.

What does this mean to you? The answer: We now have the ability to scan documents with near 100% clarity and in full color. Concurrently, we have the hard drive capacity to store millions of these scanned images. The hard drive that the images are stored on will be replicated and that copy will be kept on a server that is stored off the premises. Good way to protect information in the event of a fire, tornado or other natural disaster, isn't it?

Our plan is to scan and store all produc-

tion records and FSA documents and maps. This will not only reduce the size of our physical files, but it also allows us to reproduce the necessary documents in the event that they are lost during the claims process, or if your policy is audited. Additionally, your privacy will be better protected due to the reduction of

"Transfer of risk is our business, and we strive to be the best in the industry. Upgrading our technology helps us maintain our standing as a leading insurance agency in the region."
Tim Sonnenberg

paper stored in our office.

We are most excited about lightening the burden on you during the audit of a claim or an audit of your policy. The responsibility is still on you, the producer, to provide all the supporting documentation, but if we can give you the information to provide to the adjuster or auditor, then we feel as though we've done our job. Will people argue if we can make their lives easier during an audit?

Upgrading technology is only one improvement, so please feel free to let us know if there is anything else we can do to better meet your insurance needs. You can contact us by phone at (970) 522-1681 and by email at sonag@crophailins.com.

Hail insurance: Is this the year for it?

With the increased winter precipitation and the forecast of a "wet" spring, this may be the year to add hail insurance as a compliment to your MPCCI or revenue-based policy. Hail insurance policies have many deductible levels to chose from, giving you the ability to tailor the coverage to your needs. By varying the deductible level, you can modify the premium to your fit your budget.

Although hail insurance can be added at any time, contact us before March 15th, and we can show you how hail insurance works in combination with your revenue or MPCCI policy to give you the best possible coverage.

We represent several hail insurance companies, and they all offer something a little different. Contact us today to see which company best fits your needs.



Claim reporting deadline!

Risk Management Agency (RMA), the governmental branch in charge of crop insurance is once again putting additional emphasis into reporting of claims. They have really "tightened the screws" for 2007 and have implemented what we consider a "Zero Tolerance" policy for late filed claims. **All claims must be reported to the insurance company within 72 hours after initial discovery of damage, but no more than 15 days**

after the end of the insurance period. Per policy provisions, the end of the insurance is classified as the earliest of:

1. Total destruction of the insured crop;
2. Harvest of the unit;
3. Final adjustment of the loss on the unit;
4. The calendar date for the end of the insurance period;
5. Abandonment of the crop;

To reiterate, there is zero tolerance for late filed claims. For the 2007 crop year there will be no acceptance of late filed claims. Coming directly from RMA: Producers who try to submit late filed claims will be viewed as potential perpetrators of fraud (and we all know how the government views fraud), and will be subject to whatever penalties RMA deems suitable. Please contact us if you have any questions about the claims process.

Auto insurance for “high risk” drivers

Bad things do indeed happen to good people. Are you one of those good people? Do you have a youthful driver with several tickets? Maybe a spouse with a speeding problem, or tickets yourself? Do you need an SR-22? Was your answer to any of these questions “Yes”? If so, you know how difficult it can be to get insurance, or how expensive it is to keep the “high risk” driver on your policy. At Sonnenberg Agency we have the answer.

We represent several companies specializing in auto insurance policies for “high risk” drivers. Our suggestion is this: If you have a “high risk” driver or if you are a “high risk” driver yourself, take out a policy designed specifically for that driver.

Avoid penalizing the other drivers on your policy because one driver has bad luck — put the “high risk” driver on their own policy. We can phrase it any way you want, but the bottom-line is this: You now have an option for getting the “high risk” driver in your family covered.

Contact us today to find out which company will best fit your needs. Quotes are free and asking questions is easy. Don’t hesitate to make the necessary move, call Lisa at (970) 522-1681 now. Why put off making the call? You have nothing to lose, right?



AUTO INSURANCE



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Sonnenberg Agency, LLC is a member of the Better Business Bureau — Rocky Mountain Region.

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