

THE HOME AGENCY

thehomeagency.com

Weather Contracts
Discernable Breaks and Pivot Corners
Drought Effects on LRP Contracts
TEEN AUTO INSURANCE LAWS



President's Thoughts

FROM THE DESK OF JIM BALDONADO

Greetings! Oh, please let it rainand 85° would sure be nice! I'm writing this on July 4th, actually a month before you will be reading this article, and we need a break from this heat and some rain. I hope by the time you are reading this, things have changed a bunch, but there looks to be no hope in the near future.

What a difference a year makes. Looking back at last year's article which I wrote on July 13th, I said it felt like the middle of October, with cloudy skies, rain and temps in the mid-70s. I also stated very little irrigation had been done at that time; very little wheat harvest had been done and we needed some heat. Well, like I said, what a difference a year makes!

Remember I'm writing this article on July 4th, 2012 and just three weeks ago we were trading December corn at 5.13 and July 3rd, 2012 we closed at 6.74 ½; November beans were trading at 13.25 and on July 3rd closed at 14.74 ¾; July wheat traded at 6.38 and three weeks later it closed at 7.85. Oh what a difference three weeks makes! It will be interesting to see what the prices are when you read this in August.

REVENUE POLICIES

Over the past few weeks a number of you have called and wanted a refresher course on how your revenue policy was going to work in an up market. Remember, we set the price twice, once in February for both corn and soybeans and then again in October for November beans and December corn, and we will use whichever price is highest. So, let's say the harvest price for corn set in October on December corn is 7.50 and you sell short of your guarantee by 30 bushels. Your revenue policy will pay you 7.50 x 30 bushels or \$225 per acre.

And if you had marketed those bushels, you have \$7.50 per bushel to buy those bushels back to fill

your contract. Remember the \$7.50 is average during the month of October on a December contract, with NO basis taken out.

The nice thing about your revenue policy is it will follow the market up and never is there a basis taken out. I was talking to a friend last night after a day that corn was up 25 plus and beans 40 plus and she said she called the elevator and they were only up 15 on corn and 25 on soybeans. She is right in saying that very seldom does the market go up and your cash price go up the same number. But you watch if the market goes down 20 you can bet your cash price will go down every bit of that plus some. It just doesn't seem fair.

I'm sure glad it's the farmers that have to market the grain and all I have to do is talk about it! A few things I have learned over the years about marketing are 1) it's important to learn how to use your crop insurance as a tool to market your grain with very little risk. Even in these dry years and your dryland is burning up, feel free to market those bushels. 2) When marketing, you always hope your first sale is your worst sale, as you never want it to be your best unless you sell your entire crop at one time. And 3) when you are concerned with the markets going up remember they seem to go down twice as fast. So when getting ready to pull the trigger and sell some bushels ask yourself, "Am I making money?" If the answer is yes, make the sale, smile and hope the market keeps going up so you can sell some more, as it's hard to go broke when making money.

EWEATHER CONTRACTS

Last year for the first time, we brought you weather contracts from eWeatherRisk. Well, this year during the month of June alone we sold 2 ½ times more contracts than all of last year, and last year 80% of the contracts were sold in Kansas. This year with the heat moving north, sales are 50/50 between Kansas and Nebraska.

Many of you that bought weather contracts have heard me say, when buying a heat contract you have to put so many heat units or degrees in a 'bucket' and once you have so many degrees in that bucket you start getting paid. Well the latter part of June or the first part of July, I'm driving down the country road and it's over 100° outside. I drive up to two pickups parked in the middle of the road and two of my customers were visiting. I pull up to one and ask, "What's up?" He says, "I'm sweating my --- off," and then continues to say, "but I'm happy, as I'm putting degrees



in my bucket, and that's a good thing." Never in my wildest dreams did I ever think that I would sell a product that would make people smile when the temperatures are over 100°. My guess is, by the time you are reading this article in August, those of you who bought a heat contract may be collecting \$2-4,000 if it's 100° out that day. And if these temps continue, a number of contracts could be totaled out. That's an extra \$50,000 to \$100,000 that will come in handy.

A number of you bought heat contracts with the fear that if it stays this hot during corn pollination, your corn may not pollinate like it should which could cost you 10-20% in yield loss. On 200 bushel corn, that's a loss of 20-40 bushels per acre at \$6.00 per bushel, or \$120 to \$240 per acre.

Producers also bought lack of precipitation contracts and in one instance in Kansas, we were able to lock in six inches of rain from June 22, 2012 through September 1, 2012, and for every tenth of an inch below 6 inches during that time frame he will be paid \$2,000 per tenth. This happens to be on a dryland farm where they have planted double crop soybeans. Remember, you have to buy these contracts 15 days in advance. This contract was bought on June 5th, went into effect on June 22nd and on June 15th they had 1.90 inches of rain and then on June 21st, a day before the contract started, they had 1.71 inches. That's 3.61 inches of rain prior to when the contract started – and no rain since. Boy, some people just live right. Good for you, Stan!

You can also buy lack of precipitation contracts on irrigated crops, as we all know what it costs every time that pivot makes a circle, and today (7/4/12) when it's going to be over 100 degrees out, wouldn't it be nice to have two inches of rain and shut those pivots down for a week. Look at the cost savings if that were to happen. That's the nice thing about a precipitation contract; you're a winner either way. If you get the 6-8 inches we locked in on your contract, think of the savings on your irrigation bill in addition to the extra time you will have to do other things because you do not have to irrigate. On the other hand, if it does not rain and you bought a \$100,000 contract, that money will come in real handy when you have to pay your irrigation bill.

This fall, after you read this article, a lack of precipitation contract may be a must going into wheat planting, because we will need some moisture to get the wheat to come up. Yes, you have your revenue policy to fall back on, but that's only up to the level of protection you purchased. Give me a call and let's see what a weather contract from eWeatherRisk can do for you.



That's where people will be really happy they bought a weather contract – brought to you first by The Home Agency and eWeatherRisk.

FAMILY

Sure seems like the summer is going fast around the Baldonado house. My grandson, Hudson, has

been at the lake a number of times and enjoys riding the Jet Ski, being pulled on the tube behind the boat and just likes being on the water like his Papa. Tank spends the summer at the farm with my brother Fred, so when they (Hudson and Tank) are both gone it's pretty quiet. Well, we can't have that! Sharri has always wanted a lap dog (something a little smaller than Tank's 110 pound frame) so she is getting a miniature Australian Shepherd which will only get up to 14 inches tall. It will be nice to have something around the house that won't knock you down when



you are heading outside. And the best news of all is that Hudson will become a big brother this November, which we are all very excited about! In the meantime, try to stay cool, stay safe and slow down as there is always another day. Take care! ■

Sharri



Standing with you...

WE OFFER THE CROP INSURANCE EXPERIENCE AND SERVICE YOU CAN TRUST TO BE THERE TO SERVE YOU AND YOUR OPERATION THROUGH EVERY SEASON.

We grow stronger every day—together SM



Rural Community Insurance Agency, Inc., D/B/A RCIS. RCIS is an equal opportunity provider. © 2012 Rural Community Insurance Agency, Inc. All rights reserved.



Crop Insurance Corner

CROP INSURANCE CORNER

By Cindy Davis

Looking back on last year's August issue, I recall the numerous early season storms that pelted our region bringing with them plenty of hail and flooding. I'd be willing to bet our adjusters were glad to see the end of the 2011 crop year. What a difference a year can make! I know before this last weekend, (mid-June) we were in dire need of moisture. We are hopeful the summer months bring with them sufficient rains to complete the row-crop growing season and that wheat harvest was safe and productive for all.

Speaking of wheat harvest, your agent is in need of your wheat production, if you have not already turned it in. Talk about a volatile market! The harvest price for Kansas Winter Wheat was set at \$6.75 and as of July 9th, the tracking price for NE, CO and SD Winter Wheat was \$8.12. That's quite a difference, and who knows where it will end up. Regardless of the harvest price, your agent will need your wheat production to update your APH databases and check for any losses. For our area, the harvest prices for wheat are set during the months of June or July, but this depends on your state. The chart below will detail the base and harvest prices, if available; as well as the tracking dates.

2012 Winter Wheat	Projected Price	Harvest Price
Revenue Protection (RP)	NE, CO, SD-\$8.70 (Aug 15-Sept 14-Sept KCBOT) KS-\$8.62 (Aug 15-Sept 14-July KCBOT) IA-\$8.20 (Aug 15-Sept 14-Sept CBOT)	NE, CO, SD-N/A (July 1-July 31-Sept KCBOT) KS-\$6.75 (June 1-June 30-July KCBOT) IA-N/A (July 1-July 31-Sept CBOT)
Yield Protection (YP)	NE, CO, SD-\$8.70 (Aug 15-Sept 14-Sept KCBOT) KS-\$8.62 (Aug 15-Sept 14-July KCBOT) IA-\$8.20 (Aug 15-Sept 14-Sept CBOT)	Not applicable with Yield Protection

2012 ROW CROP HARVEST

As long as we are talking about production, the row-crop harvest will be here before we know it. We still see claims where the adjuster had to combine units because production was commingled; remember to keep your production separate by unit (even if you elected Enterprise Units). We have also seen a claim completely denied because it was turned in to us late. The companies must have losses turned in timely. The common policy states that you must give notice, **by unit**, within 72 hours of your initial discovery of damage or loss of production (but not later than 15 days after the end of the insurance period, even if you have not harvested the crop). If you think there is a probable loss to a unit, don't wait until you are completely done harvesting to let your agent know. Also, if there is no damage or loss of production, a revenue loss must be turned in no later than 45 days after the latest date the harvest price is released. As always, if you are going to be chopping any acres for silage, be sure to contact your agent **prior** to doing so...and never destroy any acres without prior approval from an adjuster; this could result in a very negative impact on your APH.

PRECISION FARMING

In prior issues I have talked in some detail about Precision Farming. These technologies are becoming more popular every year. If you incorporate these systems in your farming operation, be sure to contact your agent for the regulations regarding these technologies and your crop insurance.

2012 PROJECTED PRICES AND TRACKING DATES

On the next page are the 2012 projected prices for corn, grain sorghum and soybeans. The tracking dates for the harvest prices are also included in the chart.

Once again, with the possibility of a lower harvest price for wheat, especially in KS, we could see revenue losses for the 2012 wheat crop year. If your agent does not have your

2012 Spring Crop Prices			
Crop	States	Projected Price for Revenue Protection and Yield Protection	Harvest Price Tracking Revenue Protection Only
Corn	CO, IA, KS, NE, SD	\$5.68	Oct 1-Oct 31 Dec Corn-CBOT
Grain Sorghum*	CO, IA, KS, NE, SD	\$5.53	Oct 1-Oct 31 Dec Corn-CBOT
Soybeans	CO, IA, KS, NE, SD	\$12.55	Oct 1-Oct 31 Nov SBean-CBOT
*Grain Sorghum pricing tracks the December Corn futures contract and is multiplied by the price percentage relationship between grain sorghum and corn, as determined by RMA.			

within your operation there are options available, but they need to be addressed prior to the Sales Closing Deadline.

- Do you need coverage for hay land or grazing land? Check with your FSA office to see if coverage must be obtained to comply with any government programs. Your agent can tell you which crop insurance options may be available in your county, such as PRF policies and/or forage plans.

crop production, they have no way of knowing that you may have a revenue loss, and these losses must be turned in timely.

2013 WHEAT

Very shortly will be the beginning of the new crop year for wheat and along with that hopefully a new Farm Bill. As of mid-June, the Senate had not made significant progress on the Farm Bill, nor finalized which of the 200+ amendments to consider. The crop insurance industry could, once again, be on the chopping block; even after taking a huge budget cut with the 2008 Farm Bill and the 2011 Standard Reinsurance Agreement (SRA). We are hopeful that by the time this issue reaches you the Farm Bill has been finalized without any new cuts to the crop insurance industry. There will be, without a doubt, more changes every year as far as the governing of the program, but we know crop insurance is the cornerstone of most farmers' risk management portfolios and if required, we will continue the battle to bring this indispensable tool to our producers.

With that being said, the sales closing deadline for the 2013 Wheat crop year is **September 30, 2012**. All changes and additions to your policy must be made by this deadline. Below are just a few things to discuss with your agent when you meet to review your coverage for 2013:

- Social security numbers and EIN's on your policy are correct.
- Everyone with 10% or greater interest in the entity is listed on the application.
- The entity is correct – no changes as far as a new marriage, divorce, change in corporation, new trust was set up or partnership formed.
- You have a policy for all counties in which you intend to insure wheat ~ have you acquired new ground in the past year?
- Insuring for your landlord or tenant must be done at sales closing.
- Will you be breaking out any new ground, or have ground not insured in 1 of the last 3 crop years? A new break written agreement may be required and is due at **Sales Closing** as well.
- RMA re-classifies high risk land frequently – review your ground with your agent to make sure it isn't included in any high risk classification. If you do have high risk land located

If you have any questions, don't hesitate to ask. That is why we are here! We wish you all a safe harvest! ■

Comments and Suggestions

Email us at
sross@thefhomeagency.com.

FIRE COVERAGE ON YOUR PRODUCTION HAIL POLICY

Another area of concern now, with most of our coverage area in a drought, is fire coverage. With your production hail policy there is fire coverage, just like there is fire coverage on a straight hail policy, however; with your production hail policy it is possible that you could grow yourself out of a fire loss, just as you can with hail.

Example: If you have a 50 acre field and 10 acres are burned, the production from the remaining 40 acres could be enough to substantially reduce your claim or take you out of a claim all together.

For \$0.25 or less per \$100 of coverage, you can buy a fire policy that will pay on a per acre basis and would not be tied to your production hail policy.

RATES

NE is \$0.18 per \$100
KS is \$0.16 per \$100
CO is \$0.25 per \$100
IA is \$0.20 per \$100



THE DROUGHT CONTINUES: EFFECTS ON THE CALVES AND LRP TIMING

By Arlyn Rieker

As you well know, thus far this year is shaping up to be dry, hot and windy. We started the year with little moisture through the winter and have had early heat and lots of wind. What does this have to do with LRP you ask? As this heat continues (today's forecast is 102 degrees with more wind) producers are already discussing early weaning in order to preserve as much forage as possible for cows. Some producers I have visited with that have been fortunate enough to have had rain are hoping to get through to their normal weaning time. As we visit with producers about their coverage, we want to make sure they understand the effect this could have on their LRP policy.

It is important for producers to understand that if there is a possibility they would sell earlier than normal, they are aware of the provision that you have to have the cattle at least 30 days prior to the end date of the contract. For example: if your ending date is November 30th, the producer needs to have the cattle as of November 1 to keep the coverage in effect. After this date, with feeder cattle you can sell or retain ownership and it has no bearing on the coverage. If you sell more than 30 days prior to your end date, it voids your coverage. I have listed some of the coverages we have written for producers on 599# and 800# steers, and as you can see, some of the ending dates are in July and August for the producers that may not have the feed or pasture resources to get their cattle to their normal marketing time later in the fall. If they can retain ownership and feel they have enough feed sup-

plies, they have discussed purchasing coverage after their initial contract expires.

The flexibility of the LRP policy allows you to establish an ending date anytime throughout the year to match with your time of marketing.

A final note: some of the policies written in January on 800# steers producers were paid losses of \$36/head on contracts that expired during May as the market softened. If we get your coverage written timely, it can have a positive effect on your bottom line.

Feel free to call if you have questions and we will be happy to discuss your LRP needs. Hope you all get some rain! ■



Visit The Home Agency online at www.thehomeagency.com!

There you will find up-to-the-minute information about:

- Commodity Markets
- Stock Markets
- Local Forecast and Radar
- And much more!

You can also request a quote, find the THA office nearest you and check out all the product lines that The Home Agency has to offer you!

2012 LRP Coverage Examples

Steers Type 1 <5.99#			Steers Type 2 800#		
Contract Date	Ending Date	LRP Coverage Price	Contract Date	Ending Date	LRP Coverage Price
6/12/12	9/11/12	\$175.61	3/2/12	7/27/12	\$163.86
2/22/12	9/19/12	\$173.85	2/17/12	8/17/12	\$161.97
2/24/12	10/19/12	\$178.21			
2/21/12	11/20/12	\$173.78			

A MUST READ CONCERNING PIVOT CORNERS

By Jim Baldonado

For years you have heard me say you must have a discernable break in planting patterns between your Irrigated crops and your Non-Irrigated crops, and most of you are very good at doing this. But as I travel around I see a lot of pivot corners that DO NOT have discernable breaks between the two and I say to myself, "I sure hope whoever that field belongs to has Enterprise Units because when those corners burn up they will be in for a surprise because there was not a discernable break, and most likely will not have a loss if they have Optional Units." AND even if they have Enterprise Units they most likely will not have a claim either because all they have is one big unit and the Irrigated may yield enough to offset any loss on the Non-Irrigated fields. So for the people that have a lot of Non-Irrigated acres to go with their Irrigated acres, this may not have been the year to purchase the Enterprise Unit option. Below is the wording right out of the Loss Adjustment Manual concerning Discernable Breaks and Precision Farming. The item that stands out most to me is "Calibrations performed per manufacturer's requirements." I would much rather be safe than sorry and have a discernable break and keep my production separate, like we have said for the last 25 years, rather than rely on manufacturer's requirements.

1. Clear and Discernable Break in Planting Pattern

Planting end rows either before or after planting the crop or cultivation, disking, mowing, etc, after the crop was planted between the IRR acreage and the NI corners of a center pivot system may be used to establish breaks between IRR and NI planting patterns for OU purposes. Such breaks will be acceptable only if completed on or before the Acreage Reporting Deadline for the crop and are clearly discernable if a subsequent inspection is required during the crop year (appraisal, claim for indemnity, APH review, etc.).

Producers using precision farming technology, identifying the boundaries (between the IRR and NI acreage of the center pivot) and GPS yield monitors that document the production separately, are considered to meet the discernable break requirements between the IRR and NI acreage.

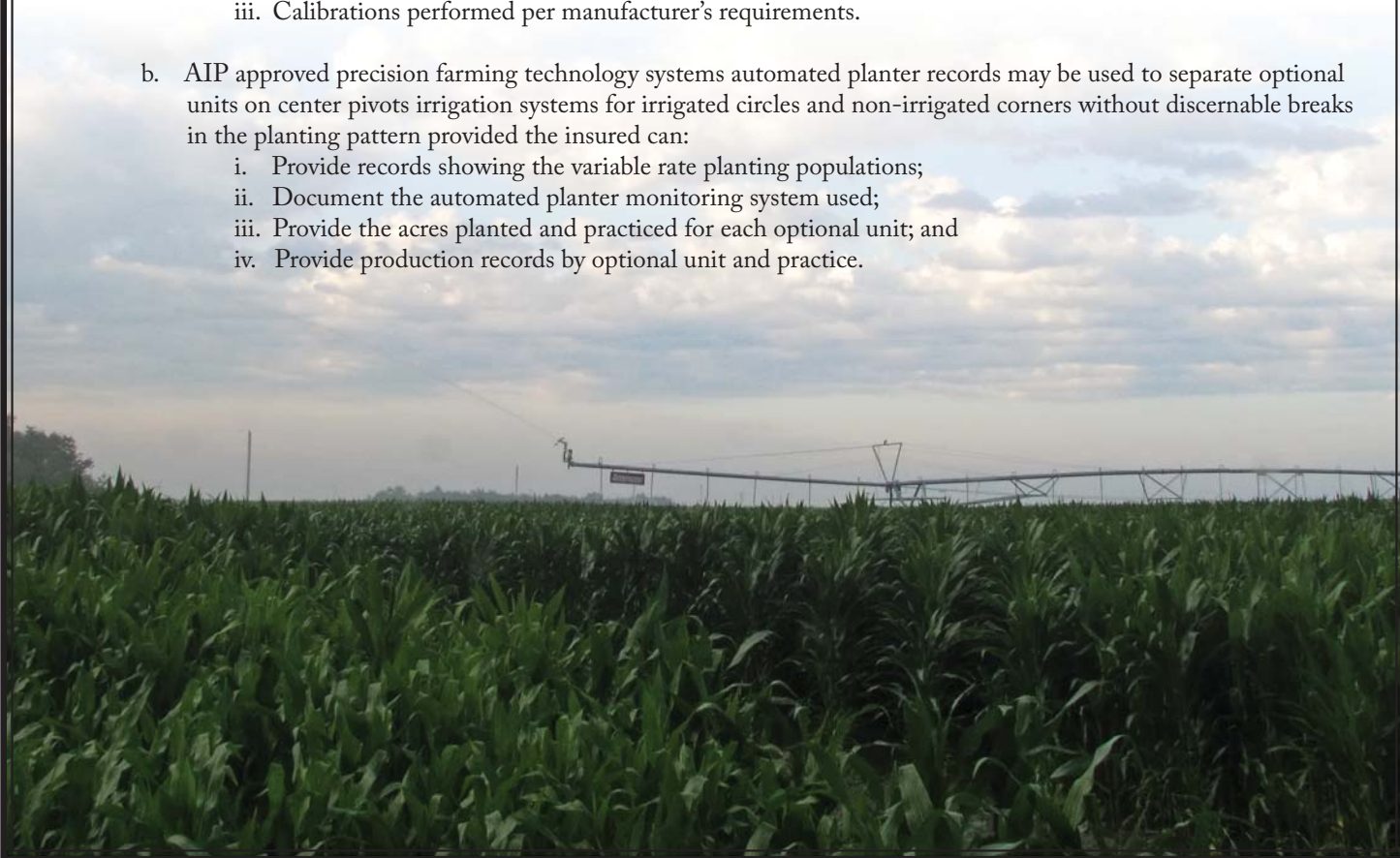
2. Acceptable Farm Management Records from Producers Using Precision Farming Technology Systems

a. Acceptable Precision Farming Technology Systems must include at least the following components:

- i. GPS technology integrated with planter monitors, combine monitors, yield mapping software;
- ii. Planting and harvesting summary reporting; and
- iii. Calibrations performed per manufacturer's requirements.

b. AIP approved precision farming technology systems automated planter records may be used to separate optional units on center pivots irrigation systems for irrigated circles and non-irrigated corners without discernable breaks in the planting pattern provided the insured can:

- i. Provide records showing the variable rate planting populations;
- ii. Document the automated planter monitoring system used;
- iii. Provide the acres planted and practiced for each optional unit; and
- iv. Provide production records by optional unit and practice.





Teen Auto Insurance

NEBRASKA TEEN AUTO INSURANCE LAWS & REQUIREMENTS

By Diane O'Donnell

Since this publication will be mailed in time for school to start this fall, we will go over a few things that have to do with teenage drivers for you parents out there.

In the state of Nebraska, licensed drivers ages 16-19 represent only 7% of all licensed drivers, but they currently represent the highest number of drivers involved in traffic accidents. The state of Nebraska reports that in 28% of all fatal teen crashes, the drivers were not wearing their seatbelts; 19% of all teen crashes occurred at night and 16% involved alcohol. Sadly, in 2008, a whopping 33% of all teen car crashes involved cell phone distraction.

In response to the overwhelming teen crash statistics in the state, Nebraska has taken action by designing its own Graduated Driver Licensing (GDL) system. The system includes two separate courses for licensing based on the teen's location. Since creating the system, Nebraska has seen a significant drop in teen car crashes, but the state still wants to do more. Because most of Nebraska is rural, the GDL system covers both rural and "urban" drivers.

NEBRASKA GDL & DRIVER LICENSE REQUIREMENTS

In Nebraska, you must be at least 15 years of age to obtain a learners' license. Under the terms of the learners' license, you must:

- Hold the license for at least six months
- Complete 50 hours of supervised driving, to include 10 hours of nighttime driving

If you are 14 years of age and you currently live 1.5 miles or more from school, you qualify for an LPE permit and a limited license called a "school permit". A person holding a school permit (SCP) may operate a motor vehicle:

1. Unsupervised to and from where he or she attends school and between school of enrollment over the most direct and accessible route by the nearest highway from his or her place of school-related activities at the school he or she attends;
2. Any time when accompanied by a licensed driver who is at least 21 years old.

Once you have completed the learner's license stage, you may advance to the intermediate or "restricted license phase." In order to advance, you must also be at least 16 years of age. You must hold the license until your 18th birthday. For the restrictions to be lifted, you will have to maintain a clean driving record for 12 months prior. If you do not accumulate more than three points on your driving record, the written knowledge and driving tests may be waived for the final phase.

Learner permit holders must be accompanied by a licensed adult, who is at least 21 years of age, at all times. There are no exceptions to this rule. Under the terms of the intermediate restricted license, the license holder cannot drive between the hours of 12 AM and 6 AM, unless accompanied by a licensed adult. During the first six months of the license period, the license holder cannot transport more than one passenger younger than 19 years old, unless accompanied by a licensed adult.

NEBRASKA CELL PHONE USE/ TEXTING WHILE DRIVING LAWS

Drivers under the age of 18 are prohibited from using any type of wireless communication device while driving. The law is specific - anyone under the age of 18 cannot use PDAs, cell phones, audio-video players, messaging devices or laptop computers while driving. If you violate the wireless communication law,

In Nebraska, teen drivers represent 7% of all licensed drivers, but they currently represent the highest number of drivers involved in traffic accidents.

you will lose your permit privileges until you reach the age of 16 or your license will be revoked. In some cases, your car will be impounded. The only exceptions to Nebraska's teen cell phone law are emergency situations.

It doesn't matter if a vehicle is registered in the teen's name or the parent's name in the state of Nebraska; you must carry minimum liability coverage of at least 25/50/25. This means you must carry \$25,000 for bodily injury to one person, \$50,000 for all bodily injuries and at least \$25,000 for property damage. Because the risk of an auto collision is significantly higher during a teen's first year behind the wheel, Nebraska auto insurance companies recommend purchasing higher amounts of coverage than the minimum legal limits.

Please call your local Home Agency office for more information on your insurance needs. We will be glad to help. ■

Information provided by: <http://www.autoinsurancetips.com/nebraska-auto-insurance> & www.dmv.state.ne.us

The Real Estate Market in Our Area is Really Heating Up

It's a Great Time to Buy!

48 Lakeview Acres, Dr. 14A
Johnson Lake
\$192,500



Just Listed! This home on deeded land features great views of the lake from the large deck.

4 S. Crappie Corner, Dr. 3
Johnson Lake
\$365,000



You'll love every moment in this gorgeous home. Ready to move in now!

Dawson County, NE
Land
\$185,000



Approximately 28 acres near Lexington, Nebraska.

112 Bennett Drive
Lexington, Nebraska
\$389,000



Majestic executive home located on spacious corner lot. 4,230 square feet of luxurious living.

405 Cherokee Road
Lexington, Nebraska
\$185,900



New Pricing! Wood floors and custom cabinetry with one of the fireplaces in the master bedroom.

1606 North Tyler
Lexington, Nebraska
\$135,900



New Pricing! Custom-built home with a beautifully landscaped yard. Screened-in porch.

For more information or to see these properties and others in the area call:



Patti L. Johnson, Broker, Realtor®

Doug Heineman, Associate Broker, Realtor®

Linda Kneifl, Realtor®

Julie Dornoff, Agent

Nayeli Quintero-Samayoa, Agent

709 East Pacific Lexington, Nebraska

308-324-5581

See all BHA listings at

www.bharealestate.com



Health & Wellness

THE IMPORTANCE OF H2O

By Morgan Yardley

Summertime seemed to arrive early this year and it's been a hot one these last few weeks. During the summer the temperatures can reach all time highs. Some of our bodies do not respond to heat very well. It takes our bodies quite some time to get used to the heat and this is where H2O (water) is important. Dehydration has been shown to occur most during the summer months because of the heat index. If your body does not have the proper hydration then it resorts to dehydration, which is not good for the body. Dehydration can make a person feel sluggish, sleepy and have lack of energy. It can make you feel fuzzy and nauseous. There are many signs of dehydration, but these are the few common ones that people experience.

Did you know that half of your body weight is water? Yes, that is a lot of water! Your brain consists of 95% water, your blood is 92% water and your lungs are 90% water. You need water to help make your body function. That is why you can't function properly when you become dehydrated.

Water in your blood helps carry oxygen to all the cells in your body. You have around 50 to 75 trillion cells in your body. Can you even think about how many that is? Water is also in the lymph nodes which are part of your immune system and they help fight off illnesses. Digestion is another important area water helps support. You need water to break up and digest your food and rid it from your body. Water also helps regulate your body temperature. It cools and heats your body through perspiration. Another purpose is that water acts as a lubricant. It forms the fluids around the joints.

You do not have to sit and drink water all day long. There are many fruits and vegetables you can eat that contain it. Anything you eat will contain some water. The best sources of hydration are water and milk.

So, many of you may be thinking...how much water do I need in 24 hours? I have asked many doctors, chiropractors, and other massage therapists this question because I am asked it quite often. Here is an easy way to ensure you are drinking enough water.

Low end=Body weight X 0.5=How many ounces a day you should consume

High end=Body weight X 1= How many ounces a day you should consume

The general rule is to drink at least eight glasses of water (64 ounces) a day. In order to help me do this, I have a water bottle that is measured out to 24 ounces. I always make sure I drink at least three of those in a day. I actually drink that within the eight hours I am at work. If you exercise, make sure you consume even more water than eight glasses because you are perspiring so you need to make sure you rehydrate yourself! ■

OUR MISSION

We firmly believe that our Company is a powerful vehicle through which we channel our time, talent and energy in pursuit of the fundamental goal of serving God by serving others. Through our collective action, we greatly magnify the impact of our individual

**The
Andersons**

**TALK TO US TODAY ABOUT OUR BUSHELS
PICKED UP ON FARM OPPORTUNITIES**

CONTACT INFORMATION

Toll Free: 800.637.6710 Fax: 217.352-0848

	Name	Cell	Ext.	Email
Sales Manager	Brian Stark	217.898.0578	4100	brian_stark@andersonsinc.com
Sr. Account Rep	Greg Johnson	217.369.7130	4102	greg_johnson@andersonsinc.com
Sr. Account Rep	Caroline White	217.649.1351	4101	caroline_white@andersonsinc.com
Account Rep	Lisa Jones	217.493.4727	4114	lisa_jones@andersonsinc.com
Account Rep	Amy Murray	217.372-5091	4106	amy_murray@andersonsinc.com
Account Rep	Michael Youmans	217.552.3183	4103	michael_youmans@andersonsinc.com
Purchasing Rep	Bryan Hazel		4115	bryan_hazel@andersonsinc.com

www.andersonsgrain.com

We believe that success in farming is not assured because you have an ethanol plant or processor to sell to. You are successful in farming because you manage your risks, you are disciplined about all aspects of your business and you do business with trustworthy partners.

LiveHealthy NEBRASKA 100 DAY WELLNESS CHALLENGE

The Home Agency Live Healthy Nebraska 2012 Final Report

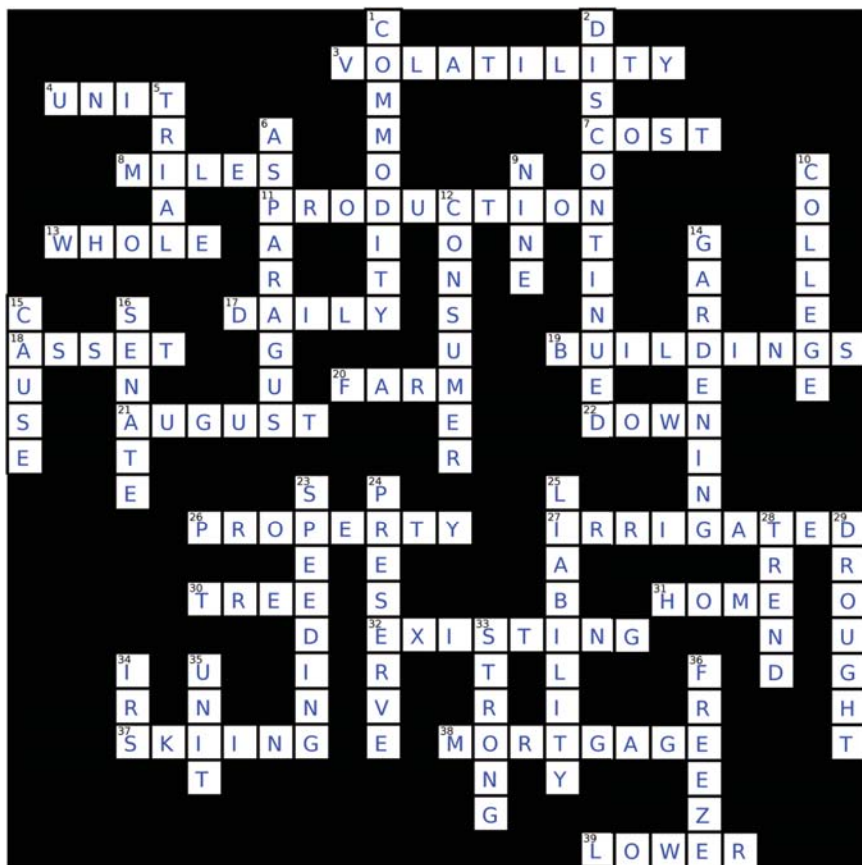
23 Participants
15 Females, 8 Males
Total Pounds Lost=148
Total Activity Minutes=73,320

Benefits of Physical Fitness Regular physical activity can help:

- Control your weight
- Reduce your risk of cardiovascular disease
- Reduce your risk for type 2 diabetes and metabolic syndrome
- Reduce your risk for some cancers
- Strengthen your bones and muscles
- Improve your mental health and mood
- Increase your chances of living longer

(Information from the cdc.gov website.)

MAY 2012 CROSSWORD PUZZLE ANSWERS



Morgan Yardley
mbaldonado@thehomeagency.com



PHONE: 800.245.4241
CELL: 402.314.5338
FAX: 308.785.2560

210 SMITH AVE, PO Box 326
ELWOOD, NEBRASKA 68937

www.CancunVIPReservations.com

C
R
O
S
S
W
O
R
D

First 10 to return a correctly solved crossword puzzle from this publication will qualify for a drawing to win a \$20.00 gift card! No purchase necessary to win.



Enter to
Win!

The Home Agency
PO Box 326
Elwood, NE 68937
Fax: 308-785-2560

Mail, fax, or drop off your
completed puzzle to :

PROAGWORKS™



Your ticket to...

- Intuitive deployment
- Increased efficiency
- Faster claims processing
- Robust reporting tools
- More business opportunities
- Advanced claims tools

Contact your RVP or marketing representative for your training schedule.

Producers Ag Insurance Group, Inc., d/b/a ProAg, is a wholly owned subsidiary of CUNA Mutual Group. ProAg is an equal opportunity provider. © 2012 ProAg. All Rights Reserved.



The Past, Present and Future of Agricultural Risk Management.®



Employee Benefits

LEGAL SHIELD AND IDENTITY THEFT SHIELD FOR GROUP BUSINESS

By Melissa Harris

Attention business owners!! Looking for a free and unique benefit to offer your employees? Did you know Legal Shield and Identity Theft Shield can be offered as a payroll deducted employee benefit that requires no cost to you as the employer?

Legal issues have the potential to have a significant impact on an employee attendance and concentration while at work. Wouldn't you like to provide a benefit that will not only provide peace of mind to your workers, but also improve the work environment as well as productivity in your organization?

Your employees will receive the same services as a traditional membership, but at a discounted rate, and their monthly membership fee can come directly out of their paychecks.

Here's how it works:

- A Home Agency agent will meet with your employees at your convenience and present the products to them.
- Every employee can choose which, if any, plan(s) they'd like to enroll in. No one is obligated.
- We will do the enrollment paperwork for you and prepare documentation for your payroll department.
- Your business will have the opportunity to deduct the membership fees for two payroll periods before you're even billed for the first month's memberships, so there are no up-front costs to your business.
- Pre-paid Legal Services, Inc. takes care of all the membership communication and correspondence directly with your employees.

Here's what the memberships provide:

Identity Theft Shield

1. **Credit Report Through Experian** - including a Personal Credit Score and Analysis

2. **Continuous Credit Monitoring Through Experian** - immediate notification of any activity
3. **Fraud Restoration Service** - complete restoration of your identity to pre-theft status, completed by licensed investigators from Kroll Investigative Services

Legal Shield

1. **Preventative** - Toll-free access for consultation and advice; letters or phone calls made on your behalf; contract/document review; prepare your will, living will and health care power of attorney
2. **Traffic-Related Issues** - Moving traffic violations; accidents; other vehicle-related issues
3. **Trial Defense** - Pre-trial and representation at trial
4. **IRS Audit Assistance**
5. **Member Discount Services** - 25% Preferred Member Discount
6. **24/7 Emergency Access**
7. **Online Legal Forms**

Your employees can get all the same benefits as a traditional membership, but at a discounted rate AND no enrollment fee.

Call The Home Agency for more information or to make an appointment to learn more about Pre-Paid Legal Group Benefits! ■

**WHEN FREE IS JUST
NOT GOOD ENOUGH!**

**FREEDOM
CHECKING**
2.00 % APY

Our Freedom Checking Account* has it all:

- ★ FREE Visa Check Card
- ★ FREE On-Line Banking with Bill Pay
- ★ FREE Electronic Statements
- ★ FREE Foreign ATM Transactions
- ★ No Minimum Balance FEE

But the best part,
**FREEDOM CHECKING PAYS INTEREST OF
2.00% APY****

Variable rate of interest of 2.00% annual percentage yield will be paid on collected balances of up to \$25,000 if you maintain the following***: Have at least one electronic credit or debit to your account during a statement cycle; use your debit card 10 times during a statement cycle.

*For personal accounts only. \$100 minimum opening balance.

**Annual Percentage Yield is effective as of publication date and subject to change at the bank's discretion.

***.10% APY will be paid on the collected balance if the criteria listed is not met.

Gothenburg State Bank
Still Pioneering



MEMBER FDIC

900 Lake Avenue, Gothenburg, NE 69138 | www.gothenburgstatebank.com

THE HOME AGENCY

thehomeagency.com

Call us today to learn how a small monthly fee can protect you and your family from identity thieves!

308-785-2803

www.thehomeagency.com

The Home Agency is a full line insurance agency now offering these legal and identity theft services.

Offices in Nebraska, Kansas, Colorado and Iowa.

Legal Shield

Have you ever been treated unfairly, received a speeding ticket, signed a contract without knowing what all the fine print said or been overcharged for a repair...but didn't seek the help of an attorney because of the cost?

What if there was a service that gave you access to quality attorneys for these situations and more? Pre-Paid Legal is here and that's what we do!

Coverage includes:

- The individual who purchases the membership.
- His or her spouse.
- Never married, dependent children under age 21 living at home.
- Never-married, dependent children under age 23 who are full-time college students.
- Children under age 18 for whom the member is a legal guardian and any dependent child, regardless of age, who is mentally or physically disabled.

Think you're not at risk?

Unfortunately you are.

- Do you hand your credit cards to servers at restaurants?
- Do you sign your credit cards?
- Do you supply your personal information over the internet?
- Do you keep your social security number in your wallet or purse?
- Do you leave mail at home or business for the postal carrier to collect?
- Do you shred unwanted mail with personal information?

"The average identity theft victim spends more than \$1200 in the quest to clear his or her name."
-Federal Trade Commission

Identity Theft Shield

Don't leave your name and credit rating to chance. Put our Identity Theft Shield to work for you.

Get regular monitoring of your credit report and let the proven leaders in the identity restoration and legal services field assist you. The Identity Theft Shield gives you easy access to the resources you need to understand your credit ratings...and to fight back if an identity thief threatens your financial standings.

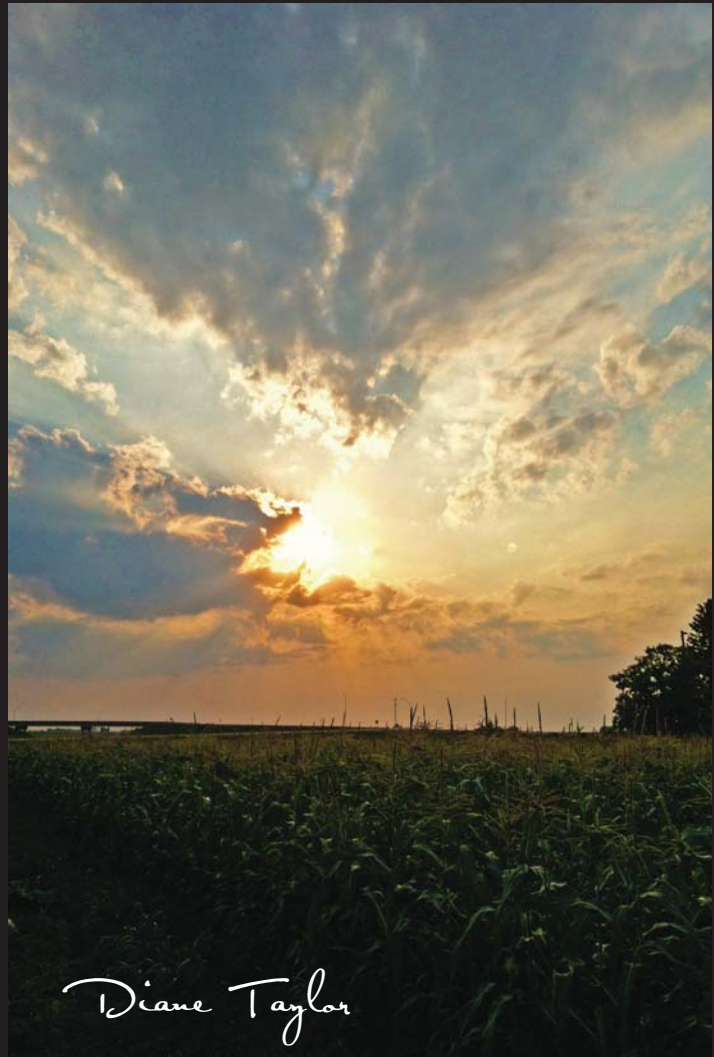
**LegalShield**SM
Total access. Total freedom.

The Home Agency is an equal opportunity provider.

SUM SCEN



MER NES





Regional Office News

STRATTON, CO
By Penni Fox

Here we are in the middle of June watching the combines pulling into the fields to harvest. Not sure if it takes more faith or patience to farm in our part of the world. Seems the past couple of years, elements of a dry winter followed by early hot temperatures have settled in like the plague. This has also been a year for exceptionally strong daily winds. Talking with locals, it's been 50 to 60 years since they remember harvest coming at such an early date. While the yields will not be what the farmers have worked so hard for, hopefully putting wheat in the bin will bring some solace.



Here is something awesome I wish everyone would think about. Few really know what farmers go through to put food on our tables.

I hope everyone had a wonderful summer filled with vacations, family reunions and many weddings to attend. If you have any questions concerning your policies or making changes, please give me a call. I really appreciate your business!

MCCLELLAND, IA
By Kevin Ross

Hello all! My update for Southwest Iowa is that things were looking pretty dry for May and early June, but then we caught a couple rains and hopefully we can catch a few more through pollination. Beans were a little slow to get rolling it seemed, but

hopefully the weather will cooperate for them also.

As I'm writing this article, it is nearing Father's Day. I was driving the tractor and planter down the road the other day and looked over at Hudson. Naturally it was late and the little man was pretty much all tuckered out. It brought me back to the days when I was a little guy riding with my grandpa and I would wake up when my head smacked the back window of the 4440 while disking or something. As I looked over at my son I did my best to take in that moment as I'm not sure there is another feeling in the world like that of being in agriculture and being able to share it over generations. I think we are all truly blessed to have the opportunity to be involved in this industry if even only in a small way. Thanks to everyone for doin' what you do in agriculture and to the fathers and families who have given many the opportunities to make a living in this arena. ■

BELOIT, KS
By Enos & Jill Grauerholz

We are writing this in late June, just after a MUCH needed rain in Kansas. Our wheat harvest for 2012 was the earliest anyone can recall. Many growers started cutting the last week in May. The wheat survived many perils this year. Early heat and drought stress matured the wheat rapidly, which led to some shrunken kernels with below average test weight. The fungicide treatment paid big dividends in areas that received timely rain after its application. Then there is the market. Wheat harvest price is coming in \$2.00 below the base price. This creates a huge revenue factor around the 1.3 mark. This means if you were originally guaranteed 1000 bushel, you now are guaranteed 1,300 bushel. This translates into many revenue claims with producers guaranteed bushels up to their APH. This is a huge hidden value in the revenue policies. Hopefully by the time you read this, most revenue checks have been received. The sooner we received your ledgers, the faster you received your check.

As we look forward to fall harvest, we hope you are using your

policy to your benefit. Your guaranteed bushels are there for you to market safely. Remember our base price for corn is \$5.68, milo \$5.53, and soybeans \$12.55. Corn and milo are hanging close to that as of now. Soybeans are running at \$13.82 as I write this. With a price increase, your production losses are paid at the harvest price. If you suspect a loss on your crops, let us know now and we will get those entered. It is better to turn it in early and not have a loss, than to turn your loss in too late.

We appreciate your business; enjoy your fall and be in touch! ■

HOME, KS

By Paula Brown

As I'm writing this, the harvest price on wheat is tracking and revenue losses are looking likely. Higher levels of coverage are resulting in claims for many producers. Most of the wheat in our area yielded better than we had expected, as early on we thought production losses might be deep. Yields in Marshall County averaged 45 bushel/acre. 4-5" of rain locally in the last two weeks has helped green the pastures back up, but the early drought stress has taken a toll on the grass. Producers are concerned about winter feed costs and availability. I've never seen so much wheat straw being put up. I am reminded of the constant preparation farmers make in order to withstand the challenges from nature and the economy. Staying profitable when so many factors are uncontrollable requires foresight and good management. In August and September we'll be looking at options to protect the 2013 wheat crop. The early lack of moisture on the corn has us anxious to see what the impact will be on yields. A big concern is the vulnerability to wind damage we have this year. Many insureds are putting green snap protection on to cover the risk. Crop insurance products continue to be the best defense against the unknown and uncontrollable. Thank you for your business and friendship; it is a privilege to work with you and for you. Happy harvesting! ■

KIRWIN, KS

By Rhonda Jones

First of all, we welcomed our first grandson Cooper Douglas Miller on June 16th. He is a cutie and grandma can't put him down!

What a difference a year can make! The spring crops are struggling from no moisture and hot high winds. The area had a storm go through on Memorial Day weekend with Kirwin receiving golf ball to tennis ball sized hail. Fortunately there wasn't a lot of wind with it so the damage was not significant.

Wheat harvest was earlier than usual and some of the yields were in the 50's which surprised me. Just think what they could have been had we gotten some rain this spring. Getting the wheat to dry down was also an issue. It was not uncommon to see patches left in fields.

Reminders for fall harvest:

- If the dry weather continues and you want to chop your corn for silage, you must call me before doing so. Please let me know a few days in advance so I can get an adjuster notified.
- Keep good records – be sure you have tickets for each field if you plan on comingling the grain and mark the bin! If possible, have some sort of a scale ticket.
- Turn in production timely – if you think you may have a loss or are not sure, notify me promptly.
- SAFETY - Slow down; make wise decisions for a safe harvest.

Hope to see you all the Kansas' Biggest Rodeo in Phillipsburg on August 2nd-4th! ■

LARNED, KS

By Clark Redding

Yogi Berra was famous for his one liners. One of them describes the summer of 2012 to a tee. "It's like déjà vu all over again." Hot and dry just like last year. Our Kansas wheat crop has gone from great to just so-so out west in the last 60 days. Crops that were 60 bushel went to 20-30 since then. We're at least three weeks ahead of normal as far as maturity and harvest. Too hot, too soon without any moisture is not a formula for success! Some farmers are not going to plant milo this year or not as much, due to the heat and lack of moisture. Double crop soybeans will be tough to get done this year, as it didn't work out so



GORACKE PROFESSIONAL GROUP, LLP.

Certified Public Accountants

*Tax Planning and Preparation,
Estate Planning, Bookkeeping Services
and Consulting for Farmers, Individuals
and Businesses*

Douglas A. Goracke, CPA

Sherry A. Carrick, CPA

Lucas A. Dinklage, CPA

Red Oak, Iowa Phone: 712-623-5471

Shenandoah, Iowa Phone: 712-623-2770

Council Bluffs, Iowa 712-322-8404



America Counts on CPAs®

well last year either. You wonder how they survived back when they first settled this place. Tough I guess!

Eastern Colorado is faring a little better. Wheat is not as far along, as it hasn't been quite as hot. They had some more moisture as well. Wheat should make a decent harvest in 10 days to two weeks (around the end of June). There have been some scattered rains and a little hail here and there. In Idalia, CO, they had one monster of a hail storm a little over a month ago. Fourteen inches in a very small area! Thank God it was a small area! They had to get the snow plows and maintainers out to clear the roads. It took care of the wheat in that area also. Lucky it wasn't wider spread. One older gentleman said that he'd never seen hail like that in his whole life. It's gotten hot again and now they're back to hoping for a rain.

The weather contracts we wrote last year were a game saver for those who bought them and many are renewing them again. Like Yogi said, "It looks like déjà vu all over again." ■

BENKELMAN, NE By Meghann Pursley

109 degrees, that's what the bank thermometer reads right now (mid-June)! It appears the wind has finally run out of steam. After two months of relentless blowing, I think it finally heard our pleas. This might be a summer full of green snap claims rather than hail. What a complete 180 from last year's cool, wet spell! We haven't had a lot of damaging hail so far this summer and I hope that continues. Fires caused from lightening seem to be as big of threat as any this season. With the lack of rain and

predicted drought outlook, I hope at least some of you considered weather risk contracts and how they are able to protect your input costs and profit potentials.

Wheat harvest is in full swing and it's only the middle of June. With harvest being so early, I hope everyone got to enjoy the fireworks from a lawn chair instead of a combine this year!

There has been a lot of interest in Aflac and Pre-paid Legal the last couple months here at the Benkelman office. My wishes are for everyone to stay safe this upcoming harvest, but it's nice to know that Aflac is there to compensate you if any accident should occur. For free quotes on this or any of our insurance products please stop by or give me a call at 308-423-2400. ■

RUSKIN, NE By Dave Meyer

What a difference a week can make! In my area of south central Nebraska, from June 14th to June 21st we were blessed with some very timely rains. The dryland crops have gone from the verge of drying up to having adequate moisture for the next couple of weeks thanks to rainfall totals that range from 4" to nearly 8". I have some clients that have corn in the tassel stage as of this writing (June 22nd), so the timing of the rains couldn't have been better. The dryland crops will certainly need additional rainfall, but right now, it looks like they have a chance to be pretty good.

I had an uncle that used to say, "It can get wet a lot faster than it can get dry"; and a farmer that told me, "In Nebraska, we're never more than 10 days away from a drought". My observation is that both statements are true! ■



ELWOOD OFFICE NEWS

We'd like to give a big warm welcome to a new agent in the Elwood, NE office, Kristy Diefenbaugh. She is working closely with Deb Arends in the Property and Casualty department and has been a great asset to the office already! I'll let her tell you a little bit about herself:

Hello, my name is Kristy Diefenbaugh and I recently moved to Elwood and joined The Home Agency in June, 2012. I moved here from Loomis, NE where I lived the last six years. I was born and raised in Broken Bow, NE and then earned a Bachelor's degree at the University of Nebraska at Kearney. I entered the insurance business in 2003 by selling Life and Health insurance. Since then I have attained my Property and Casualty and Crop licenses. I have been a proud member of the National Association of Insurance and Financial Advisors (NAIFA) for the last eight years. I recently served as the 2011-2012 President of the NAIFA NE Central Association. I married my husband, Kyle in 1997. Kyle is a Sergeant with the Nebraska State Patrol. We have three children – Baylee, Kaydee and Brody. I enjoy golfing, reading, going to my kids' activities and spending time with family and friends. ■



REMEMBERING ROY DINKELMAN 1922-2012

The Home Agency's Radio Spot on Tuesday, July 10th:

DEWEY NELSON: And now a word from Jim Baldonado of The Home Agency of Elwood, Nebraska.

JIM BALDONADO: As you know, we use this spot every day to market different products that The Home Agency sells, but not today. This morning I want to talk about something that's way more important than business. On Sunday, July 8th, our Lord welcomed home a very important person in the lives of many, and that was my father-in-law Roy Dinkelman. Roy and Ruby raised eight great kids and were blessed with 16 grandkids and eight great grandkids. Roy was 89 years old and had been married for 65 years. I have been part of this family for 32 years and had the utmost respect for Roy Dinkelman. Over the years we have had fun with things I say on the radio on birthdays and anniversaries, and they would call up and say, "You didn't need to say that."

Roy was very handy with woodworking projects, and a number of years ago, all eight kids were given a very large six-foot tall grandfather clock that they built and it sits in our living room to this day. Since the word of his passing, every time that grandfather clock chimes, I think of Dad and how very proud of all his kids, grandkids, and great grandkids he was. And I just want to tell Roy, Dad, Grandpa, Great Grandpa how very proud of him his whole family was and how we loved him very much and how he will be missed dearly.

DEWEY NELSON: Our thoughts and prayers to the Dinkelman and Baldonado families. Funeral services for Roy Dinkelman were Wednesday, July 11th at St. Paul's Lutheran Church in Utica, Nebraska. ■



HOW TO REALLY DEAL WITH HEAT AND DROUGHT THIS SUMMER...

By Jim Jubb, eWeatherRisk

This edition, we talk about how hedging excess daily temperatures protects against both drought and overly hot summer temperatures. Producers sometimes ask for a drought hedge or an excess heat hedge and here we explain them and their differences. If you are close to a weather station and you can live with less than the average rain, a drought hedge may be a good choice but there are risks such as the timeliness and severity of rain like a heavy rain event at the end of the risk period. Excessive heat on the other hand, looks at the number of heat units above a temperature you set and is highly correlated with lack of rain; the drier it is, the higher the day time high temperatures tend to be. So you are able to hedge both with an excess daily high temperature heat contract!

WHAT IS THE DIFFERENCE BETWEEN A HEDGE AGAINST TOO LITTLE RAIN AND ONE THAT IS FOR TOO MUCH HEAT?

This question has been asked by producers throughout The Home Agency network and is driven by whether drought or heat most affects yield or cost of doing business and the cost effective-

ness of both types of hedges for your area.

An excessive heat hedge can provide a similar benefit to a drought hedge; just a little different science is used to provide the basis for your consideration. These work just like Growing Degree Days you see when buying seed.

You can set your temperature where you think your yields will be damaged or you have higher costs such as fuel for irrigation; typically high temperatures above 85-90 degrees. Just like



drought, your agent can show you the averages, minimums and maximums for the date range you want. Then structure the hedge to pay when temperatures are "excessive" in the date range you are concerned about. So, let's say you chose 85 degrees as your starting point and the first day is 90. That is

"5" degree days over 85. The next day its 90 again; now you are at "10" degree days. This just accumulates over the dates you chose and temperatures below 85 are not counted.

When you purchase an excess heat contract, you cover both dry and hot conditions and hedge both in one contract!!

Your agent can tell you what the average degree days over your temperature threshold is and the maximum amount of degree days. The Home Agency Agent can also give you an idea where the best protection "degree-day range" might be and from there you can evaluate what's best for your production cost offset.

The Home Agency can build either a straight drought or an



excessive heat hedge quite quickly and show you how affordable they are or maybe you have a custom structure in mind. All you need to do is pick up the phone and give them a call.

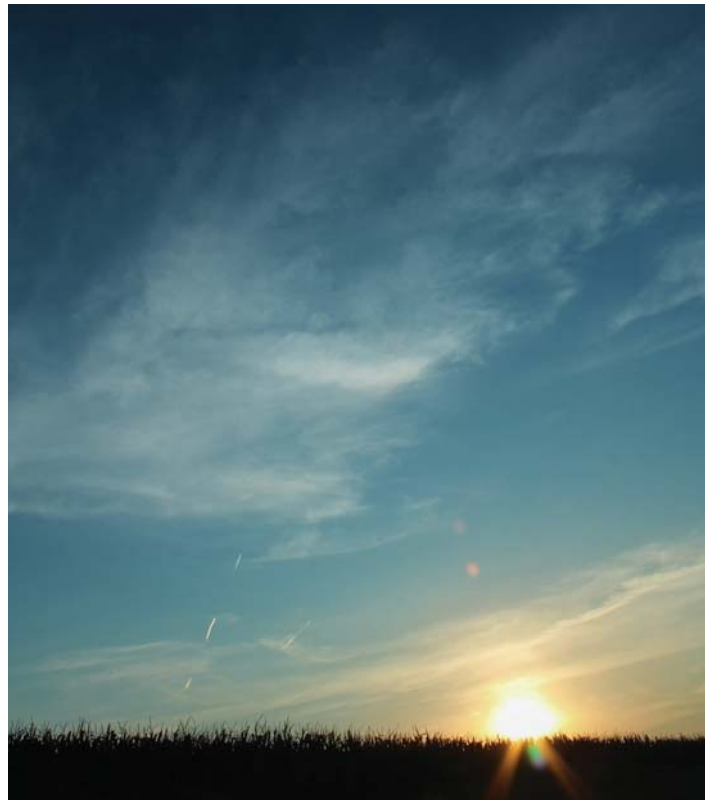
WHAT TO EXPECT IN THE FORECAST FOR THE BALANCE THIS SUMMER?

The weekly Home Agency WeatherManager has both long range forecast trends as well as short and medium term forecasts that can be very beneficial in your financial decisions.

For a long term trend, it all depends where you are. We currently expect the rest of June to see continued heat and dryness while the rest of the summer to be hotter than normal. Drought expectations vary but a good part of the Midwest and South are projected to be dry. To see the latest drought outlook, just type this address into any browser: http://www.cpc.ncep.noaa.gov/products/expert_assessment/seasonal_drought.html

Every week we talk about the weather that is important to your production and give you some ideas on how to hedge against it.

If you haven't received a copy of the WeatherManager, simply go to www.thehomeagency.com and download the most recent one. Or, call your agent and have them send one to you in the mail. ■



Issue 92
July 12 2012

WeatherManager Weekly



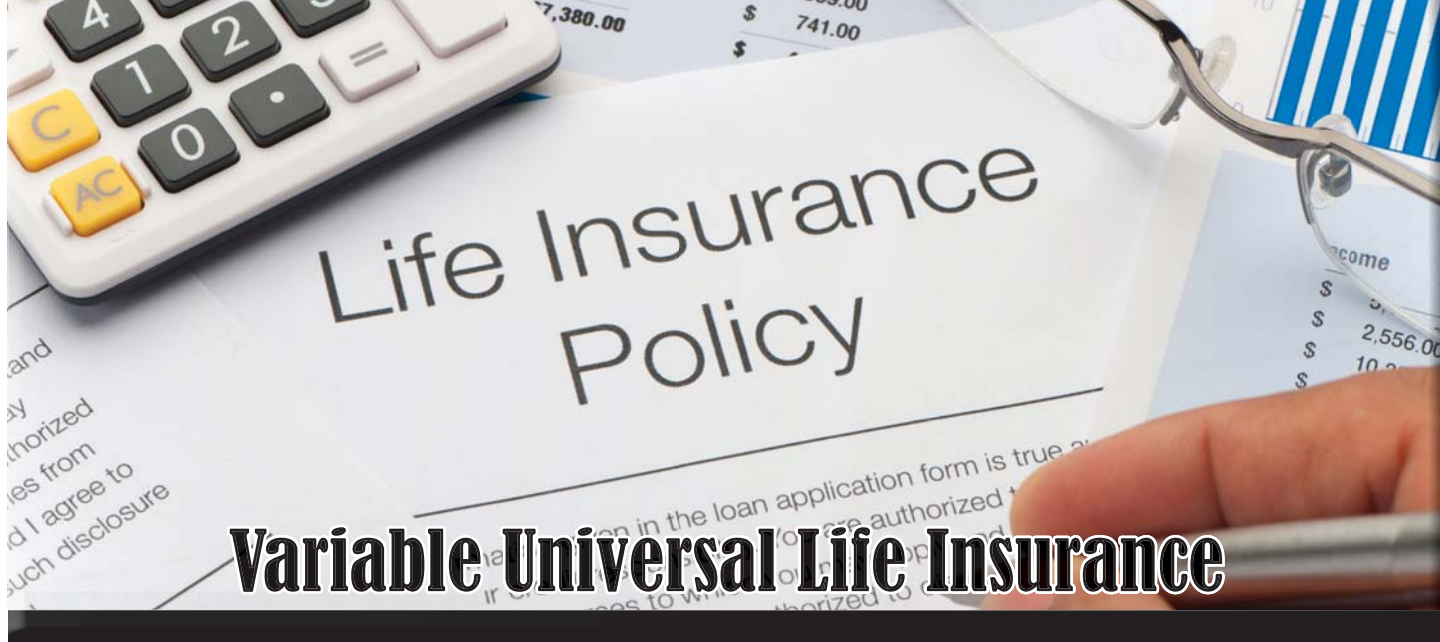
Tippecanoe County, IN - July 8

Welcome to this week's WeatherManager, your weekly journal for ideas and developments in the weather risk market, brought to you by *eWeatherRisk*.

This week saw a temporary reprieve in temperatures with the "cold" front that has stalled in the South and delivering good rains there—see slide 3. See also the hole in the radar map on the next page in the PNW (remember last week's caution for excess heat on fruit in the PNW) and Corn Belt. Little to no rain in the WCB and northern parts of the ECB. The atmosphere is merely recharging for another outbreak of extreme heat. "Weather forecasts for the next week suggest a return to hot and dry weather after a reprieve this week." [Drought In U.S. Midwest Wilting Crops, Lowering Estimates For This Year's Production](#). The forecasts keep turning hotter and drier with some of the headlines talking about this being as bad as or worse than 1988. Heat and drought hedges for this summer are advised for all crops as well as livestock, poultry and even operating plants that lose performance in hot weather such as ethanol plants. Also, think about risks for the fall such as excess precip at harvest and early freeze.

We encourage you to send the newsletter to your clients and friends so they can read about current and forecasted weather activities and how to manage that risk.





WATCH OUT FOR THIS!

By Alan E. Kuzma, CLU ChFC

If you look up the definition of insurance, something like this comes up: the act, system, or business of providing financial protection for property, life, health, etc., against specific contingencies, such as death, loss, or damage, and involving payment of regular premiums in return for a policy guaranteeing such protection.

The reason I mention this is there is a disturbing trend I am seeing concerning life insurance.

To see where we are going, we need to take a look back.

Remember the early 1980's? Ronald Reagan was President, the Iran Hostage Incident, the birth of Nightline, Mount St. Helen's erupted and Lady Diana Spencer married Prince Charles.

Do you also remember what was happening financially? CD's

paid 18%, money market accounts paid 15% and mortgages, well you were lucky if you could get one for 12%.

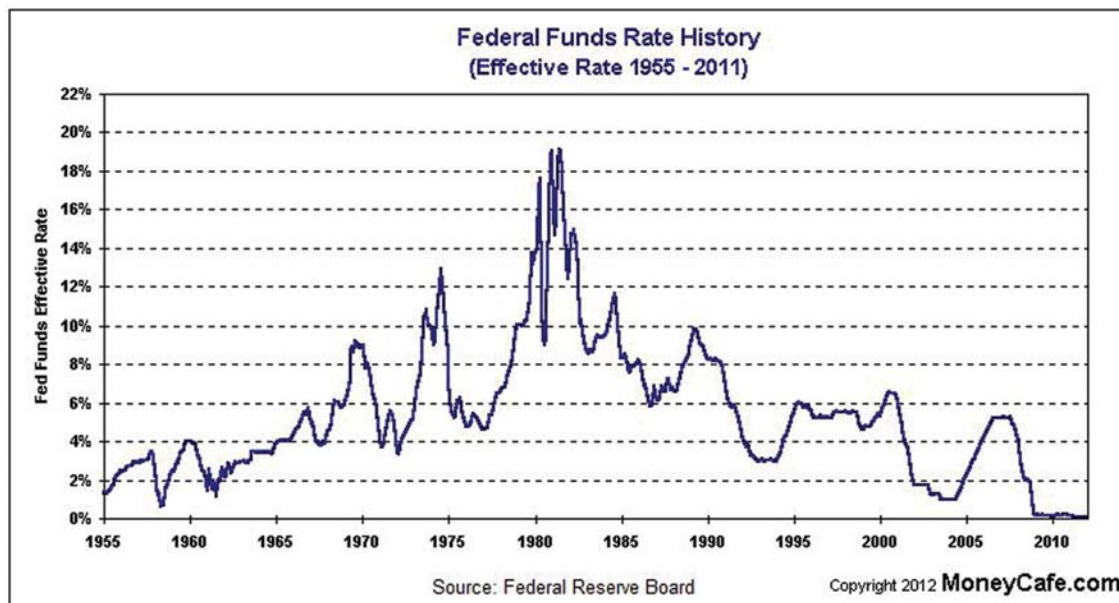
Have you ever looked at compound interest rate chart? Compound interest is one of the amazing things in the world.

THE EIGHTH WONDER OF THE WORLD

Playing the "what if" game with compound interest rates is much like gold fever-quite intoxicating.

If you deposit \$10,000/year in an account that earns 12% for 20 years the future value is \$720,524. If it earns 15% the future value is \$1,024,435; if it earns 18% the future value is \$1,466,279....well you get the idea.

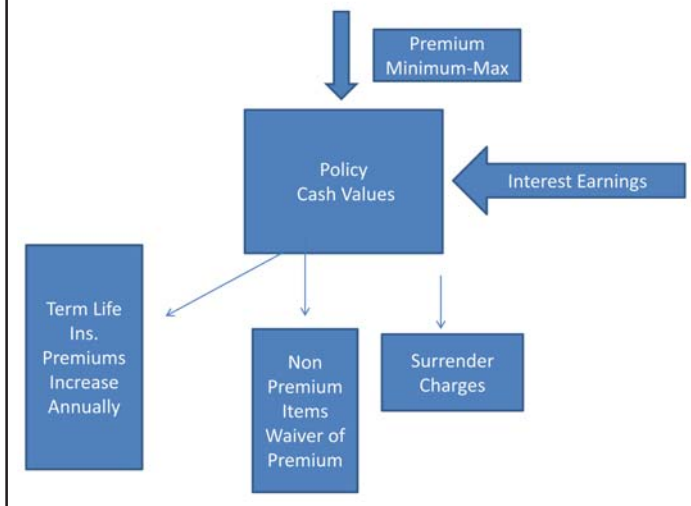
The life insurance industry looked at stodgy old whole life earning 5-6% and quite frankly scoffed at it. Why would anyone put money into an account that "only earns 5-6%" when you can make 15%?



So to capitalize on the high interest rates, universal life insurance was born. If you own one of these critters you need to know how they are constructed, what the upside is and as well as the downside. So let's get to it.

The first thing you notice is the premium is flexible. There is a minimum premium and a maximum premium. You get to choose what you are comfortable with. The premium is deposited into a cash value account.

How Universal Life Insurance Works



From that account there are withdrawals. The first withdrawal is to pay the mortality charge. Essentially you are purchasing a term life insurance policy (with an increasing annual premium) and combining that with a money market account.

The second withdrawal pays for non-premium items such as the waiver of premium and accidental death benefit. The waiver of premium pays your premium in the event of disability. A person has to be disabled for six months before the company waives the premium and they stop paying the premium when the insured reaches age 65. An accidental death benefit is a double indemnity clause. If the insured dies by an accident, the death benefit doubles.

The next withdrawal will only come into play in the event the owner surrenders the policy prior to a specified time frame. Typically this is 10 years. Here is some background regarding surrender charges.

There are startup costs associated with putting a policy in place. The help at the insurance company gets paid, the paramedical that does the exam gets paid, the agent gets paid, the electric company gets paid, etc. Normally these costs are amortized over a 2-5 year period. In the early 1980's one company would issue a policy with the cash value earning 12%. Another company comes out and their interest rate is 15%. Earlier I gave you future values at various interest rates. Money grows much faster at 15% than 12%. So if you purchased a 12% policy there was a huge temptation to switch to the 15% policy. I called this the "Monte Hall" life insurance proposal. Every company was one upping their competition. A company cannot stay in business with their book of business being cannibalized. So the companies instituted surrender charges. Basically it's like an early withdrawal penalty on a CD.

Then current interest is credited to the account. Cash inside the account accumulates on a tax deferred basis. The policy owner can make income tax free withdrawals for whatever purpose they can think of.

The product design was brilliant. Money compounding at "only 8%" easily pays the mortality charges forever and builds a very nice cash reserve.

THE FLY IN THE OINTMENT

As long as interest rates were high, things were great. Policy owner's snatched up these contracts with the understanding they would only have to pay seven years of premiums and then the policy would stay in force forever.

As interest rates came down, the "bloom came off the rose". Policy owners got notices stating they needed to pay more in premiums or that instead of paying premiums for seven years they needed to pay for 12 years, then 15 years and then permanently.

If you own a universal life policy purchased in the 1980's you might have a real problem. In today's historically low interest rate environment your policy is in real danger!

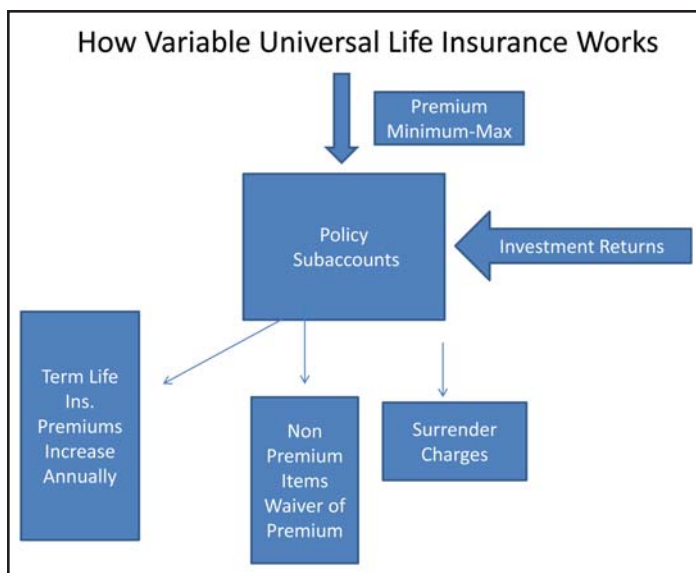
Why? It's simple math. As you grow older, the mortality charges in the policy go up, sometimes dramatically. If your policy is circa 1980's the mortality charges are from a 1975 mortality study, much higher than what you find today. You combine an ever increasing cost of insurance with significantly lower interest rate earnings and it doesn't take too long before you are "upside down". Meaning that the annual premium cost is greater

Continue on the next page...

We are #1 in:
News
Weather
Markets
Sports

KRVN
880 Rural Radio

River
KRVN FM 93.1



than then annual earnings. So the difference between the two numbers needs to be accounted for. The deficit is made up by either the policy values or the owner needs to put in additional premium. The worrisome thing is the ever increasing mortality charge.

Unfortunately this is the perfect storm. Your policy may be in grave danger of lapsing.

AND IT GETS WORSE

During the great Bull Run the stock market had from 1983-2000 Wall Street decided they need to get into the act. Instead of the cash reserves earning a fixed rate of interest some executives with ties to Wall Street thought it would be brilliant to have them invested in stocks and bonds.

That was great as long as the market is going up. Consider these numbers; on December 31, 1982 the Dow was 1,075. On December 31, 1999 the Dow was 11,497. That is an annual return of 14.95%!

Wall Street thought they were 10 feet tall and bullet proof.

So now we have a variable universal life insurance policy. It is called variable universal life because the policy values are invested in the stock market. As I said before, everything is rosy as long as the stock market is going up.

Now pay attention to this. As stated earlier, the Dow was 11,497 on December 31, 1999. As I write this, June 17, 2012; the Dow closed at 12,767. Let's do the math together; $12,767 - 11,497 = 1,270$ point gain. $1,270 \div 11,497 = 11\%$ total positive return in 11.5 years. $11.00\% \div 11.5 \text{ years} = 0.96\% / \text{year}$ return.

So what does this mean to someone owning a variable life insurance product? A lot!!!

If you remember the product design, the cost of the term insurance is supposedly paid for by the cash value earnings. But what

if the gains from the stock market aren't enough to pay the mortality charges? Then more money needs to be put in. The policy automatically takes the needed amount from the policy reserves.

So what if the variable universal life doesn't have any cash value remaining? Answer: the policy owner pays the difference or the policy lapses. The life insurance you thought you had, that would take care of your obligations and family has suddenly vanished.

Caveat emptor-let the buyers beware!

If you speak to most trust departments, they don't want anything to do with variable life insurance. Why? Because their job is to make sure the money they have been entrusted with will be there for the beneficiaries. When possible, these policies are being replaced.

Personally, I despise variable universal life. In my estimation it is one of the worst things ever pitched to the American public.

If you have one of these monstrosities I would review it with a fine tooth comb. Call the professionals at The Home Agency or myself (402-438-4200) and we will offer a free, no obligation consultation.

Make sure your life insurance will be there when your family needs it!! ■



Kuzma Financial Services

Established 1973

Financial-Planning • Consulting
Estate Planning • Insurance
Insurance-Senior Products
Retirement Planning Service

701 N 148th St
 Lincoln, NE
 68527-9451
 Ph: 402-438-4200
 1-800-383-9982
 Fa: 402-438-4207
 ak53504@windstream.net



The agents at The Home Agency offer various Aflac policies. Some of them are listed below with their highlights. For more information or for a quote, please contact your local Home Agency agent! They will be glad to walk you through your options and get the right plan in place for your individual needs.

INDIVIDUAL POLICIES*	HIGHLIGHTS
SHORT-TERM DISABILITY Policy Series A57500 Policies A57500OR, A57500PA, A57500TN, A57500TX, NY57500	<ul style="list-style-type: none"> Selection of: <ul style="list-style-type: none"> Monthly benefit amount, Elimination period, Benefit period Guaranteed-renewable to age 70 Benefits paid directly to you, unless you choose otherwise Benefits paid regardless of any other insurance
LIFE Policy Series A63000 and A64000 Policies A64100AR through A64600AR; A64100OR through A64600OR; in PA, TN, and TX, Policies ICC0964100 through ICC0964600; NYR63100, NYR63200, NYR63300, NYR63500	<ul style="list-style-type: none"> Depending on the policy, may provide up to \$250,000 of whole life insurance or term life insurance Waiver of Premium Benefit Accelerated Death Benefit Optional Spouse and Child Term Life Riders Optional Accidental-Death Benefit Rider
HOSPITAL CONFINEMENT INDEMNITY Policy Series A46000 Policies A46100OR through A46300OR; A46100PA through A46300PA; A46100TN through A46300TN; A46100TX through A46300TX; NY46100, NY46200	<ul style="list-style-type: none"> Annual Hospitalization Confinement Benefit Daily Hospital Confinement Benefit Surgical Benefit Rehabilitation Unit Benefit
HOSPITAL CONFINEMENT SICKNESS INDEMNITY Policy Series A-45000 Policies A-45100-OR through A-45300-OR; A-45100-PA through A-45300-PA; A-45100-TN through A-45300-TN; A-45100-TX through A-45300-TX; NY-45100 through NY-45300	<ul style="list-style-type: none"> Physician Visits Benefit Initial Hospitalization Benefit Major Diagnostic Exams Benefit Surgical Benefit
DENTAL Policy Series A81000 and A82000 Policies A82100OROR through A82400OROR; A82100RPA through A82400RPA; A82100RTN through A82400RTN; A82100RTX through A82400RTX; NY81100 through NY81400	<ul style="list-style-type: none"> No network restrictions Portable Guaranteed-renewable Pays regardless of any other insurance you have No deductible Easy to understand
VISION Policy Series VSN100 Policies VSN100OR, VSN100PA, VSN100TN, VSN100TX, NYVSN100	<ul style="list-style-type: none"> Eye Examination Benefit Vision Correction Benefit Specific Eye Diseases/Disorders Benefit Eye Surgery Benefit No network restrictions
HOSPITAL INTENSIVE CARE Policy Series A18400 Policies A18400OR, A1840HOR; A18400PA, A1840HPA; A18400TN, A1840HTN; A18400TX, A1840HTX	<ul style="list-style-type: none"> Daily Hospital Intensive Care Unit Confinement Benefit Daily Step-Down Intensive Care Unit Confinement Benefit Ambulance Benefit Major Human Organ Transplant Benefit
ACCIDENT Policy Series A35000 Policies A35100OR, A35200OR, A35B24OR; A35100PA, A35200PA, A35B24PA; A35100TN, A35200TN, A35B24TN; A35100TX, A35200TX, A35B24TX; NYR35100, NYR35200, NY35B24	<ul style="list-style-type: none"> Emergency Treatment Benefit Specific-Sum Injuries Benefit Accidental-Death Benefit Initial Hospitalization Benefit
CANCER/SPECIFIED-DISEASE Policy Series A-75000 and A76000 Policies A76100OR, A761ESOR; A76100PA; A76100TN, A761ESTN; A76100TXR, A761ESTX; NY76100, NY761ES	<ul style="list-style-type: none"> Initial Diagnosis Benefit Hospital Confinement Benefit Radiation and Chemotherapy Benefit Surgical/Anesthesia Benefit Ambulance, Transportation, and Lodging Benefits
LUMP SUM CRITICAL ILLNESS Policy Series A72000 Policies A72100ORR, A72100TN, A72100TX	<ul style="list-style-type: none"> Pays a lump sum benefit up to \$30,000 for a Critical Illness Event: Heart Attack, Stroke, Coma, Paralysis, Major Human Organ Transplant, End-Stage Renal Failure Pays an unlimited benefit for a recurrence of the same Critical Illness Event or an occurrence of a different Critical Illness Event
SPECIFIED HEALTH EVENT Policy Series A71000 Policies A71100OR, A71200OR; A71100PA, A71200PA; A71100TN, A71200TN; A71100TX, A71200TX	<ul style="list-style-type: none"> Pays a First-Occurrence Benefit, as well as Hospital Confinement and Continuing Care Benefits for: Heart Attack, Stroke, Coronary Artery Bypass Surgery, End-Stage Renal Failure, Major Human Organ Transplant, Major Third-Degree Burns, Coma, Paralysis

Summer Favorites

Garden Salsa *From: Sharri Baldonado*

Ingredients:

6 cups of tomato, chopped
 2 medium onions, chopped
 4-6 jalapenos, chopped
 1/3 cup fresh cilantro, chopped
 or 1/8 cup dried cilantro
 1 teaspoon sugar
 1 teaspoon salt
 1/2-1 teaspoon garlic powder
 1/4 cup white vinegar

Directions:

Mix all ingredients in a large bowl. If you would like to can the salsa, follow your manufacturer's instructions and process in a water bath canner for 15 minutes after the water starts to boil.



If you are not going to can it, I suggest making this recipe the day before so all the flavors have time to mix together well. Enjoy!

Fresh produce is abundant this time of the year whether it's from the grocery store, a local farmer's market or your own garden. This salsa recipe is a simple one to make and is delicious on top of that! Enjoy!

If you would like to share a recipe in this magazine, please e-mail it to me at : sross@thehomeagency.com.



Placemat Finished Size: 12 1/2" x 17"

Cutting: To Make 1 Placemat

Cream: (1/8 yard)

(6) 2 1/4" squares, (3) 1 13/16" squares,

(6) 1 5/8" squares

Scraps of three Dark Prints for Leaves:

(2) 2 1/4" squares, (4) 1 13/16" squares

Red: (1/4 yard) Sashing/Binding

(1) 1" x 12 1/2" strip for sashing

(2) 2 1/4" x 42" strips for binding

Brown: (3/8 yard) Cut (1) 12 1/2" square

Backing: At least 14" x 18"

To Make 4 Placemats, you'll need:

Cream: 1/4 yard Red: 2/3 yard

Brown: 3/4 yard Backing: 7/8 yard

Scraps assorted leaf colors

Leaf Placemats or Candelmat

Construction: All seam allowances are 1/4"

Note: 1 13/16" is half-way between 1 3/4" and 1 7/8".

Half-Square Triangles: Directions are for ONE placemat.

1. Draw a diagonal line across the wrong side of the 2 1/4" cream squares. Pair right sides together with the dark 2 1/4" squares. Sew 1/4" from each side of the drawn line. Cut apart on the drawn line. Press seam towards dark. Trim up half-square triangle unit to 1 13/16" x 1 13/16". Make 4 of each color.

Stems:

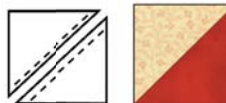
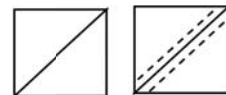
1. Draw a diagonal line across the wrong side of the 1 5/8" cream squares. Pair right sides together on the corner of a dark 1 13/16" square. Sew on diagonal line, trim seam allowance to 1/4", press towards cream. Repeat on opposite corner of square. Unit should measure 1 13/16" x 1 13/16".

Leaf Blocks:

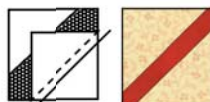
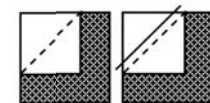
1. Arrange half-square triangles, stems, and squares as shown. Sew units into rows, then join rows together. Make 3 leaf blocks.

Assembly:

1. Arrange leaf blocks as shown. Sew the blocks into a row.
2. Sew the 1" x 12 1/2" sashing strip to right side of leaves, then sew the 12 1/2" x 12 1/2" brown square to this unit.
3. Layer mat, batting, and backing. Quilt as desired. Bind using the 2 1/4" strips.



Half-Square Triangles:
 Make 4 of each color



Stem: Make 1
 of each color



© Prairie Point Junction Quilt Shop, 2012

124 East 8th * Box 184 * Cozad * NE * 69130 * 308-784-2010

www.prairiepointjunction.com prairiepointjunction@yahoo.com

Crossword Puzzle

Please enjoy this crossword puzzle. You will find every answer somewhere in this magazine. The correct answers will be in the next issue. Also, please check out page 11 for our crossword puzzle contest!

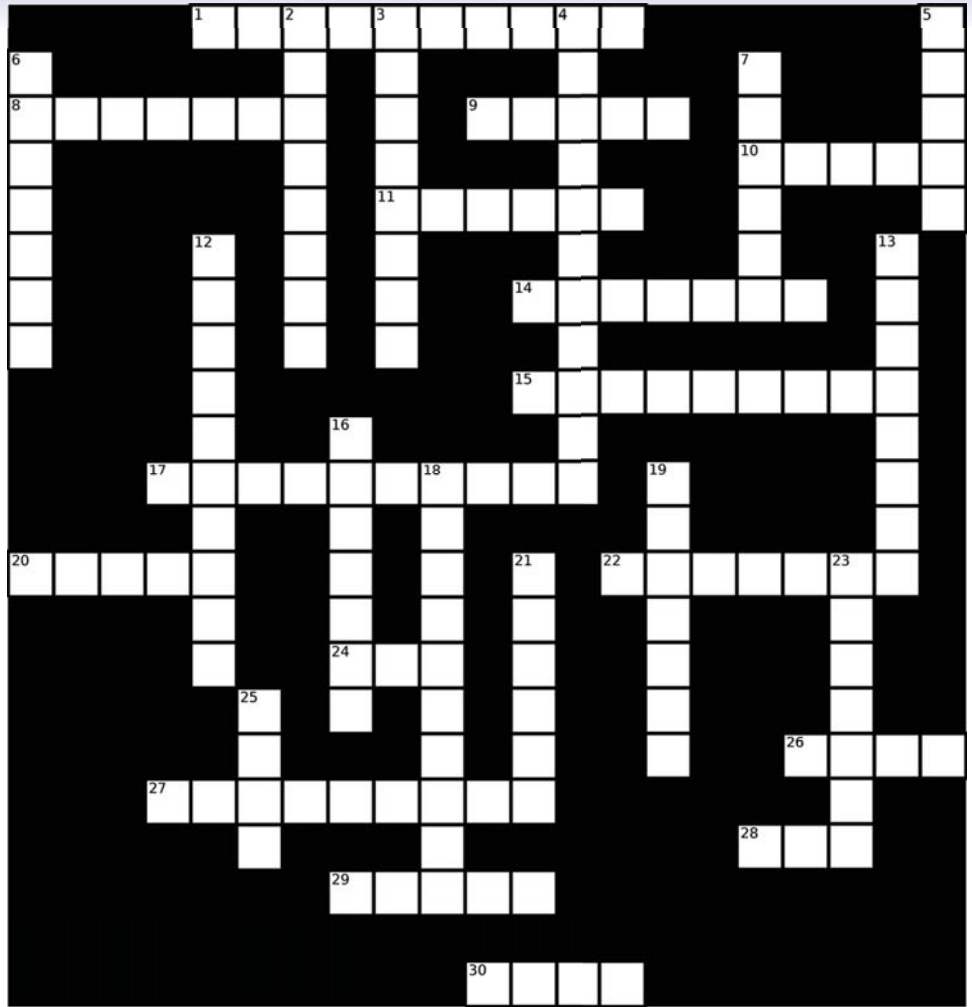
ACROSS

- 1 If your variable universal life policy doesn't have any cash value remaining, the policy owner has to pay the ____ or the policy lapses.
- 8 The nice thing about a ____ policy is it will follow the market up and never is there a basis taken out.
- 9 ____ closing deadline for the 2013 wheat crop year is September 30, 2012.
- 10 New agent Kristy Diefenbaugh recently served as the 2011-2012 President of the ____ NE Central Association.
- 11 In Kirwin, KS they received ____ ball sized hail over Memorial Day weekend.
- 14 Legal Shield and Identity Theft Shield can be offered as a ____ deducted employee benefit.
- 15 The weekly Home Agency WeatherManager has both long range forecast trends as well as short and medium term forecasts that can be very beneficial in your ____ decisions.
- 17 Jim's wife, Sharri, is getting a new puppy, a miniature ____ Shepherd.
- 20 Ruskin, NE received some timely rains in June ranging from four to ____ inches in some areas!
- 22 The Stratton, CO locals say that its been 50 to 60 years since they remember wheat ____ coming at such an early date.
- 24 Too ____, too soon without any moisture is not a formula for success in the Larned, KS area.
- 26 ____ of your body is water.
- 27 The first withdrawal in a universal life insurance policy is to pay the ____ charge.
- 28 Crops were looking pretty ____ for May and June in the McClelland, IA area.
- 29 The general rule is to drink ____ glasses of water (64 ounces) a day to stay hydrated.
- 30 Producers have bought ____ of precipitation eWeatherRisk contracts this summer.

DOWN

- 2 The premium is ____ with a universal life insurance policy.
- 3 In Nebraska, drivers under the age of ____ are prohibited from using any type of wireless communication device while driving.
- 4 ____ after the crop was planted between the IRR acreage and the NI corners of a center pivot system may be used to establish breaks between IRR and NI planting patterns for OU purposes.
- 5 A lot of wheat ____ has been put up in the Home, KS area.
- 6 In the state of Nebraska, licensed drivers ages 16-19 represent only 7%

- 7 A ____ policy with Aflac has no deductibles.
- 12 Employees will receive the same services as a traditional Legal Shield membership, but at a ____ rate and their monthly membership fee can come directly out of their paychecks if offered as a benefit through their work.
- 13 In Beloit, KS their wheat harvest for 2012 was the ____ anyone can recall.
- 16 In the eWeatherRisk article, Jim Jubb talks about how hedging excess daily temperatures protects against both ____ and overly hot summer temperatures.
- 18 Fires caused by ____ seem to be as big of threat as any this season in Benkelman, NE.
- 19 Cattle producers are already discussing early ____ in order to preserve as much forage as possible for the cows.
- 21 With a LRP contract, you must have possession of the cattle at least ____ days prior to the end date of the contract.
- 23 Acceptable Precision Farming Technology Systems must include the planting and harvesting ____ report.
- 25 In the new ____ Bill, the crop insurance industry could, once again, be on the chopping block. ■



*The Home Agency is an equal
 opportunity provider.*

210 Smith Avenue, PO Box 326
 Elwood, NE 68937

ADDRESS SERVICE REQUESTED

*Photo on the front cover is by Jeri Schultheiss.
 Design & Layout of The Home Agency Magazine
 by Sara Ross.*

Office Locations

NEBRASKA LOCATIONS

Elwood

210 Smith Avenue, PO Box 326
 Elwood, NE 68937
 800-245-4241 · 308-785-2803
 308-785-2560-Fax

Gothenburg

515 10th Street, PO Box 387
 Gothenburg, NE 69138
 888-537-3511 · 308-537-3511
 308-537-3647-Fax

Cozad

131 West 8th Street, Suite A
 Cozad, NE 69130
 866-928-5856 · 308-784-4245
 308-784-4281-Fax

Brady

120 North Main
 Brady, NE 69123
 888-537-3511 · 308-584-3044

Benkelman

619 Chief Street, PO Box 567
 Benkelman, NE 69021
 800-245-4241 · 308-423-2400
 308-423-2416-Fax

Broken Bow

800-245-4241 · 308-785-2803
 308-785-2560-Fax

Ashland

316 County Road 5
 Ashland, NE 68003
 800-245-4241 · 402-430-0553

Ruskin

1123 Road 4900
 Ruskin, NE 68974
 800-245-4241 · 402-984-9255

IOWA LOCATION

McClelland

91 Main Street
 McClelland, IA 51548
 712-566-3603 · 402-740-5624
 712-566-3210-Fax

KANSAS LOCATIONS

Larned

519 West 4th, PO Box 121
 Larned, KS 67550
 800-245-4241 · 620-285-5872

Beloit

3873 K Road
 Beloit, KS 67420
 785-593-6659
 785-593-6659-Fax

Kirwin

1934 East 1100 Road
 Kirwin, KS 67644
 785-543-6758
 785-543-6758-Fax

Home

1662 Limestone Road
 Home, KS 66438
 785-927-0191
 785-799-3587-Fax

Clay Center

908 6th Street
 Clay Center, KS 67432
 785-632-6767 · 785-632-4937
 785-632-6774-Fax

COLORADO LOCATIONS

Kirk

2883 County Road M
 Kirk, CO 80824
 866-449-0641 · 719-349-0611
 719-348-5299-Fax

Stratton

128 Colorado Avenue,
 PO Box 165
 Stratton, CO 80836
 866-449-0641 · 719-348-5356
 719-348-5299-Fax

Yuma

201 South Main Street
 Yuma, CO 80759
 866-449-0641 · 719-349-0611
 719-348-5299-Fax