

THE

HOME AGENCY

MAGAZINE

President's Thoughts

FROM THE DESK OF
JIM BALDONADO

Cattle News

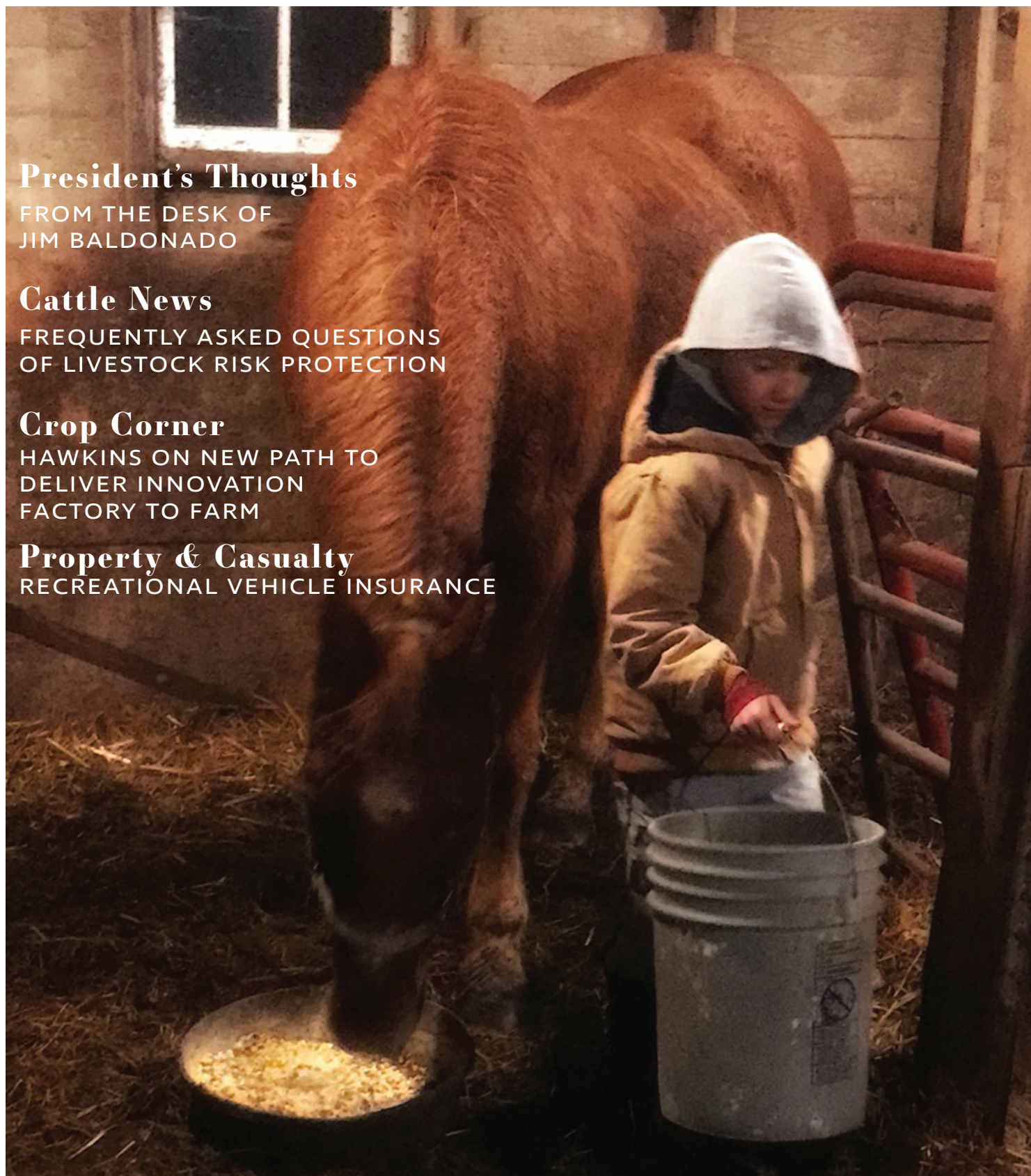
FREQUENTLY ASKED QUESTIONS
OF LIVESTOCK RISK PROTECTION

Crop Corner

HAWKINS ON NEW PATH TO
DELIVER INNOVATION
FACTORY TO FARM

Property & Casualty


RECREATIONAL VEHICLE INSURANCE





Ask about 2018 Crop-Hail policies and Wind Coverage Endorsements for corn through RCIS.

Talk to your RCIS agent today.

Wind Coverage Endorsements for Corn			Crop Hail Crop-hail policies
Policy Name	Coverage	Applicable Crops	
Green Snap - HA-2281*	Green Snap	Corn, popcorn, seed corn, sweet corn	
Green Snap with EHE (Extra Harvest Expense) - HA-2280*	Green Snap, EHE	Corn, popcorn, seed corn, sweet corn	
Corn Wind - HA-1069*	Green Snap, Lodging, EHE	Corn, popcorn, seed corn, sweet corn	
Green Snap with Lodging Loss of Production (LOP) - HA-9617*	Green Snap, Lodging, LOP, EHE	Corn, sweet corn	
Hail Production Plan (HPP) Corn Wind - HA-9618*	Green Snap, Lodging, EHE	Corn, popcorn, sweet corn	<ul style="list-style-type: none">• Post-harvest transit included• Harvested stored grain included• Fire coverage included (<i>can be a stand-alone policy</i>) 

*Some products not available in all states or counties – check with an RCIS agent. This is intended as a general description of certain types of insurance and services available to qualified customers provided solely for informational purposes. Coverage is underwritten in all states by Rural Community Insurance Company, Anoka, MN except in Montana where hail coverage is underwritten by Tri-County Farmers Mutual Insurance Company, Malta, MT. Nothing herein should be construed as a solicitation, offer, advice, recommendation, or any other service with regard to any type of insurance product or services. Your policy is the contract that specifically and fully describes your coverage, terms and conditions. The description of the policy provisions gives a broad overview of coverages and does not revise or amend the policy. Coverage may vary by state. Coverages and rates are subject to individual insured meeting our underwriting qualifications and product availability in applicable states. RCIS is a registered trademark of Rural Community Insurance Company. RCIC is an equal opportunity provider. © 2018 Rural Community Insurance Company. All rights reserved.

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FROM THE DESK OF JIM BALDONADO

Boy, what a year for bad hail and wind claims! The first big storms, mostly bad hail, started in the Eustis area, moved up to the Broken Bow - Ansley area, then circled back to the Gothenburg, Cozad and Eustis area over a 6-8 week period. Then came the bad winds the week of October 23rd, which were state-wide for the most part.

No one ever wants to have a claim, but when they do, they want to make sure they have the coverage needed to make them whole again. I understand with today's markets sometimes you have to cut back, but is your insurance coverage the place to do it? As I've said many times before, when it comes to hail products I like Production Hail at the 120 level on irrigated crops and Compan-

ion 3 or Companion 2+ on dry land crops. A lot of our competition likes to sell the 110 level, reasoning that you don't need the 120 and if you do buy it, you are buying something you don't need. Well, I know a number of producers that sure wish they would have had the 120 this past year versus the 110, as they raised some of the best corn ever before the wind started.

For example, we had a claim in Phelps County where the producer collected \$349.00 an acre on a wind loss at the end of October which totaled his hail/wind policy. Prior to that he had no damage. Another producer in Gosper County will collect \$214.00 an acre, again on a wind loss only. We have many examples like this, however, these are a couple of the worst ones. These two producers always buy the 120 level, they always buy wind and they always buy 100% of price, which this year was \$3.96 per bushel.

By now some of you may be heading for your calculator, but let me save you some steps. The producer has a 252 APH times the 120 plan takes him to 302 bushel, and he had over a 30% wind loss, which totaled his Production Hail policy, as he harvested less than 214 bushel. This is where he starts collecting his multi-peril as he carries the 85% level. So $302 \text{ minus } 214 \text{ equals } 88$ bushel loss times $3.96 = \$349.00$ per acres wind loss. Now if he would have bought the 110 he could have saved around \$12.00 in premium but he would have only been paid around \$250 an acre.

Some of you might be saying, "I would take \$250 an acre", but what if you didn't have that bad of a loss? Let's say this same producer has a 13% loss on this same field and harvests 277 bushel per acre.

That equates to a 10% bushel loss or a \$99.79 per acre on the 120 but ZERO on the 110 plan. Just to save \$12 per acre premium. (See example on the next page.)

Another product that will be talked about this spring will be Enterprise Production Hail. We will have it and will show it to you if you want to see it. If you can guarantee me that you will have hail losses like we had last year it will work for you. Here's how it will work: Let's say you have three pivots, 130 acres each, scattered around and one has a 100% loss. What will happen with this new policy is that they will take the 100% loss divided by 3 pivots and now you have a 33.3% loss on all three units, which in this case, depending on how many total bushels you harvest could almost total out all three pivots and two of them had no loss. Almost sounds too good to be true, doesn't it. You know what they say when something sounds too good to be true? Yep you guessed it. If you have a small loss, let's say under 10-15% on a field or two, and the other 10 fields grow really good corn you may grow yourself out of a loss on the small loss units, whereas with the regular Production Hail, you may not have. You would think when we say Enterprise Production Hail it would be substantially cheaper, like your Multi Peril, but my understanding is, it's the same price (as regular Production Hail) which makes no sense to me. Keep in mind, the average hail loss, year in and year out, is less than 18%. So, you do the math.

There will be one other new twist coming soon, something we think you will like, but at the time of this writing we cannot talk about it. You will not be able to purchase it with Enterprise Production Hail, but it will ease the concern about out-growing your smaller losses.

So in a nutshell, there are a number of changes coming in the hail products for next year, so stay tuned! And as always, I will work with all the different plans to make sure we will all be on the same page come sign-up time. Rest assured, I always

have your best interests in mind. Working together with some of you for over 30 years and others over 20, I really feel we understand each other, and we trust each other, and that's the most important part. I just keep saying what I've said many times

before, I thank God I have customers like you, because if I didn't, we (The Home Agency) would be nothing without you. Slow down and stay safe. ■



Unit #	A. APH	B. % Share	C. MP Level	D. MP Guar. Bu/Ac. (A x C)	E. HPP Level	HPP Guar. Bu/Ac. (A x E)	HPP Bu/Ac Liability (F - D x B)	H. Price Select. MP	HPP \$/Ac Liability	J. Acres in Unit	K. HPP Tot \$ Liability (I x J)
1	252	1.00	85%	214.2	1.2	302.4	88.2	\$3.96	349.27	100	\$34,927
2	252	1.00	85%	214.2	1.1	277.2	63	\$3.96	249.48	100	\$24,948

Unit #	A1 HPP Tot. Unit Bu Guar. (F x J)	B1 Total Bu. Produced (From PW)	C1 Total Bushels Lost (A1-B1)	D1 Production Percent Loss of Bu. (C1/A1)	E1 Hail % Loss (Hail WS)	F1 Smaller % Loss (D1 or E1)	G1 % Over or = to 0
1	30,240	27,720	2,520	8.3%	13.0%	8.3%	Yes
2	27,720	27,720	0	0.0%	13.0%	0.0%	No

Unit #	A1 HPP Tot. Unit Bu Guar. (F x J)	B1 Total Bu. Produced (From PW)
1	\$9,979	\$9,979
2	\$0	\$0

FREQUENTLY ASKED QUESTIONS OF LIVESTOCK RISK PROTECTION

BY ARLYN RIEKER

Here at The Home Agency we strive to provide you, the producer, with all the available products to aid in the profitability of your operation. Whether it is Crop, Property and Casualty, Farm, or Auto insurance we feel our knowledge of the products is our strong point. One product used for price protection by livestock producers is LRP (Livestock Risk Protection). LRP is a tool to protect the livelihoods of cattlemen and ranchers against the financial risk they face and downward turns in market prices that exist for them. LRP is one of the risk management tools that can be used as a price floor for cattle producers. LRP is exactly what the names says "Risk Protection." LRP provides protection against a decline in prices below the established coverage price for fed and feeder cattle. For those of you who have purchased LRP in the past, this will be a little refresher course, and for the people interested in protection against a downturn in the cattle market, this will be an LRP 101 introductory course.

LRP may be purchased at any time throughout the year, which makes it easy to ensure your coverage will correspond with the marketing of your livestock. The coverage prices and rates fluctuate daily and are based on the Chicago Mercantile Exchange (CME). Premium rates, coverage prices and levels as well as actual ending values are posted daily. Unlike crop insurance where we know when and how the base prices are set to establish the rates and premiums, unfortunately with LRP we don't have that formula. We run quotes daily to access the coverage prices, levels offered, and premiums. There might be coverage one day and not the next, we just don't know until the quotes are established at the end of each trading day at 3:30 pm. If coverage is available it can be written from that time until 9:00 am the following morning. This is why we run the quotes daily and stay in contact with producers to keep them up to date on the coverage prices. All these quotes and Actual Ending Values can be found on our website, www.thehomeagency.com.

One of the main questions producers have is, "How are the steers and heifers insured?" Price Adjustment Factors (PAFs) are applied and here is an example.*

Example of Coverage Prices

Insured Weight Range	Steers	Heifers
< 6.0 cwt	\$174.23 (110%)	\$158.39 (100%)
6.0 - 9.0 cwt	\$158.39 (100%)	\$142.55 (90%)

*Steers wt. 2 based on Mercantile 750# steers

Example of Ending Prices/ Index set at \$180.00

Insured Weight Range	Steers	Heifers
< 6.0 cwt	\$174.23 (110%)	\$158.39 (100%)
6.0 - 9.0 cwt	\$158.39 (100%)	\$142.55 (90%)

*Index is weighted avg. 700-899# steers

Example of Loss

Coverage Price \$158.39
Ending Price \$145.00

Loss \$13.39/cwt

Loss for 750#
 $\$13.39 \times 7.5 = \$100.43/\text{head}$

Another question we are often asked is, “Does it matter what the cattle weigh or what I sold them for?” It doesn’t matter what they weigh on sale day, what you sell your cattle for or even if you retain ownership; what determines whether or not you have a loss is if the Actual Ending Value on your coverage ending date is below your Coverage Price. It is worth noting that if you sell your cattle more than 30 days prior to your LRP contract ending date, your coverage will be voided. Also, LRP is not a mortality policy; however, if animals die, we need to be notified of the death and document the death loss. If you have an indemnity you may still be paid the LRP loss on the dead animal.

There are a couple points I would like to touch on: if you are beginning farmer you may qualify for a premium reduction for the LRP which is definitely to your advantage in keeping your costs down. Also, in order to qualify for the premium subsidy for LRP, even if you don’t farm and just have livestock, you need to complete the AD-1026 Highly Erodible Land Conservation (HELC) and Wetland conservation (WC) certification form at your local FSA.

Many of you are calving now and it would be a good time to give us a call. I am happy to visit with you about the LRP policy and how it may help you to manage your bottom line for your livestock operation. ■

** Price adjustment factors (PAFs) are applied to the expected ending values, coverage prices, and actual ending values prior to RMA publishing.*

LRP feeder cattle insurance coverage prices and rates are based on the CME Feeder Cattle contract, which is cash settled to the CME Feeder Cattle index.

The CME Feeder Cattle contract and the CME Feeder Cattle index are only based on the price series for steers weighing 700 to 899 pounds, excluding predominantly Brahman or dairy breeds. Because the CME Feeder Cattle futures prices are for steers of certain type and weight, a PAF is used to calculate expected ending values, coverage prices, and actual ending values for other types and weights of feeder cattle (heifer, predominantly Brahman, and predominantly dairy). Prices are adjusted by multiplying to appropriate daily LRP expected or actual ending value by the appropriate PAF.

HAWKINS ON NEW PATH TO DELIVER INNOVATION FACTORY TO FARM BY ROD HAARBERG, PRESIDENT-HAWKINS AG

Hawkins Manufacturing, a 36-year resident of Holdrege, Nebraska begins a new journey in 2018 as Hawkins Ag. In August 2017, the family-owned company was sold to an agriculture innovation upstart AGROdeviate, LLC.

Hawkins Manufacturing gained its recognition through the Hawkins Row Crop Ditcher. Hock Farm supply was originally a Hawkins distributor in the 70’s and ultimately became the owner. Harlon Hock purchased the company in 1979 to add to Hock Farm Supply and moved it to Phelps County, Nebraska in 1981. Hawkins Manufacturing continued to grow in the 80’s and 90’s as they built products to serve the High Plains corn farmer.

As the High Plains region continued to transition from furrow watering to center pivot irrigation, Hawkins was pushed to develop their product line further. The new Hawkins folding toolbars, coulter fertilizer machines, fertilizer accessories, as well as the Hawkins Corn Reel helped Hawkins Manufacturing meet the expanding demands of farming well into the new millennium.

The Hawkins brand will carry into 2018 and beyond with a renewed vision from the AGROdeviate team. At its core, AGROdeviate is a product design company with engineering innovation and deviation teams located in Kearney, Nebraska. Product design will target the fusion of technology and mechanical design. This allows the fully enabled integration and application of new technologies in the latest farming methods.

Rod Haarberg, President of AGROdeviate, points to gaps in product design continuity as opportunity.

“There are great products available and tremendous technology being developed, however they are often developed in a vacuum and do not integrate to serve the needs of the producer,” Haarberg said. “With experience in each the technology area as well as the mechanical, AGROdeviate will focus on a seamless integration into a purposeful product.”

Haarberg’s experience is diverse, beginning with Orthman Manufacturing in Lexington, Nebraska, then a

move to the agricultural technology arena for 10 years. His tenure in technology was split first as Sales Manager for Trimble Navigation in the Southern U.S. then with Topcon Positioning as Ag Manager to North America. Finally, Haarberg returned to Orthman for 5 years culminating as Senior Vice President, for a total of 25 years in Agricultural Manufacturing and Products.

“Through this short lifetime in ag, I have seen the most robust framework and machines as well as amazing

The agronomist will also play a key role in the identification and development of new products. AGROdeviate will focus on products that contribute to the agronomic model impacting one of three areas of emphasis; seed position, fertilizer management, and harvest.

While the current Hawkins product line was dated, it is clean and an ideal platform to build from with five products already fitting into this focus:



HAWKINS

technology that can only be described as pure rocket science,” said Haarberg. “However, unless it can be applied to its fullest intent and to meet a producer’s requirement, it is just another product. AGROdeviate will first work to understand the regional needs and then design solutions that are agronomically based.”

Key to the AGROdeviate product strategy will be the relationship with the producer. Haarberg describes this as a “Factory to Farm model with the goal to get closer to the producer, to understanding the local and regional needs and applications.”

“By design, we will be a more dynamic company allowing us to address the changing market within crop regions, both in the U.S. and around the world,” Haarberg clarifies. “The one model fits all can be a limiting factor in crop production as the world works to maximize yields while protecting resources and managing inputs.”

For year one, AGROdeviate will focus on the existing Hawkins product line with some small design changes and adjustments to manufacturing processes. Big changes will be made in the marketing area with plans to attend as many as 20 trade shows domestically and internationally. New website, logos, social media positions, and messaging are all in the works. As part of the bigger change in position, Hawkins will be represented by an on-staff agronomist making sure the agronomic message is heard and the products fit the need.

Planter ‘NForcer™

- Allows for accurate position and precise placement of key starter and pop-up fertilizer.
- Pneumatic down pressure and a 14” beveled blade allow operation in all field conditions including no-till and the position adjustments to fit strip-till needs.
- Horizontal adjustments of up to 8” allow a setting to fit various field terrains, farming practices, and fertilizer requirements.
- Left and right row unit mounting options compensate for multiple planter configurations in all primary models.
- Rearward mounting of the fertilizer disc allows proper planter operation and residue flow, resulting in precise fertilizer placement out of the residue path and “in the clear.”

Coulter ‘NForcer™

- A flexible and cost effective method for pre-plant or post-emergence liquid fertilize application.
- The product is offered with spring or rigid 20” fluted coulters for a high speed and low power operation with minimal disturbance.
- The heavy-duty design of the hub and 1x3x20 welded mounting shank allow for maximum clearance with supreme penetration ideal for all soil conditions and tillage practices, including no-till.

HWT Toolbars

- A double frame design with a horizontal welded truss to meet today's high horsepower applications. The design incorporates double 7"x7" tubing for added strength and stability.
- The close coupled structure allows maneuverability while matching tractor lift capacities.
- Hinged with a 120-degree main frame fold to min-

KINS

imize transport widths while adding 8 degrees of field flex.

- 12-row to 16-row applications are available in various row spacing and configurations.
- A second fold feature is available for the outer wing allowing a compact and safe transport widths for large scale toolbars. HWT Double Fold toolbars accommodate the high acre, ultra-efficient needs with 24-row and other large scale configurations.

Row Crop Ditchers

- Create a clean and flat bottom furrow to maximize water distribution.
- Operate at higher speed while controlling the loose

soil and clods with the bedding rail and optional cover shield.

Corn Reel

- Eliminate crop feeding difficulties keeping harvest on the move and you in the cab.
- The aggressive row cleaning paddle design combined with hydraulic fore and aft positioning can match all field and crop conditions.
- Hydraulic height control lets you set your aggressiveness or raise the reel for service and access.
- All controls integrate into your combine model for full adjustment on the go to match the changing conditions.

Once the needs are determined and the products designed, they need a home for production. According to Haarberg, Hawkins Manufacturing was a perfect fit, the location, the history, the name, and the reputation.

"On my first visit, I could see the pride and ownership the Hawkins crew took in everything they built. I had spent much time considering how to create a culture that already existed, what a blessing," Haarberg continued. "The Hock family has been wonderful to work with. It was obvious from the first meeting with Tim Hock that his intent was to be certain Hawkins and its employees had a future."

The future is already beginning to take shape in Holdrege as key new team members have been added to the staff including a highly experienced Operations Manager. Haarberg is quick to describe the importance of putting the right team together and will call on a network of experts and leaders in the industry as well as the talents and resources of Holdrege and Central Nebraska. ■



Rod Haarberg and Tim Hock at closing

REGIONAL NEWS

NEBRASKA

RUSKIN, NE

• DAVE MEYER

As of this writing it is December 27th, and baby, it's cold outside!

For the most part, the irrigated crops in south central Nebraska were exceptionally good with some corn yields near record highs. The wind we had in late October took some of the shine off of some of the later harvested crops. Dryland yields were down in most areas, but I turned in very few MPCCI claims. Soybeans also had irrigated yields close to record highs with dryland yields being a mixed bag, depending on rainfall and farming practices.

Hoping you enjoy the rest of the winter; before we know it spring will be here and the next cycle will begin. ■

KANSAS

BELOIT, KS

• ENOS & JILL GRAUERHOLZ

I'm writing this just after Christmas, and we are in the single digits with a dusting of snow on the ground. We have Gage home from college and it is so comforting to have him help take care of the cattle. It is brutally cold for our cattle and takes constant care keeping them fed and the water thawed. Hopefully we can get fairer weather and some measurable moisture this winter. We are still writing LRP coverage for price protection on cattle. We had some high coverage levels and good policies written this winter. Be sure you have an up-to-date application in our file so we can write coverage when you want it.

As this comes out in February, we are looking to renew your spring planted policies. We will be having a meeting soon and hope you can make it to catch up and review how

your policy works. The prices will be set soon for the base price. You can take our quote and see what kind of guarantee you will have if you know what acres you are planting. You can estimate how many bushel you should plan to market. Hopefully the grain prices have increased this winter and will get to a level where we can see a profit.

As always, we want to hear from you and be of service to you whenever possible. Do not hesitate to call us anytime! ■

KIRWIN, KS

• RHONDA JONES

FRIGID! The coldest temperatures of the season hit the area the end of December with the highs in the single digits. Light snow fell across the area giving us a white Christmas and a blanket of snow for the wheat.

The snow geese blanketed the wheat and corn stalks as well. The wildlife refuge at one time reported over 380,000 snow geese. Farmers are concerned about damage to the growing wheat.

Deer hunting was successful for our son. Vincent shot an unusual white tail buck. The taxidermy called it a "Rhino" – two horns growing out of the center of its fore head. The buck had been seen on multiple trail cameras in a 10 mile radius. He will be added to our wall of fame! (Picture on page 9)

The New Year will be expanding the family as our daughters are both expecting. Alyssia and Matt's first child is due in May. This will be Rachel and Cody's third child, and their son Cooper is wishing for a baby sister. Their baby is due the first part of June.

As we look forward to 2018, I want to say thanks to my insureds for your business and I'm looking forward to working with you all in the New Year. ■

IOWA

MCCLELLAND, IA

• KEVIN & SARA ROSS

Happy New Year! Hard to believe we are another season done and are already thinking about planting again come spring. Currently, it seems like another large overall corn and soybean crop will keep some downward pressure on prices. On the bright side, we still have robust demand to chew through these crops. This certainly seems like a broken record in the last few crop years, but what it means for our farm is that we again need to take advantage of forward marketing chances that cover break evens. Don't hesitate to call and set up a time, letting us help you learn or remind you how crop insurance can assist in your marketing plans.

Also, an early reminder to not forget about any changes in entity, current address, marital status, and ownership percentages. Making sure we think about these items early will help us in the application process. Cheers to the New Year and here's to hoping for some positive movement in prices. Thank you for your business and we are looking forward to earning it again in 2018! ■

COLORADO

STRATTON, CO

• PENNI FOX

It's so terribly dry in eastern Colorado, but we are not the only ones feeling it. Hopefully spring will bring us good moisture before planting.

I would like to talk to those with farming/ranching operations about AFLAC. It's a wonderful benefit to your employees without costing you money. It only takes three policies to start a group which drops the pre-

miums of products by 40% with a simple payroll deduction. There are a wide variety of products for you and your employees to choose from depending on needs. The most popular is Accident coverage, followed by Cancer and Dental. This can fill a gap for the policyholder since it's not tied to health insurance. AFLAC pays direct for the claim leaving the customer to choose how to use it. I have customers that have used it for rent, groceries, gas money, children's school lunches, utilities, etc.

With permission, I can share the latest claim I am working, which prompted me to bring it up again. It was a car accident where the insured was on his way home for lunch. He ended up in the ditch and was badly injured. He was transported by ambulance to the hospital, then air lifted to Denver where he spent several days in ICU then a few more in a regular room. The insured suffered fractures and lacerations requiring X-rays and a MRI. This will be a claim between \$8,000 to \$10,000.

When I first made contact, the family had forgotten AFLAC in the midst of the turmoil. As I was speaking to the insured's wife, she became silent. When I asked if she was still there I heard sobbing as she shared her prayers to receive a miracle paying their everyday bills. Their first medical payment was over \$5300 with more to come. They have several children and it was just before the holidays. Prayers answered!! While all claims are not this big (nor do we want them to be), it will give relief in some way. The accident policy also pays for chiropractor for injury.

Please give me a call so we can sit down and discuss how big of a boost this would be for your families and employees.

Lastly, I would like to thank Jim, Deb, Kristy and Julie at The Home Agency and all my customers who helped me during my knee replacement surgery. I am so thankful to have been able to have it done, it was past due. Hope everyone had a wonderful Christmas and a happy 2018! ■

2018 WEATHER OUTLOOK

BY BRIAN O'HEARNE

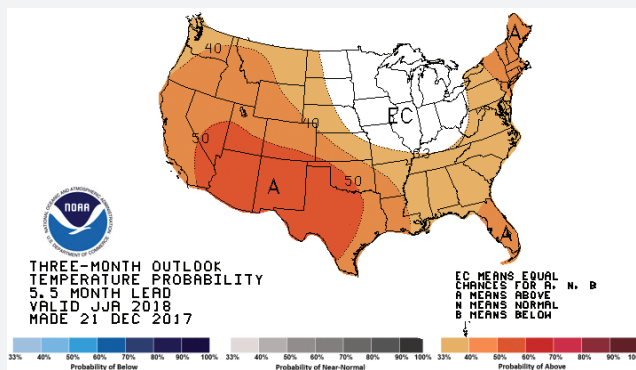
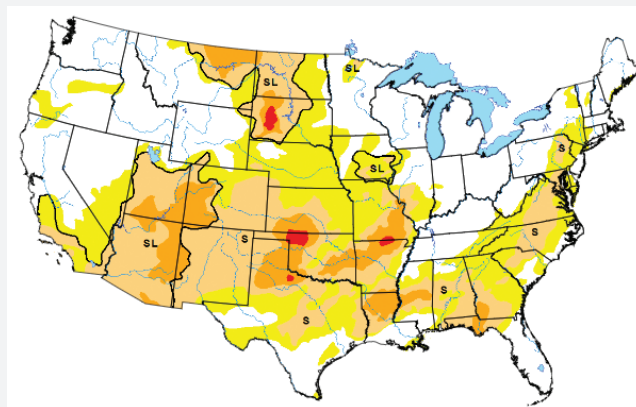
In this edition, we talk about this coming growing season. Whether you believe in climate change or not, weather volatility is certainly increasing with record breaking Hurricanes Harvey and Maria, wildfires in the West and corn shattering winds in Nebraska this October. The Home Agency team has the tools you need to cover seasonal issues. Using a weather hedge to offset weather risk is an effective way to keep your overall return on investment protected and should be an essential component of your annual risk management program.

The top map is the US Drought Monitor as of January 11, 2018, with exceptional to extreme drought in the Northern Plains and Mississippi Valley with widespread drought after a warm and dry fall. Conditions deteriorated from the last issue for most of the US other than the Great Lakes and Pacific Northwest. Abnormally dry conditions continued to expand across western Nebraska, reaching into southeastern Wyoming. The entire state of Kansas was now experiencing some level of abnormal dryness or drought.

The lower map is the long lead temperature outlook for next June, July and August forecasting above normal temperatures for most of the US and giving equal chances to hotter or cooler than normal in most of the Corn Belt.

eWeather has many new programs including gridded precipitation data if you want to pin point coverage for extra irrigation expense or to complement your PRF, and critical day structures such as if the heat tops out above 95F for a daily high or overnight low temperatures exceed 70F when corn is pollinating with a new Damaging Degree Day contract.

You can also use an eWeather drought or a heat hedge to protect pasture and crop yields, assure you have an adequate stand of wheat going into the winter as well as to protect any livestock. The Home Agency customers that bought heat or drought contracts in 2012 were paid very well and should be thinking about buying heat and drought hedges for 2018 when you discuss your crop insurance programs this winter with your The Home Agency agent. ■





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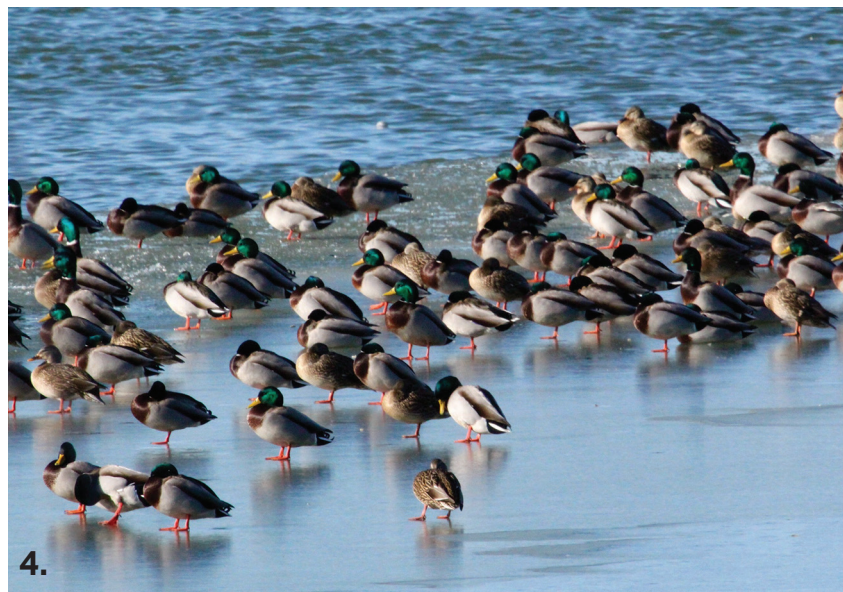
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3.



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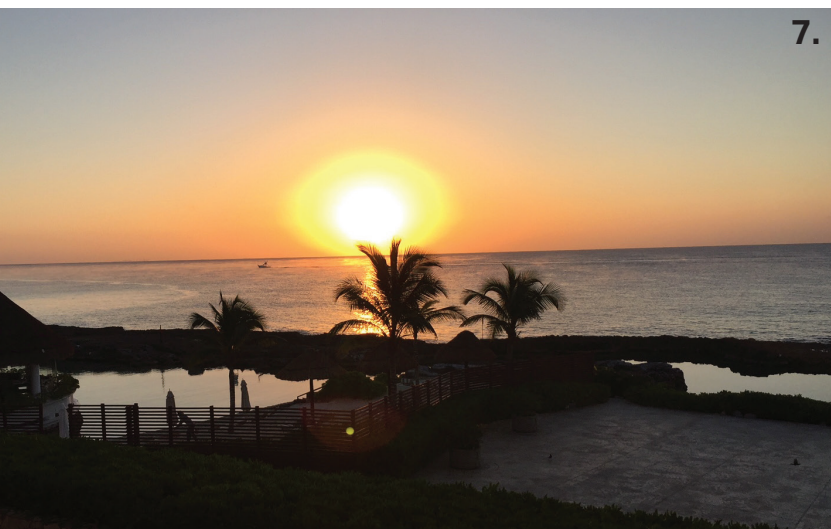


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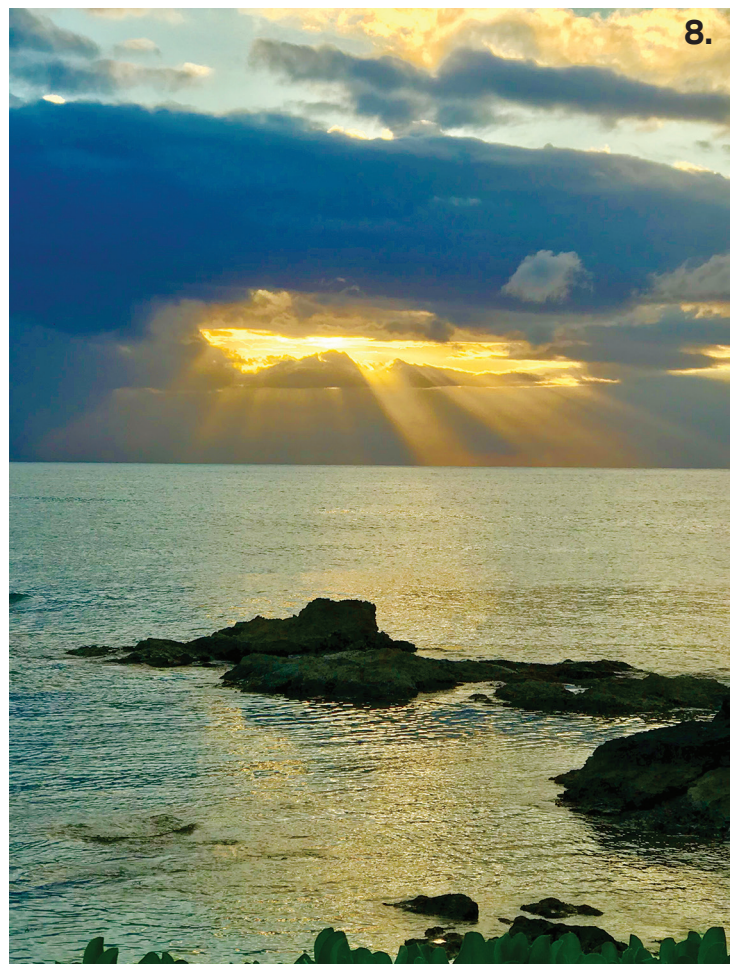
WINTER



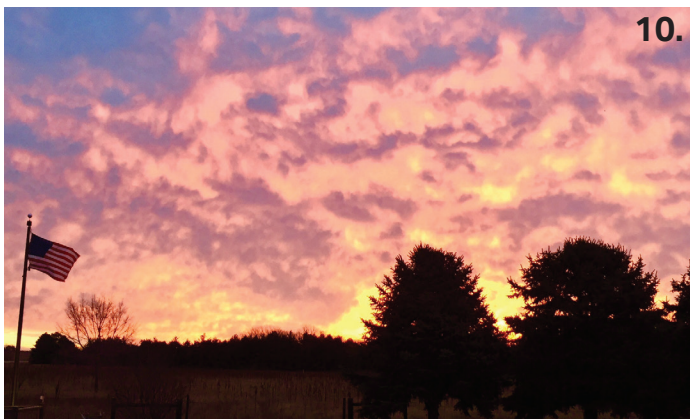
6.



7.



8.



10.

1. Patty Bean
2. Rhonda Jones
3. Melissa Harris
- 4., 8. Sharri Baldonado

5. Jeri Schultheiss
6. Diane O'Donnell
- 7., 10. Jim Baldonado

*If you would like to have a photo featured in upcoming editions of the magazine, please send submissions to jedson@thehomeagency.com



RECREATIONAL VEHICLE INSURANCE

BY CORBETT HAHN

Are you using ATVs and UTVs around the farm? Here's what you need to know about your insurance.

Recreational vehicles are most commonly classified at All-Terrain Vehicles (ATVs) and Utility-Terrain Vehicles (UTVs). These recreational vehicles have become an invaluable tool on farms and ranches. In many cases, these recreational vehicles have replaced pickup trucks and horses for doing most jobs. Since most farmers and ranchers have at least one type of recreational vehicle, I thought it would be a good idea to talk about what kind of coverage you need to have for these vehicles.

The easiest thing to talk about first is physical damage coverage. This is what you need to have if your ATV or UTV is damaged or stolen. One of the first questions most people will ask is "isn't my ATV covered under my blanket?" The answer is, no. So if you want coverage for an ATV or UTV, they must be listed on the policy for physical damage coverage. They can be scheduled on your farm policy or they can be written under a separate recreational vehicle policy. Following is the list of items not covered under a typical farm personal property blanket:

Property Not Covered Under the Blanket

Automobiles, trucks, mini trucks, motorcycles, mopeds, utility vehicles, low speed vehicles, motorized all-terrain vehicles, amphibious vehicles, dune buggies, golf carts, snowmobiles, mini bikes, trail bikes, mobile homes, house trailers, and vehicles primarily designed and licensed for road use, including their engines, tires, parts, and accessories. However, wagons and trailers designed for **farming** purposes are covered unless designed to be pulled by a semi-tractor.

Ok, so we have the physical damage part out of the way. Let's talk about the bigger issue, liability. This gets a little more complicated and there are differences between the liability coverage on your farm policy and the liability coverage on a separate recreational vehicle policy. The first thing you need to know is you do have some automatic coverage for recreational vehicle liability under a farm and ranch liability policy that is included at no additional premium. The most important thing you need to know about this automatic coverage is that it only applies to liability that occurs on your insured

premises. This means you do not have liability coverage while crossing a road or traveling on any road or property you do not own. I would venture a guess most people don't have a recreational vehicle they operate 100% of the time on their insured premises. So, we really need to talk about how we insure our recreational vehicles off premises and what the differences are between policies.

Off premises liability coverage can be added to most farm and ranch policies. The liability limit falls under the farm and ranch liability limit and is not separate. So, if you have a \$1,000,000 farm and ranch liability limit and you add off premises liability for your recreational vehicle, it has \$1,000,000 of liability coverage. The other option we have is to write a separate recreational vehicle policy.

There are some advantages to having coverage on a separate recreational vehicle policy rather than placing coverage under the farm policy. The RV policy can have smaller physical damage deductibles. Sometimes the farm policy can have a \$1000 or higher deductible that can't be changed when we add physical damage to an RV. A separate policy allows you to have a lower physical damage deductible like \$250 or \$500 per occurrence. Another advantage is having a separate liability limit from your farm policy. By having a separate liability limit, you preserve your farm liability limit and keep unwanted liability claims off your farm policy. However, one of the most important reasons for having a separate RV policy is the medical payments coverage.

Medical payments coverage is what covers the rider(s) that might be injured in an accident. There can be some big differences here depending on whether the coverage is on the farm or an RV policy. Here are two examples showing the difference in medical payments between a farm policy and an RV policy.

Example 1 – Farm Policy RV Medical

<u>On Premises:</u>	<u>Coverage</u>
Insured Person:	NO
Other Than Insured Person:	YES
Farm Employee:	YES
<u>Off Premises:</u>	<u>Coverage</u>
Insured Person:	NO
Other Than Insured Person:	NO
Farm Employee:	YES

Example 2 – RV Policy Medical

<u>On Premises:</u>	<u>Coverage</u>
Insured Person:	YES
Other Than Insured Person:	YES
Farm Employee:	YES
<u>Off Premises:</u>	<u>Coverage</u>
Insured Person:	YES
Other Than Insured Person:	YES
Farm Employee:	YES

The recreational vehicle provides the broadest medical payments coverage. This is usually the factor most people use in choosing where to insure their recreational vehicles.

As you move into spring, please take the time to review your farm and ranch policy. If you haven't looked at putting your ATVs or UTVs on a separate recreational vehicle policy, it might be a good time to take a closer look. As always, we are here to help and can answer any questions you may have. ■

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BALDONADO GROWS BOOMING INSURANCE BUSINESS BY SERVING RURAL CUSTOMERS

BY KRISTINE JACOBSON, NEBRASKA RURAL LIVING

Walk down any main street in a rural Nebraska town, and an insurance agency will likely be one of the store fronts.

That holds true for Elwood (population 682), where Jim Baldonado started selling insurance in the mid-1980s.

His business, The Home Agency, originated in a small town and serves farmers and residents of small towns. But, Jim Baldonado doesn't think small.

He's a big thinker, a generous giver and a hard-working entrepreneur who has grown his insurance business from a two-person office in 1986 to a family of 28 employees and nearly 6,000 rural customers in four states.

In 2009, The Home Agency was ranked by "Hispanic Business" magazine as one of the Top 500 Largest U.S. Hispanic-Owned Businesses and one of the 100 Fastest Growing Companies. In the late 1990s and early 2000s, The Home Agency topped the nation in crop insurance sales for Am-Ag.

This successful rural Nebraska business all started when Jim and his wife, Sharri, returned to rural Nebraska to raise their family.

Growing Up in Rural Nebraska

Jim grew up in Wauneta, where life wasn't always easy as part of the only Hispanic family in town. By the time he was about to enter high school, he was headed down a troubled path. That's when a caring guidance counselor took the time to help him.

"I wasn't playing ball or doing anything besides getting into trouble," Jim said. "If it wouldn't have been for him, (Mr. H.O. Massie) who knows where I'd be."

The counselor encouraged Jim to get involved in sports, where he found success. He also encouraged him to live with his mom instead of bouncing back and forth between his separated parents. That was hard for Jim, who was close to his dad.

Jim's dad worked as the school janitor in Wauneta, and Jim learned some valuable advice from his dad that would help him later in business.

"Treat the janitor just like you would like to be treated," is a business practice that Jim fully understands and later implemented in his business.

After high school, Jim attended McCook Community College for one year and then moved to Lincoln, where he managed a Lawlor's Sporting Goods store.

One of Jim's college friends grew up in Elwood, and that's how he was first introduced to the Gosper County town.

"We would always come back to Elwood on weekends to hunt and fish, and I got to know a lot of people here, and I felt like it was a good place to raise a family," Jim said.

He and Sharri, who is from Waco, Neb., married in 1980, and they moved to Elwood in 1983. Jim's first job in Elwood was selling life insurance. He started working at

The Home Agency in February 1986 with just one other employee.

Crop Insurance

In 1987, a marketing representative approached Jim about adding crop insurance to his products. Although Jim didn't know much about the product at the time, he decided to give it a try. Over the years, Jim learned everything he could about crop insurance and was determined to be the expert in that product. He found a niche selling crop insurance and helping farmers use it as a tool to market grain.

"Our growth was tremendous," Jim said. "Marketing your grain using crop insurance was new, and once we got in front of people and explained it, it grew like wild fire."

His company experienced rapid growth in the 1990s and early 2000s. As customers grew in certain areas, they hired staff to serve those areas. Sometimes customers became employees. And, his new locations all sprung up in small towns. In fact, one location is housed in a grain elevator in a town with just 40 people.

"We serve farmers," he said. "We don't have to have a city."

Jim worked long hours to build his business and focused on excellent customer service and product knowledge as well as hiring good people.

"When I hire people, I hire people as smart if not smarter than I, give them the direction I want them to go, and then get out of the way," Jim said. "I'm not a micromanager."

Jim advertises his business on twice daily commercials on KRVN. The radio spots air at the same time each day, at 10:16 a.m. and 12:56 p.m., and feature Jim talking about timely insurance and crop issues for 1 minute and 30 seconds.

"That's been a big boost to our business," Jim said. "There will be people who will call us before we are off the radio."

KRVN reaches farmers across the state and beyond. Jim said 60 percent of his business comes from more than 50 miles away from Elwood, and he believes the radio is a factor in that.

Jim's other main method of reaching customers is his full-color quarterly magazine that contains insurance tips and education, a personal column where he shares photos and updates about his family (wife, three daughters and four grandkids) and a photo spread showcasing beautiful photographs sent in by customers and family.

"We get so many compliments on it," Jim said of the magazine. A recent compliment stated that the publication has "lots of relevant information for farmers" and that it helps customers feel like they are part of a family.

Once Jim has a customer, he works hard to keep that customer.

"Our customers are really more than customers," he said. "They are really like our friends."

Jim spends time with his customers and entertains them at his Plum Creek home near Johnson Lake and at Husker tailgate parties in Lincoln.

Obstacles

At The Home Agency headquarters in Elwood, Jim employs 12 staff. He also has 16 other employees scattered in 14 other locations; seven in other rural Nebraska towns, three in Kansas, three in Colorado; and one in Iowa. All the offices are located in rural towns with less than 5,000 people.

Although having offices near his rural customers is a bonus, it makes it difficult to recruit new employees.

"I think the biggest obstacle is trying to get younger peo-



ple to move to smaller communities,” Jim said. “As we continue to grow, and some of our staff gets older, trying to replace them with young ones is just really hard.”

But, Jim said there’s no better place to raise a family than in rural Nebraska. He and his wife raised their three daughters in the Elwood–Johnson Lake area and loved the community support and camaraderie of a small town.

“That’s why we moved here,” Jim said. “Everybody’s family. Everybody takes care of everybody. If somebody needs help with something, you help. You don’t see that in the city. You just don’t have the connections that you have in a small community.”

He said rural Nebraska also boasts a lower cost of living than in cities, and Jim said he pays his employees well.

Continued Growth

Jim, 60, may be approaching retirement age, but he has no plans to slow down. He wants to continue to expand his business locations. In addition to crop insurance, The Home Agency also sells other lines of insurance (life, health, auto, etc.) and serves rural businesses and non-farmers. He and his staff are focusing on growing their property and casualty policies and are excited to see how the new data available with precision agriculture will make their work with crop insurance easier and even more effective.

“We always pride ourselves on being the lead dog,” Jim said. He welcomes the changes in precision agriculture and is working on ways to incorporate the new data to make crop insurance easier for farmers.

“We as insurance people have to use all the stuff the farmers are spending money on to their advantage and our advantage as well instead of writing everything down on a piece of paper,” Jim said.

Jim also continues to look forward to giving back more to the communities he serves. He supports three main charities: Husker athletics, Team Jack (pediatric brain cancer research) and the Make-A-Wish Foundation. This past summer, Jim’s donation made it possible for a Nebraska teen-ager with a life-threatening condition to experience a family vacation in Kauai, Hawaii. This was the third gift out of five to be given away in 2017 by the Baldonado family.

“We have three daughters. We have four healthy grandsons,” Jim said. “We’ve never been faced with a close family illness with young people, and we are very fortunate about that. It really bothers me to see any young person to have to fight through any illness.” ■

This profile of Jim Baldonado was written by Kristine Jacobson and originally appeared in the September issue of Nebraska Rural Living, a monthly web magazine focused on rural success stories in Nebraska. To see more profiles of Nebraska’s rural entrepreneurs, artists and rural foodies, visit www.nebraskaruralliving.com



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HURRICANES VS. TORNADOS

BY ALAN KUZMA

I've always been fascinated with weather. Most people are, it's one of the most talked about subjects in history. I know it has sold a lot of coffee throughout the Midwest. Bad weather captivates my attention and thoughts. As sick as it may sound, a tornado watch almost makes me giddy.

Weather made the news a bunch in 2017, especially hurricanes. Do you know the difference between tornadoes and hurricanes? Tornadoes are unexpected. It could be a beautiful sunny day with the birds chirping and a storm could roll in and a tornado could be right on top of you. A hurricane is different, right? Those are not unexpected. Meteorologists can see those being formed for days if not weeks in advance and they accurately predict their movements-heck, we even give them names. Everyone has seen the meteorologist standing in the pouring rain, trying to stand upright in 80 MPH winds and saying, "In just five hours the eye of this storm will be right over us." And then of course after the storm has passed you see the footage of the people that didn't heed the warning and for whatever reason stayed put to "ride it out." They are the ones being rescued from the roof tops and wrapped in Red Cross blankets.

The point I am making is that a tornado is unexpected while we can see a hurricane coming. I feel the same way about the stock market right now.

I'm going to give you three facts about the current market.

- 1) March 9, 2017, marked the eighth anniversary of the current bull market. During that time (January 1, 2009-December 31, 2016) the S&P 500 Index has averaged 14.93% average annual return. A lot of investors now have the attitude that this is how it's supposed to be and have become complacent.
2. The Schiller PE ratio right now is 29. For those of you not familiar with this ratio, it is the cyclical price/earnings ratio of the S&P 500. In other words, it's a valuation measure usually applied to the US S&P 500 equity market, and it is defined as the price divided by ten years of earnings adjusted for inflation. Historically, that ratio has been closer to 16. Again, as I write this in December 2017, it is at 29. **There have been only three times in the past 147 years that it has been this high: 1929, 2000, and today.**
3. Lastly, the 10 year Treasury rates are at 2.3%. Over the same 147 year history, we have experienced rates this low 16 times. So this interest rate environment is not unprecedented. But what is **unprecedented** is that we have never had both of these two things happen at the same time! We have never seen stock valuations this high and interest rates this low. Every other time in history one was there to balance out the other.

So what does this mean for us? Do those three facts about the market guarantee a market correction is on the horizon? No one obviously knows, no one can predict the market, we may just be in an unprecedented economic environment. And I am not saying to take all your money and move it to cash, as that is probably unwise too. What I am saying is NOW is the time to gain perspective and gain control of your future. NOW, is the time to take a deep breath and take a look at your situation, identify your potential market exposure should occur and if necessary make adjustments, make an actual plan you can depend upon-regardless of any tornadoes or hurricanes that may be coming so that you can walk into the future with increased confidence.

The first step is knowing what kind of risk you are exposed to-in essence, getting your own "radar" up for the kind of "damage" that could potentially happen if you were to experience a slight, moderate, or significant market correction. We can help with that, with a no obligation Portfolio Risk Analysis. This is especially important if you are planning to retire in the next five-ten years. ■



Alan E. Kuzma, CLU ChFC, of Kuzma Financial Services (established 1973) focuses on financial-planning, consulting, estate planning, insurance, insurance-senior products, and retirement planning service.

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BALDONADO

Personals

Andrew and Megan gave us our 5th grandson! Maverick Michael Bellamy was born November 1. I wanted to share a few pictures with you all: Grandma Sharri and I with Maverick the night he was born; Maverick's baptism on December 24th with both sets of grandparents (Mike and Roxanne Bellamy, Sharri and I) and Megan and Andrew Bellamy; and our other four grandsons with Santa (Hudson, Hollis, Carver, and Axten). As you can see the twins don't think much of Santa yet!



Let's Go Fishing!

Since the early 1990s I have been going up to Tanaku Lodge in Elfin Cove, Alaska. I've always told my friends and customers what a great time I had and some would say, "I want to go out there with you some day." Well, there is no time like the present! I'm putting together a trip for August, 2018. The trip will be for seven days, five of which will be fishing and the other two for travel. You will be responsible for all your own expenses for the entire trip, but I will have all arrangements made for everyone. All you have to do is get to the airport on time!

Jim, Dennis and their families are the owners of Tanaku Lodge and have become close friends to my family and also some of our readers that have gone up with us over the years. My wife and daughters have all been up there with me at some point, so don't feel like you have to go by yourself. The lodge is top notch, the food is fantastic and the staff will bend over backwards to take care of you. So let's talk. Like I said I am going in August and there will be a couple weeks to choose from. Don't miss out, a number of people have said it's a trip of a lifetime!

For more information, visit: www.tanakulodge.com



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