

Country Times



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President's Update

Jim Korin On QBE NAU

Thank you for your continued confidence and support in QBE NAU. The past few years in the crop insurance industry were challenging, to say the least. With massive program changes and poor MPC1 and crop-hail results, it was financially the worst three years in the program's history. Fortunately, we have the commitment and financial backing of one of the strongest parent companies in the industry. Our crop book performance substantially improved for 2015; a much needed turn. We are taking advantage of these times to re-ignite our people and to develop a plan for future growth. For 2016 we:

- Started a group think tank of company leaders to help better define our strategic direction and improve communications surrounding our plans.
Revised our Group 2 states and crop-hail compensation arrangements to make sure we are competitive with the best in the industry.
- Are investing heavily in technology. In addition to continuing changes to our industry-leading processing and claims software, look for major releases on precision agriculture and new must-have add-ons to our agent farmer portals in the months ahead. Also, I encourage you to read the enclosed article on our usage of drones. We truly are the leader in technology and we plan on spending the money it takes to stay there!
- We started reaching out to better connect with our agents at all levels of the organization. We're planning an agent advisory panel later in the year. We need to know what we can do to serve you and the American farmer even better.
- Our crop-hail and named peril programs were completely reviewed and revamped. We have restructured our crop-hail program offerings to provide more choices for your farmers and we've committed to rating structures that are sound and will last for the long term. Our agents and producers will see that we are committed to providing the best, most flexible and competitively priced crop-hail and named peril programs in the industry.

We're doing all this while others in the industry struggle with company sales and the process of reorganizing that come with it. Make no mistake, the recent round of company sales activity is a sign that inefficient companies and those that lead with unrealistic revenue coverages will not be in the program forever. Falling prices have hurt the farm community as well as put pressure on the companies that deliver the program. While I sincerely hope that our industry continues to grow, I believe it is inevitable that only those committed to investing in the program and servicing its agents and farmers will survive. We are committed to this path!

As Vice Chair of the NCIS Board of Directors and as a member of the ACCI Board of Directors, I have had the opportunity to reach out to CIPA, the Big I, NFU, the Farm Credits and many other industry organizations that came together over the last year to strengthen our grassroots efforts to tell the

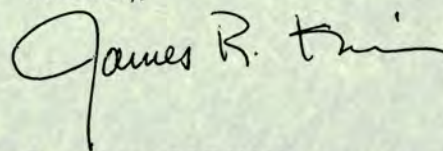


true story of the importance and success of crop insurance. We are the American farmer's safety net and our program is the envy of the world. I have heard this first-hand while speaking about our program to contingents from Canada, Australia, South America, China and Europe. Let's keep in mind the strength of the system we have and protect it from the attacks we have seen from those that don't understand the program. This was the case with the Bipartisan Budget Agreement of 2015 brought forward by the outgoing Speaker of the House (Boehner) and the Obama Administration last November. This proposal was devastating to the program and the American farmer that depends on us more than ever in these tight economic times.

Through it all, I was truly impressed by the unity of the agents, industry and commodity groups, and our farmers. Let's not forget that this fight is ongoing. Money is needed to educate our lawmakers and the taxpayers so be sure you help by joining one of the many organizations involved in this great industry and to contribute to their Political Action Committees (PACs). Most importantly, let's stick together as members of the most successful Public Private Partnership in the history of our great nation!

At NAU, we genuinely feel that we have great momentum and we hope our agents and insureds see this. I appreciate your loyalty and I ask that you let us know what we can do to help you grow your agency and/or service your farmers better.

Sincerely,

A handwritten signature in black ink that reads "James R. Korin". The signature is written in a cursive, flowing style.

President, QBE NAU

Spotlight On Our Employees



RUSTY BELFORD

Title: Lead Marketing Specialist - Oklahoma.

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

Years Of Service: 10 years.

Hobbies:

I enjoy ranching and farming.

Best Part Of Your Job:

The best part of my job is establishing business relationships and personal friendships within the crop insurance business.



CORY BRUNING

Title: Field Claims Manager - Illinois.

Branch Office Location: Great Lakes Branch Office - Eau Claire, WI.

Years Of Service: 4 awesome years with QBE NAU.

Hobbies:

Crop adjusting (some of you might know what I mean), golf, running/working out and snowmobiling.

Best Part Of Your Job:

The best part is supporting adjusters in the field while working with the best agents in the industry. Every day is different, with a new challenge to face.



BRIAN JOHNSON

Title: Senior Underwriter

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

Years Of Service: 2 years.

Hobbies:

I enjoy hunting, fishing, camping and hiking. Typically I can be found running with the kids around town to various sporting events.

Best Part Of Your Job:

The best part of my job is sharing what I know and learning what I don't. I like unique challenges, in the ever changing world of crop insurance there's never a shortage.



JOHN MCDERMOTT

Title: VP Assistant Branch Manager.

Branch Office Location: Great Lakes Branch Office - Eau Claire, WI.

Years Of Service: 10 years.

Hobbies:

On weekends you can find me with my wife Karen and son Jacob playing a relaxing round of golf. In addition to golf, I enjoy pickleball, hiking and riding my motorcycle.

Best Part Of Your Job:

The best part of my job is working with our contracted agents. I like working daily with the most knowledgeable crop insurance staff in the industry to service the business our contracted agents place with QBE NAU.



Stacey Stidham Makes QBE NAU Top 10

Throughout the year, employees across our five operating divisions have the opportunity to nominate colleagues who exemplify our six company values. These six values are known as the acronym ONE QBE and drive the day-to-day behavior of our people no matter where we do business in the world.

- | | |
|------------------------|-------------------------------|
| (O) Open Minded | (Q) Quality Approach |
| (N) Networked | (B) Business Acumen |
| (E) Empowered | (E) Excellent Outcomes |

Recently Stacey Stidham, Senior IT Business Systems Analyst, was selected as one of the top 10 individuals in QBE's Global Recognition program. Stacey's dedication and efforts to the Farm Bill implementation has helped us prepare and absorb Farm Bill changes across QBE NAU.

The QBE North America Top 10 employees ventured to the exciting city and home to our headquarter office - New York City. During their stay, award recipients toured the New York office, met with QBE North America Executive Board members and took in a Broadway show.

"The trip was eye-opening and amazing to say the least," said Stacey Stidham. "It was awesome to hear about the other divisions and everyone's positive remarks about Crop, which is so near and dear to me."



This year's Top 10 included:

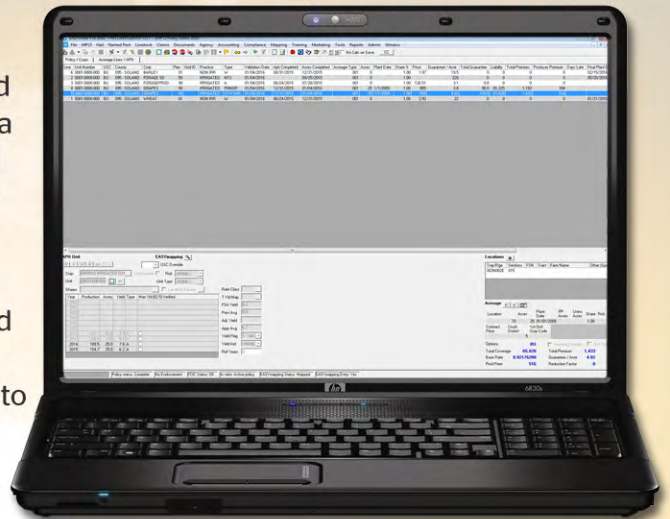
- | | |
|---|---|
| James Benzine
Claims & Loss Control | Vicky Lawler
Business & Tech. Services |
| Andrea McNamara
Specialty | Tiffany Poletti
Business & Tech. Services |
| Robin Sampson
Standard Lines | Molly Sawaya
Human Resources |
| Jacob Schoenly
Reinsurance | Stacey Stidham
Crop |
| Daniel Tevin
Actuarial | Tony Van Berkel
Finance & Legal |

Congratulations again to Stacey for being globally recognized!

Providing Flexible Training Options!

Most of us can agree that there's a lot to know when it comes to working with technology in crop insurance. At QBE NAU, our IT and Marketing staff work daily to overcome that challenge by offering a variety of training materials including webinars, user manuals and YouTube videos. Sometimes, though, you need to be more flexible and go the extra mile for your agents!

Late last year a few agencies asked us to investigate what we could do to provide them the ability to start hosting their own in-house training sessions. These agencies expressed interest in being able to train their teams on new and existing features without worrying about accidentally changing production data.



It took a few months of research, some new hardware and licenses, but we've now set up a training environment just for you! If you're interested in learning more and getting started today, contact your QBE NAU Marketing Representative.

As always, thanks for sharing your ideas and being patient. Please keep the feedback coming!

QBE NAU Company Store

The ground is thawed, trees are budding and warm weather is in the air! We have the tools to equip you for your springtime hobbies. Check out the QBE NAU Company Store today!



\$40.50



\$19.29



\$27.94



\$13.95



\$15.49



\$21.63



\$30.98



\$29.70

<http://nau.cms-4youshop.com>

A Life Worth Another Day

Kent Andreas and Charles Wells, two QBE NAU employees, were walking across the Phoenix Park Footbridge when they noticed a woman standing on the outside of the railing. Distressed and thinking no one cared about her, Kent convinced her otherwise while Charles called the police. After 20 minutes of discussing and with the police's assistance, the woman is alive and able to think about what she'd like to do with the rest of her life.



Kent and Charles were honored by the Eau Claire Police Department with a coin and certificate of appreciation for their exemplary acts.

“The coin is a new program that we’ve developed to recognize citizens that are helping the police department keep us safe and healthy in our communities,” Chief of Police Jerry Staniszewski states. “It’s just a way to recognize the good things that are going on in Eau Claire.”



New Orleans 2016 Commodity Classic 2016

We were fortunate to be a part of another fabulous event at the Commodity Classic Trade Show. This year's event in New Orleans was a great success! This farmer-focused and farmer-led trade show guarantees that you will walk away with ideas and energy to create a profound and profitable impact on your business. The 2016 Commodity Classic was the most attended show in history! The 9,770 registered farmers in attendance was a 23% increase from last year's record-breaking number.

Our experienced QBE NAU representatives spent three fun-filled days greeting our current agents, mapping policies for our insureds and updating potential customers on the benefits of QBE NAU. This year we had the treat of displaying our new National Trade Show booth.



Those who visited the booth were able to register for a Yeti cooler giveaway and help themselves to some free QBE NAU swag! Beyond our basic QBE NAU giveaways, we also did three daily freebies of 48 oz. Yeti rambler cups.

Congratulations to our grand prize Yeti cooler winner, Noelle Berkley from the Michigan Soybean Association in Frankenmuth, MI.

Next year the Commodity Classic moves deep into the heart of Texas! We hope you all are enjoying your prizes and plan to visit us next year in San Antonio March 2 - 4, 2017!

QBE NAU Crop Insurance Receives FAA Drone Approval

After two years of Research and Development and five years of conceptual piloting of our UAV's coupled with and an extensive FAA approval process, QBE NAU Crop Insurance received notification on March 18 that we had officially been given our exemption to fly drones for mapping and damage assessment purposes.



Upon hearing the news, QBE NAU President Jim Korin was excited and quick to say "Let's get them in use". Adjusters were quick to action and deployed two of our drones in Polk County, Florida on Tuesday, April 5. The purpose of this exercise was to test the practicality of utilizing the high resolution imagery our drones capture, in assisting with counting citrus trees which is a requirement of RMA in the pre-acceptance process. The results were encouraging. The images captured were extremely detailed and we could easily count producing trees, non-producing trees and dead trees. Utilizing this technology will gain us efficiencies, be less burdensome to the growers and most importantly mitigate the concern of growers on spreading disease through their citrus groves.

Where Do We Go From Here?

In our opinion, the sky is the limit (pun intended)!!! Imagine a 10-foot-tall field of corn that suffered isolated wind damage. We now have the capabilities to utilize our drones to fly the damaged fields. The adjuster and policyholder will have real-time feedback of where damage occurred in the field. The adjuster will then go to those areas and make their adjustments.

This will eliminate the potential of damaged spots being missed and will lead to the most accurate adjustment possible for the policyholder. There are numerous other potential uses including assisting in documenting prevented planting claims, other pre-acceptance inspections and more.



The Future Of Drones In Agriculture

The worldwide market for agricultural drones is \$494 million and anticipated to reach \$3.69 billion by 2022. Michael Deal, SVP of IT at QBE NAU, states; "Drone technology has reached a level of maturity that farmers are becoming open to the technology, similar to the way they have for precision farming and other advancements in our industry. Aligning with QBE NAU, a technology focused crop insurance company, is more important than ever. These are exciting times for crop insurance and technology utilization for sure!"

Pilots Currently Required

Based on current FAA requirements, those that pilot commercial UAV devices must have a pilot's license. QBE NAU Crop Insurance has a number of employees who are also pilots across the United States. We plan to continue to train and expand our utilization of drones. According to Mark Mossman, SVP of Claims, "our claim professionals will consistently seek out opportunities for drone utilization."

Thank You For Supporting Our Troops!

Eric Otte, Claims Adjuster in Nebraska, has additional full-time responsibilities beyond the fields of Nebraska. Eric has been a part of the Nebraska Army National Guard for the last four years. As first lieutenant, Eric led his unit 192nd military police detachment overseas to do force protection in February of last year.

Eric has been impressed by the support of QBE NAU management before and after his deployment overseas in 2015. Eric said his previous supervisor, Josh Gossman, did a great job of letting him make himself available to ensure his unit was ready to deploy. With eight outstanding claims, Josh told Eric he'd take care of them so Eric could do what he needed to do.

Since his return, Eric's current supervisor Jeff Backer, has done a great job of bringing Eric back up to speed in his adjusting position. Jeff has stayed in contact with Human Resources and also with the Central Branch Office to ensure Eric was taken care of and integrated back into the company.

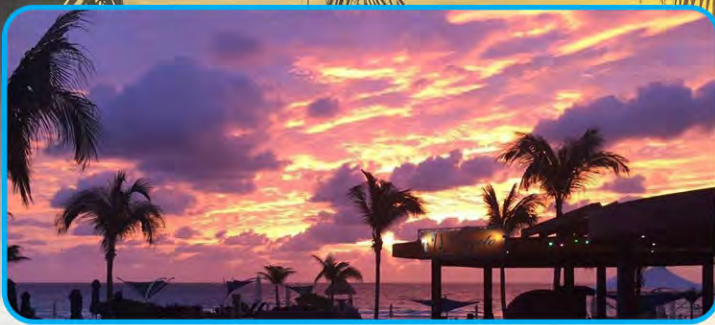
As a thank you, Jeff Backer and Josh Gossman recently received the Patriot Award from Employer Support of the Guard and Reserve (ESGR). The Patriot Award reflects the efforts made to support Citizen Warriors through a wide range of measures including flexible schedules, time off prior to and after deployment, caring for families and granting leaves of absence if needed.

Thank you Jeff and Josh for supporting Eric and his dedication to the Nebraska Army National Guard and thank you to Eric for your service to our country!



“Josh made it easy to go overseas, accomplish my mission and come back home.”
- Eric Otte

AGENT TRIP 2016



Mid-January, QBE NAU staff joined agents and their guests for a week of fun and business at the all-inclusive Hard Rock Hotel in sunny Cancun, Mexico. They were not only treated like rock stars, but also as QBE NAU's VIPs!

Dave Duclos, CEO QBE North America, and his wife enjoyed a few days of fun in Cancun and felt right at home with our friendly group. Dave presented alongside Jim Korin during Monday's State of the Union business meeting. Other business highlights included a presentation on eWeather system and updates on claims, training and technology areas by various QBE NAU staff. Our most popular session, the Agent Forum, was well attended; this open, informal platform where agents ask questions and lead the topics of discussion formally closed the week's business meetings, but networking and crop talk continued throughout the week.



Highlights of the trip included snorkeling at Maroma Beach, exploring the Riviera Maya and touring - mostly by golf cart - the beautiful Island of Women (a.k.a. Isla Mujeres). Young and old(er) partied into the night at some of Cancun's best nightclubs, while others experienced the thrill of zip lining over the jungle and splashing into a refreshing cenote.

Attendees agreed it was an invaluable trip for their businesses, developing strong friendships and fostering trust. Many expressed "it was a once-in-a-lifetime experience" but we'd like you to consider joining QBE NAU again (or for the first time) as we return next January to one of our favorite Caribbean islands - Aruba (back by popular demand)! We're finalizing our contract with the all-inclusive RIU Palace in Palm Beach. Please stay tuned for more information coming to you in the near future.





Greg Deal Awarded Crop Insurance Industry Lifetime Achievement Award

Greg Deal, QBE NAU Crop Insurance, was presented with the 2016 Crop Insurance Lifetime Achievement Award at the 2016 Crop Insurance Industry Annual Conference in February. Greg's receipt of this award continues to add to the Deal legacy, following in his father's footsteps who received the 2013 award.

Greg was a pioneer in technology for more than 30 years. He assisted the government in implementing the initial IT reporting systems and always saw the need for direct and complete automation of all quoting, underwriting and loss adjustment processes within the crop insurance program. This drive pushed him to the role of president and CEO for one of the largest companies in the industry, giving many agents and farmers the benefits of his technology vision.

Congratulations Ted Cremers!

Please join us in applauding Ted Cremers, QBE NAU Lead Field Marketing Specialist, in receiving the 2015 Company Representative of the Year Award from the Independent Insurance Agents of Nebraska (IIAN).

Each year, the IIAN recognizes the contributions of an individual currently working in Nebraska who has done the most to promote the Big "I", foster better company-agent relations, produce new business and/or help agents provide superior service to their clients. Ted was surprised to be recognized and was very appreciative. During the presentation of the award, IIAN president Phil Winkleman, said "Ted has become well-known over the past 10 years for educating agents about QBE NAU products and for his detailed training courses and personal work ethic."

"This is a prestigious award, both for Ted and for our company. We're very proud of Ted!" - Jim Korin



As a member of the crop insurance industry, Greg served on the board of the American Association of Crop Insurers (AACI) for 12 years, with two of those years as Chairman. Greg also helped spread the message of "do no harm to crop insurance" during the 2008 Farm Bill and worked with the industry to improve relations with key stakeholders in the program.

Congratulations Greg on this great accomplishment!

After 37 Years Of Service, Hank Dicke Is Hanging Up His Crop Insurance Hat



Hank has been a well-known name throughout the crop insurance industry over the last three decades. He's fostered many relationships over the years and turned them into long-lasting friendships. Hank's commitment in providing service to help agencies grow and develop was not overshadowed by his desire to have fun with the agents with whom he worked with. He has attended and conducted numerous meetings and is well known to outlast even the youngest at an event. Just ask the folks from the latest agent trip to Cancun!

Hank's long history in crop insurance began in 1979 as a crop insurance adjuster. He started teaching and coaching at Kearney State College; spending summers in Nebraska, Colorado and Iowa working losses for a company called American Agrisure. Over the years and promotions, Hank joined Agro National in 2002 and became a part of NAU Country, now QBE NAU in 2012. Hank has been instrumental in agency relationships throughout Western Nebraska. After 37 years of service, Hank has decided to enjoy retirement beginning April 30. He and his wife plan to travel and host family and friends at their lake cabin.

The Next Step For Ron Nash, QBE NAU VP/Regional Marketing Manager!



It is with tremendous appreciation of his service that QBE NAU announces the retirement of Ron Nash. After more than 26 years in the crop insurance industry, Ron Nash retired as VP/Regional Marketing Manager from QBE NAU's Southeast Branch on April 1. Ron has agreed to work part-time as a lead marketing specialist through the end of 2016 while Jordan Atkinson moves into the position. Ron has been transitioning his responsibilities and mentoring Jordan in this role over the course of the past few months.

Ron has been a valued employee of QBE NAU since 2004. In 2006, Ron began working in our Southeast region as the only marketing representative for a 10 state region. Since those early days in the Southeast, Ron has built a marketing team to include four lead marketing specialists and helped grow our gross written MPCI premium from \$15 million to more than \$100 million. Ron's simple mantra in helping to build our Southeast region was and continues to be "service, service, service".

At the end of 2016, Ron is looking forward to being completely retired to enjoy his passions of family time, traveling, bicycling and volunteer work.

Tom Heinrich Is Making More Time For Hobbies



Tom Heinrich, Lead Marketing Representative joined the retirement chapter of life as of April 1. Tom and his wife Becky attended a celebration of his career during a group dinner on March 23 at the Adjuster School in Peoria, Illinois.

We are thankful for Tom's years of dedication, excellent service and valuable long-standing relationships he's developed over the years. We know he'll be missed by our employees, agents and farmers. We wish Tom a retirement full of great times, much relaxation and numerous days filled with everything he enjoys - golf, grandchildren,

traveling, wood working and finding new 'supper clubs'.



Grow Your Business With QBE NAU Crop Insurance

QBE NAU Crop Insurance wants to help you grow your business by providing unparalleled quoting, underwriting and adjusting services. While you focus on your insureds' needs, we are there to support your business with quality crop insurance, cutting edge technology and unequalled customer service. Contact us today!

Learn more: www.naucountry.com/grow

1.888.NAU.MPCI

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