



ISSUES

Crop Insurance

July 2010

PIA supports a Federal Crop Insurance Program that provides much needed insurance coverage to America's farmers in a fair and equitable manner.

PIA:

- Supports a Federal Crop Insurance Program (FCIP) that continues to utilize the expertise and professional guidance of independent insurance agents.
- Supports just compensation for independent insurance agents, the key sales force for the FCIP.
- Opposes any additional cuts to the FCIP through the Standard Reinsurance Agreement (SRA) or Farm Bills.
- Supports comprehensive enforcement of anti-rebating and control of business schemes.

The Federal Crop Insurance Program (FCIP) is a highly technical program that has relies on the expertise of independent insurance agents to deliver the program. As the face of the FCIP, crop insurance agents work every day to deliver unprecedented financial protections, service and value to farmers. By navigating through the technicalities inherent within the program, they help agricultural producers make sound risk assessments. This is an extremely time and labor intensive process, and it is essential that crop insurance agents be compensated in a fair and equitable manner.

Since Congress called on independent insurance agents to deliver the program in 1994, the total acres insured has increased over 300 percent. Despite the significant growth, there continues to be attempts by the federal government to drastically cut funding. The 2008 Farm Bill contained over \$6 billion in cuts and the most recent SRA includes additional cuts to the FCIP totaling \$6 billion. Furthermore, the SRA incorporates arbitrary caps on agent compensation that will have zero effect on saving the program or taxpayers any money. Changes of this scale will result in a significant job loss and hardship on America's independent insurance agencies, all in the middle of an already tough economy.

The FCIP is highly and effectively regulated by both the Risk Management Agency and the Federal Crop Insurance Corporation. PIA supports ongoing efforts to combat anti-rebating and control of business schemes, and will continue lending expertise to the dialogue on this topic.

For additional information on this issue, please contact PIA's federal affairs department.