

What To Expect From Your Crop Insurance Agent

Why is a crop insurance agent important?

Your crop insurance agent is the link between you and the biggest single part of the Federal safety net for agriculture.

Crop insurance is available only from private insurance agents. All agents are licensed by the State, must receive federally mandated training, and pass a competency exam.

What should I look for?

Given that the prices for all crop insurance policies are set by USDA's Risk Management Agency, how do you decide on an agent?

What matters is the quality of service and how well the agent meets your needs. Here's how most farmers would describe a good agent.

Has personal integrity

For starters, the agent should be honest. You need to know that your production records and other personal information will be kept confidential.

Unethical agent behavior can have a direct effect on you. For example, if an agent offers a prohibited rebate in an effort to get your business, your insurance coverage could be jeopardized. That's why the agent should be locally known and have a reputation of being trustworthy.

Knows the agribusiness environment

The agent must be able to provide the information you need to answer critical production questions and help you make important management decisions.

Understands how crop insurance works

Agents must have a thorough working knowledge of all the different types of policies that are available in your area.

Beyond that, they need an understanding of the big picture, including their role and the roles of others who affect your decisions. The agribusiness environment is complex, so they need to understand marketing and its interaction with crop insurance products.

Communicates well

A good agent is able to clearly explain what policies are available and the protection they offer.

The ability to communicate effectively with others — both orally and in writing — is critical. People who communicate well are typically excellent problem solvers because they listen and can address sensitive issues.

Is a team player

Today's farmers need a team of advisors, including lenders, insurance agents, lawyers, accountants, brokers, and other specialists.

Successful agents realize that they are a part of your team. At your direction, they should be able to explain how crop insurance will work to your lender or other team members. Your lender may be especially interested since crop insurance can sometimes be used to secure your loan.

Stays current

The proliferation of crop insurance products and the changing nature of the Federal program represent major challenges for an agent. To provide the quality of service you need, your agent must be committed to an ongoing education program.

Provides guidance

A good agent helps find the best product-to-farming-operation fit to meet your risk management goals.

Even more valuable than answering technical questions about crop insurance products is the agent's ability to explain how crop insurance products support your marketing business plans.

Sends reminders

Throughout the year, you must meet critical deadlines to adhere to the terms of your insurance contract. A good agent will help you meet these deadlines and policy requirements by providing timely reminders.

Stays available

Good agents know that convenience is important and that you are often strapped for time at critical points during the year. As a result, they will make themselves available when and where you need help.

Knows how to use a computer

As with all other businesses today, computers are the tools of choice for accessing, processing and transmitting information. Therefore, computer skills are a must for the agent. This helps them provide you with an accurate quote before the enrollment deadline.

Is in for the long haul

Finally, a crop insurance agent should be interested in building and maintaining a long-term client relationship. So look for someone who maintains lasting relationships with clients.

Next step?

To locate a licensed crop insurance agent in your area, get a recommendation from your neighbors, and contact one of the companies that write insurance in your State and they will direct you to the nearest agent.

Or go to the “agent locator” at www.rma.usda.gov/tools/agent.html.