

Montana State Hail Board

Tuesday March 19, 2024
Yogo Inn, Lewistown Montana

The meeting was called to order at 8:57am by Chairman Bing VonBergen

Introductions – Those in attendance were:

Bing VonBergen – Board Chair, Moccasin

Vince Mattson – Board member, Chester

Jim Schillinger – Board member, Circle

Walt Anseth – Proxy for Director Christy Clark, Montana Department of Agriculture

Frank Cote – Proxy for Troy Downing, Commissioner of Securities & Insurance

Dani Jones – Montana Department of Agriculture

Members of the Public:

RJ Waggoner- Baldy View Crop Insurance, Eddy Joyce- NAU Country, Lynn Goldhan- NAU Country

Public Comment:

Chair Bing VonBergen called for public comment and there was none.

Minutes:

Minutes were presented from the November 29, 2023, meeting. Walt Anseth motioned to accept the minutes as with the changes requested, Vince Mattson 2nd the motion, motion passed.

New Business:

Financials - Presented by Walt Anseth, currently ARPA funds will be used to backfill the past loss and the reinsurance backfill. Covering the operating expenses and covering the backfill losses, not just spending the funds. Reinsurance might not go away, a backstop is needed, cost share is a good option. Walt will look at pairing it down. Realistic expectations for the future may include possibly doing a small refund to producers. Vince Mattson asked if there were other products out there like reinsurance, that might not cost as much. The reinsurance was in place before Walt started with the program, this was the only company that put a bid in for the program. Cost share is a good way to add pennies in the bank.

Chairman Bing VonBergen shared his thoughts of less crops going into the ground in his area because of the prices. Vince Mattson shared that his area will be a record for lentils, cleaning seeds for 2 months now.

Delinquencies- currently there are three delinquent hail insurance policies, which are about to be wrote off. All of 2023 policies were paid off, no lingering policy balances. The number of delinquencies has dropped in recent years. Policy holders are really good about getting things paid in a timely manner.

Old Business:

Premium – Walt Anseth reported that Spring Wheat has the largest insured number of acres, Winter Wheat and Barley are close behind. Grouping Peas and Lentils together, followed by Duram. Peas and Lentils have a higher offset, which is covering the loss for those crops. Historically by July 1st the program is 90% sold for the year. Eddy Joyce from NAU shared that companies don't offer the good prices and coverage for lentils, so producer might be shifting to State Hail to cover their Lentil crops.

Hail Loss is paid at 5%, what would it look to change the minimum to 10%. Walt would have to discuss that with Cort Jensen, Chief Legal Officer. Changing loss % from 5% to 10% or 15% would mirror private insurance. Would the change be across the board for all crops or just for Lentils. Question will go to Cort Jensen.

Rate Review-Yellowstone County was brought up in discussion. That county has had some big losses, no rate change at this time. Will look at it again at the spring 2025 meeting. Vince Mattson said that the changes over the past years to counties and crops were the ones that needed the change.

Reinsurance:

Walt Anseth suggested a 50/50 split for the reinsurance 2024 year. Walt is comfortable with the 50/50 split with reinsurance, with the 10-year history with the program. Could try the 40/60 split for the 2024 year and can always go back to the 50/50 split for the 2025 year. Frank Cote shared that reinsurance is really hard to get at this time. A bad year with a bad loss at the 40/60 might be harder to go back to the 50/50 if the loss is so bad. The board suggested to look for Walt to look at the 40/60 and the 50/50 split numbers and share that with the board. Jim Schillinger shared that he would like to get down to the 40/60.

New Hail Insurance Program:

MyCrop is the new program platform for the State Hail Insurance program. Dani Jones and Mikayla Witter were testing it in the 2023 year. The program will be ready for the 2024 year. Lots of work went into making sure our crops and numbers were working correctly. Accounting paid a big roll to make sure things tied in with the SABHRS system for policy payments, loss payments, and billing. Really looking forward to the new print out and new looks for the program. The form printout will be the biggest change. Producers can still call, email, fax, or mail in their applications.

Adjusters:

Adjusters – Walt Anseth suggested a \$0.50 raise across the board for the adjusters. The longer the adjusters have been there, their pay a more than adjusters that have just started. Walt Anseth made the motion for a \$0.50 raise for adjusters. Jim Schillinger 2nd the motion. All in favor, motion passed.

Dani Jones gave an update of the adjusters for the 2024 year. Clayton Gernaat in Conrad, Cary Jones in Joliet, Michael Metcalfe in Moccasin, Jamie Beasley in Roundup, and Roger Merritt in Miles City. Dani is doing some outreach for new adjusters.

Public Comment:

Chair Bing VonBergen called for public comment. Thank you from the guests, from the private insurance companies for being invited to the meeting. Chairman Bing echoed thank you to the private insurance guests for sharing with the board.

Walt Anseth shared that he doesn't see anything coming across the board for the State Hail Insurance program during the 2025 Legislative Session. 2014 was the last time that Hail was brought up during legislature.

Adjourn:

Vince Mattson moved to adjourn the meeting at 10:15 am.

Dani Jones, Hail Insurance Technician

Date

Walt Anseth, Section Supervisor

Date

DRAFT