



Independent Insurance Agents  
& Brokers of America, Inc.



Dear Senator:

On behalf of crop insurance agents from across the nation, the Independent Insurance Agents and Brokers of America, the National Association of Professional Insurance Agents, and the Crop Insurance Professionals Association strongly urge you to oppose amendments offered to the Farm Bill that would do further harm to Federal Crop Insurance.

Specifically, we urge you to reject Gillibrand Amendment #2156, Coburn-Durbin Amendment #2186, Shaheen Amendment #2201, Cardin Amendment #2219, and similar amendments.

The Gillibrand amendment neglects the \$12 billion in cuts made to crop insurance over the past five years. The amendment also ignores that of the \$23.6 billion the underlying legislation would save taxpayers, all but about \$3.8 billion comes at the expense of tools that farmers and ranchers use to manage weather and market volatility and to promote resource conservation. The cost of these tools constitutes about 20 percent of the overall price tag associated with this bill, with crop insurance accounting for only 9%. Aside from the serious equity issues the Gillibrand amendment presents, the amendment would also seriously undercut the delivery and availability of crop insurance to farmers just as farmers are being told to rely more on the purchase of private crop insurance than on traditional farm policy.

Meanwhile, the Coburn-Durbin, Shaheen, and Cardin amendments ignore the fact that without federal partnership in crop insurance, companies would not sell and farmers could not buy multiple peril crop insurance because the high risks of farming would make insurance unaffordable. By seeking to impose first-ever means testing, pay limits, and other regulations associated with purely governmental programs onto private crop insurance, these amendments would actually work counter to their stated purpose by unwinding a more than 30-year effort to shift greater responsibility for risk management off of taxpayers and onto the private sector and farmers.

The amendments fail to recognize that all farmers suffer weather events. The means testing and pay limits are divorced from the economics of today's agriculture, adversely affecting small and beginning farmers. The inability to obtain adequate coverage on crops will also threaten producer access to credit. These realities combined with the proposed doubling-up of more government regulations on farmers will result in less

participation in crop insurance and at lower levels of coverage which, if history is any guide, will in turn increase calls for expensive and unbudgeted *ad hoc* disaster assistance which taxpayers alone will bear the cost of. Contrast this to the 2011 crop year when crop insurance leveraged \$114 billion in liability protection and \$11 billion in indemnities for less than \$7 billion in federal contribution, thanks to substantial producer-paid premiums and the assumption of risk by the private sector.

In short, these amendments would undercut farmer participation in and private sector delivery of crop insurance at a time when the underlying legislation points to crop insurance as the alternative to traditional farm policies that are being cut by more than \$19 billion. If enacted into law, all experience indicates that the result of these amendments would be to increase taxpayer exposure in the event of weather-related disasters. Individually and taken together, the amendments would work to return us to the failed 40-year experiment of a hobbled crop insurance system supplemented and, in effect, undermined by expensive government-run disaster programs.

On behalf of the agents we represent and the farmers they serve, we urge you to reject these harmful amendments.

Sincerely,

Independent Insurance Agents and Brokers of America  
National Association of Professional Insurance Agents  
Crop Insurance Professionals Association