Growing Above the Rest

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AgCom ~Service Above the Rest~

IN THIS ISSUE

Currency War

Mark Leonard of AgCom Financial Services shares an interesting article about the strength of the US Dollar published by John Roach of Roach Ag. Marketing, Ltd. The entire article can be found at www.roachag.com, but some excerpts are below:

We have entered an all-out currency war. The most publicized salvo came 2 weeks ago from European Central Bank (ECB) President Mario Draghi when he announced the ECB's quantitative easing package of over $1 trillion euros.

The ECB announced an open-ended bond-buying program of 60 billion euros ($70 billion) a month in an effort to fight off the prospect of outright deflation. After the ECB bombshell, the dollar index surged to its highest level in a decade while the euro plunged to 1.11 - an 11-year low.

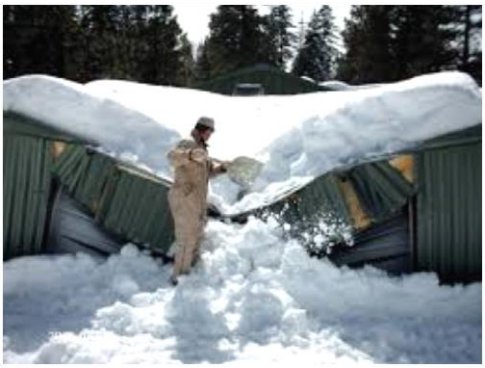
The U.S. dollar has been the beneficiary of those moves by central bankers and their easy policies. In 2015 alone, the dollar has strengthened nearly 7% against the euro, more than 7% against the Canadian dollar and 6% against the New Zealand dollar.

Why is the dollar rising?
In addition to the moves by central bankers, the stronger U.S. dollar is due to a combination of factors: relative interest rates, balance of trade, and perceived safe-haven status. Several key factors, including an improving U.S. economy and sluggish growth in Europe and Asia, are pushing the dollar higher. A stronger U.S. economy is expected to spur the Fed to increase interest rates later in 2015. With interest rates likely to be higher in the U.S. than in the Eurozone, Japan and China, investors will move more capital to the U.S., further supporting the dollar. In addition, rising U.S. energy independence has reduced the amount of oil imported from overseas, which has helped shrink America's current account deficit. In theory, a lower U.S. current account deficit reduces the global supply of dollars and raises the price.

Looking forward…

A stronger dollar may tend to keep some sort of ceiling on commodity prices. For perspective, the size and length of the latest dollar moves are relatively modest compared with past periods of dollar strength. It is not uncommon for a cycle of appreciation (or depreciation) to last for several years and cause movements of 20% to 30% in the value of the greenback. As one veteran currency observer warned, "This currency war cannot go well. They never have."

Our Treasury Secretary Jacob Lew says a strong dollar is good for the United States. The strong dollar reflects America's success. It may also be a case of be careful what you wish for.



Am I Covered For…Collapse?

by Cheryl Ellis

This is one of those coverages that comes up most every winter as we become concerned about the weight of ice and snow when we see photos of places like Boston with over 6 feet of snow so far.

As far as collapse due to weight of ice and snow, it depends on what coverage you have opted for in your policy. Basic coverage would not allow for it, but both broad and special coverages would. There is also an option on farm and commercial properties titled Basic with Collapse that, you guessed it, adds the coverage for collapse due to ice, snow or rain.

To understand the concept, you need a basic understanding of the difference between basic, broad and special coverages. Each of these names a list of perils (causes of damage) that are covered. If a loss occurs and the cause is on the list, you have coverage. If not, well, you're out of luck. Each of these adds a few more perils to the coverage and usually a bit more cost for the coverage.

> Coverage under the Insurance Services Office, Inc. (ISO), broad and special causes of loss forms (CP 10 20 and CP 10 30) for collapse of a building and (beginning with the 1995 editions) collapse of personal property within a building due to specified causes (such as weight of snow, ice, or rain). There is no coverage for collapse due to design error, or to collapse due to faulty workmanship or materials if the collapse occurs after construction is complete.

Basic covers the basic perils: fire, lightning, explosion, smoke, windstorm, hail, riot, civil commotion, aircraft, vehicles, vandalism, sprinkler leakage, sinkhole collapse, and volcanic action. No mention of collapse, so you're not covered. (Unless you've opted for that Basic with Collapse option I mentioned above.)

Broad includes all of the basic perils but adds a few more: falling objects; ***weight of snow, ice, or sleet***; water damage (not flood); and ***collapse*** from specified causes.

Special turns the whole concept on its head and offers coverage for ***all*** perils unless it is specifically excluded. This is your best coverage available. This is also the typical coverage on personal homeowner's policies. Unless collapse is on the list as *not* covered, you're good.

The answer to "Am I Covered?" is almost always: ***read your policy***. I know that you all are not "insurance nerds" like I am and don't spend your days hoping to dig in to a 200 page policy, but there is a cheat sheet. Your declarations page you receive upon every renewal will have basic, broad or special coverage listed right there. And now you know what that means! Your amazing agent can help you find it as well and help you look at the specifically excluded perils of your special coverage.

AM I COVERED FOR…?

Have you ever seen a news story or heard about a claim and wondered "am I covered"? Submit your ideas for this ongoing feature.

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Spring come visit us soon!

Spring is like a perhaps hand

by e e cummings

Spring is like a perhaps hand
(which comes carefully
out of Nowhere) arranging
a window, into which people
look (while
people stare
arranging and changing
placing
carefully there a strange
thing and a known thing here)
and

changing everything carefully

spring is like a perhaps
Hand in a window
(carefully to
and fro moving New and
Old things, while
people stare carefully
moving a perhaps
fraction of a flower here placing
an inch of air there) and

without breaking anything.

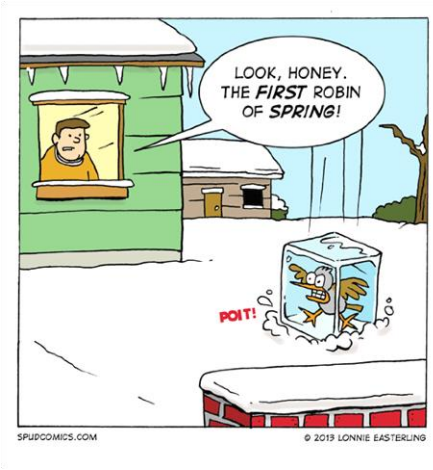
CROP DATES

Sales Closing date: March 15th

Be sure to get your signed application and any additional acres to us by March 15th.

Life Insurance Needs

Two of the ways "to screw up your insurance" are about life insurance. Do you have adequate life insurance? How much is enough? We would be honored to review your current coverage and needs with you this month. Please call for an appointment or drop by the office anytime.



FOR MORE INFORMATION

AgCom is a Farm Certified Agency for Nationwide Ag.

For crop or farm insurance inquiries, please contact our crop & farm expert.

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Read the rest of the article at http://www.insure.com/car-insurance/how-to-screw-up-your-insurance.html

How to Screw Up Your Insurance in '15

by **Jeffrey Steele, Insure.com**

Continued from last issue

6. Blow off open enrollment for health insurance.

Here's a fun way to make your family furious at you: Forget to add or remove "dependents" from your health plan at open enrollment time. Open enrollment is your chance during the year to make changes like this. For example, say your daughter graduated from college and got a job with benefits - you'd want to drop her from your plan. Or maybe your daughter lost her job and needs insurance - you can add her until she's age 26.

It's also the time to change deductibles and other coverage options. Some life events will make you eligible to make changes any time of year; for example, if you get married, you can add your wife to your health plan even if it's not open enrollment time.

7. Have a baby but don't add the little one to your health insurance plan within 30 days of birth.

Boy, babies are expensive. Why not add to the expense by paying all their health care out of your pocket? That's what you'll be doing if you don't add your new child to your health plan within 30 days - or the deadline outlined by your plan. If you miss that window you'll have to wait until your plan's next open enrollment period to add the child as a "dependent."

"Nothing is more disruptive to even the most financially organized household than the arrival of a newborn," says Gregory De Jong, financial advisor with Savant Capital Management in Naperville, Illinois. "Just as a pilot uses the quiet cruise segment of a flight to prepare for the high workload of the approach and landing, parents would do well to gather the information and paperwork they'll need a month prior to the baby's due date, then leave it in an obvious place to finish up shortly after the birth. In addition to junior's name and date of birth, a Social Security number will often be required," says De Jong.

8. Get a DUI.

Drinking and driving can fast-track you to an insurance nightmare.

A driver who receives a DUI conviction will likely experience a rate increase at renewal time, says Loretta Worters, spokesperson for the New York City-based Insurance Information Institute. "Your driving record plays a major role in determining what you pay for car insurance," she explains. "A prior conviction for driving under the influence (DUI) or driving while intoxicated (DWI) suggests a risky driving history. "If insurers see you as high risk, they will either charge you more money or may drop you as a policyholder."

9. Buy a new car but don't tell your insurance company.

While most car insurance companies will extend some form of automatic coverage for new vehicles, the time period is typically limited, says Eric Roethe, product research specialist with American Family Insurance.

"Make sure you don't wait too long after bringing that shiny new car home before you give your agent a call," he advises. If you don't, you'll likely be driving without coverage within a few weeks.

10. Drive for Uber.

A personal automobile policy is designed to cover only the traditional uses of private passenger vehicles, Worters says. It is not designed to cover the commercial use of a vehicle - including making money via a ride-sharing service. This exclusion extends beyond ride-sharing to any business use of a vehicle, such as delivering newspapers or using a pickup to plow snow.

"Before agreeing to be a ride-sharing driver, a motorist should talk to [his or her] insurance representative and get a commercial insurance policy that provides appropriate insurance protection," Worters says.

11. Loan your car.

Trying to be Mr. Nice Guy by letting a friend borrow your car could wreck your rates. You're responsible for what happens to and with your car.

"When you loan your car, you're loaning your insurance, too," says Roethe. If your pal hits someone or something and is at-fault for the accident, the liability claim goes on your record and could cause a rate increase at renewal time. And if you don't have collision coverage, your car damage isn't covered at all.

12. Make claims for every little scratch and dent.

You pay good money for your insurance, so you might as well use it, right?

But here's the rub: Actually using your insurance could bungle your rates. Your car insurance policy is not a car-maintenance policy, Ferry says. It's intended to protect you from unforeseen accidents. Definitely don't bother to make a claim for damage that's less than your deductible. And don't pile up small claims, which could provoke a rate increase down the line.