



May 20, 2024

Honorable GT Thompson, Chairman
House Committee on Agriculture
Washington, DC 20515

Honorable David Scott, Ranking Member
House Committee on Agriculture
Washington, DC 20515

Dear Chairman Thompson and Ranking Member Scott:

On behalf of the National Association of Professional Insurance Agents (PIA),¹ we wish to express our support for the Farm, Food and National Security Act of 2024 (the Farm Bill) released by the committee for markup later this week. Crop insurance is a vital risk management tool that helps producers manage the unique risks of farming, and it is delivered through an effective public-private partnership that makes it affordable for most farmers. Independent insurance agents deftly guide farmers through the crop insurance purchasing process, ensuring they have the protection they need.

Many provisions in this bill, like boosting crop reference prices, expanding opportunities for producers to obtain new base acres, and increasing support for specialty crops, will strengthen programs within the Farm Bill. PIA is especially gratified by the inclusion of provisions to fix a major problem—administrative and operating (A&O) inflation indexing—that has plagued crop insurance agents for years.

Despite the role of independent agents in delivering this highly technical program to farmers, agents have been increasingly undervalued over the past several years. Specifically, the 2011 Standard Reinsurance Agreement (SRA) established a cap on the A&O expense subsidy. From 2011 through 2015, the Risk Management Agency (RMA) annually adjusted the total A&O subsidy cap to keep pace with inflation. However, beginning in 2016, RMA stopped making inflation adjustments, leaving its value fixed in 2015 dollars, where it remains today. Despite Congressional efforts to have the RMA reinstate the inflation adjustment, it has declined to do so. This policy has put the crop insurance delivery system itself at risk by jeopardizing the future involvement of crop agents in the program.

PIA is thankful that provisions of H.R. 8055, the Ensuring Access to Risk Management Act, have been included in the Farm Bill draft. This bipartisan bill, introduced by Rep. Austin Scott (R-GA) with original cosponsors Reps. Jimmy Panetta (D-CA) and Tracey Mann (R-KS), would reinstate an inflation adjustment applicable to the A&O cap. These provisions will help stop the financial crisis that crop insurance agents have faced since the inflation adjustment was eliminated nearly a decade ago.

PIA urges the committee to pass the Farm Bill with these crucial bipartisan provisions. Doing so will strengthen both the crop insurance delivery system and America's food supply.

Sincerely,

Jon Gentile
Chief Advocacy & Public Affairs Officer
National Association of Professional Insurance Agents

¹ PIA is a national trade association whose members are independent insurance agents in all 50 states, Puerto Rico, and the District of Columbia. Its insurance professionals offer insurance products and services across America.