



TESTIMONY OF REBECCA CRUMBAKER

**ON BEHALF OF THE NATIONAL ASSOCIATION OF
PUBLIC INSURANCE ADJUSTERS BEFORE THE SENATE COMMITTEE
ON FINANCIAL INSTITUTIONS AND INSURANCE**

February 13, 2013

It is a pleasure to be here with you today. My name is Rebecca Crumbaker. I am a hog farmer from north central Kansas and far from my comfort zone of farrowing houses, pig nurseries and finishing barns. I can discuss pig health with our consultant veterinarians, pig diets with consultant nutritionists, barn designs with consulting engineers, manure management plans with consultants, tax strategies with accountants and even consult teachers regarding how to encourage our 17 year old sons to put some of their hunting energy towards studies!

This long list is a lead into what neither my husband nor I were prepared for nor could be advised or counseled on. April 14th of this past year one of our swine facilities, 70 miles from our farm of residence was hit by one or two tornadoes. The damage was extensive. The feed mill was down, several barns, containing pigs were flattened. Approximately half of the finishing barns were damaged beyond use. Fortunately, only sixteen animals were killed. One trailer house, an employee residence, was leveled, reduced to splinters and tufts of pink insulation caught in the nearby grass! No people were hurt.

With live animal production and a constant revolving door of animals in and out of the farm, one can only imagine the level of scrambling necessary after such an incident. With our age and years of experience, we have scrambled thru snow storms, ice storms with several weeks of no power, floods and wind storms-yes Dorothy we are in Kansas. We have always managed our business and needs during these trying times while the insurance company, if needed handled damage assessment and claims. They have come in, assessed, visited with us, and worked congruously taking care of their portion of the 'agreement' of insurance. This time, we were called on by the insurance company to do our own assessment of damages and submit our claim. That seemed quite odd to us. We are not adjusters, contractors or consultants. We are in the business of hog production and at this particular in time, in a moment of almost desperation. Trying to handle just the logistics of how and where to care for animals, etc. and then handed over the job of adjusting and calculating the claim for our farm seemed absurd. What is the reasoning behind this? I can speculate, but that is not the purpose of this testimony. We were caught in need of the knowledge of how much funding would come our way to get a grasp on the possibilities of reconstruction. Unlike some of our government, we are required to submit a budget! It was 60 days before the insurance company offered a settlement reply to our request and 100 days before significant funding was determined and received.

We were naïve and ignorant, a prescription for disaster on our end.

With no help or offer of help from the insurance company, other than being assured public adjusters were 'illegal' in Kansas and we could get ourselves in trouble-whatever that meant, we tried to come up with answers while taking care of our actual obligations, hog production!

Upon doing research on the web, it appeared as if public adjusters were legal for commercial line policies. This particular farm, Crumbaker Pork LLC, is titled completely separate and is a distinctly different corporation from our other Sub S farms. This was done intentionally at its purchase as Crumbaker Pork LLC was bought on contract from an individual and we sought to retain its separation from

the other entities. The farms have different tax id numbers, different KDHE permits, different employees, different insurance policies and as stated before is 70 miles from our residence. Nothing at the damaged farm is personally held or titled. No vehicles, equipment, barns or residences are for any purpose other than pork production. There is no nearby lake for us to fish or boat nor a cabin in a hunting area. There is no reason to own and operate this property other than to raise hogs, ask the neighbors.

It seemed obvious to us this was most certainly a commercial line policy, what portion or how was it personal? We took this question to the insurance company and onto the State of Kansas Insurance Commissioner for determination of personal vs commercial policy, the second allowing us to enlist the help, the *consultation*, of a public adjuster. The response, in a nut shell, it was up to the insurance company underwriting to make determination as to personal or commercial. It was determined by the underwriters to be a personal line policy, go figure. This left us with the necessity of hiring a lawyer, who in turn enlisted the advice of building specialists, etc. leading to extra, unnecessary expenses in my estimation. I wonder, how many people given the upfront immediate challenges of damages and needing to get on with their business and life would be deterred by just the thought of the wear and tear on their soul to involve more people not 'in the business' vs public adjusters who bring knowledge and guidance to the situation. This is the avenue we were forced to take due to current regulations. These regulations seem to me to be weighted in favor of the insurance company.

I appreciate this has been a rambling testimony, much of it I'm certain seemingly more story telling. My point is simple. We have consultants, second opinions, scrutiny, etc., regarding swine health, swine nutrition, taxes, building engineering, teenagers and for goodness sakes, swine manure management! But, we are not allowed a consultant or second opinion on insurance claims. Must this be considered an adversarial situation? Is it not conceivable that some goofy, lady pig farmer from north central Kansas could get her knickers in a twist over wind damage, believing she had been wronged by her insurance company, only to find

through a public adjuster the insurance company had done in fact, a quite good, fair and equitable job.....a benefit to both sides?

Would it not be good and right to have the ability to entertain that check and balance?

Thank you for your time and ear.

As one of my childhood favorites would say, 'that's all folks!'