

Hurricane Insurance Protection - Wind Index (HIP-WI) Endorsement

General Information



General Information

The Hurricane Insurance Protection-Wind Index (HIP-WI) Endorsement covers a portion of the deductible of the underlying crop insurance policy when the county, or a county adjacent to it, is within the area of sustained hurricane-force winds from a named hurricane based on data published by the National Hurricane Center (NHC) at the National Oceanic and Atmospheric Administration (NOAA). HIP-WI does not provide indemnities for acreage that is prevented from planting or any replanting reimbursement. It is also not available with the Occurrence Loss Option (OLO) or the Comprehensive Tree Value (CTV) Endorsement. The coverage provided by HIP-WI can be combined with other endorsements that provide additional coverage for a portion of the underlying policy deductible, when such coverage does not duplicate the coverage of HIP-WI, including the Supplemental Coverage Option (SCO) and the Stacked Income Protection Plan (STAX), when acreage is also insured by a companion policy. The Endorsement now includes an option for coverage for a tropical storm weather event.

Eligible Crops and Location

When provided in the actuarial documents, the HIP-WI Endorsement provides coverage for over 70 different crops insured under the Common Crop Insurance Policy, Basic Provisions (Basic Provisions) for both Catastrophic (CAT) and additional coverage policies. HIP-WI will be available in counties in the vicinity of the Gulf and Atlantic coasts, as well as Hawaii. The areas of insurance map below show the availability of HIP-WI.

Eligibility Requirements

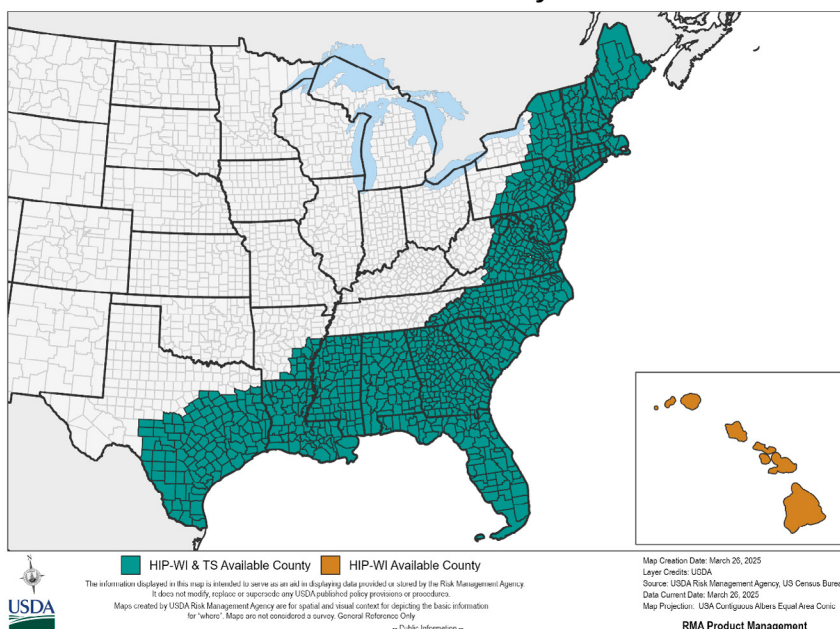
To be eligible for the HIP-WI Endorsement, you must:

- Have an insurance policy under the Basic Provisions with the same insurance provider (any crop acreage, inventory, or trees and plants that are not insured by the underlying policy are not covered by HIP-WI);
- Elect HIP-WI on or before the HIP-WI sales closing date (SCD);
- Elect a HIP-WI coverage percentage;
- Not have elected the OLO or the CTV Endorsement for the underlying policy; and
- Comply with all terms and conditions of the HIP-WI Endorsement.

To be eligible for the Tropical Storm (TS) option:

- You must meet all eligibility requirements for HIP-WI;
- You must elect TS on or before the HIP- WI SCD; and
- The TS option must be available in the actuarial documents.

HIP-WI Availability





Insurance Period

Generally, when provided in the HIP-WI actuarial documents the insurance period for HIP-WI begins on the insurance attachment date. When no insurance attachment date is provided on the HIP-WI actuarial documents, the insurance period begins on the later of:

- The SCD of the underlying policy; or
- The earliest planting date, for each planting period when applicable, for the underlying policy.

Generally, the insurance period ends on the:

- End of insurance date, for each planting period when applicable, when provided in the HIP-WI actuarial documents; or
- End of insurance date, for each planting period when applicable, provided in the underlying policy actuarial documents when not provided in the HIP-WI actuarial documents.

If any portion of a tropical storm weather event is within the insurance period, such rainfall will be included determining the County Loss Trigger.

Waiting Period

For the initial year that HIP-WI is elected, coverage will not begin until 14 days after the SCD. If the underlying crop policy also requires a waiting period, the wait periods will run concurrently.

For subsequent years, HIP-WI coverage may be increased (e.g., lowering coverage on the underlying policy, increasing the HIP-WI coverage factor, decreasing the STAX coverage level) by the SCD, but the increased HIP-WI coverage will not take effect until 14 days after the SCD, or the end of the waiting period for the underlying policy, when a waiting period is required by the underlying policy. If a qualifying event triggers the county within the 14-day waiting period, coverage will be based on the coverage percentage and coverage range from the previous insured year.

Acreage Reporting Requirements

Because HIP-WI uses the underlying policy's acreage report, you are not required to submit an additional acreage report for HIP-WI. Unless a qualifying event triggers the county prior to you filing an acreage report, the number of eligible acres will be the number of planted or insured acres reported on an acreage report of the underlying policy. If a qualifying event occurs prior to you filing your acreage report and it is the initial year you elect HIP-WI, your HIP-WI eligible acres will be the lesser of the number of acres reported on an intended acreage report or the number of actual planted acres. If a qualifying event occurs prior to you filing your acreage report and it is any subsequent year after you initially elect HIP-WI, your HIP-WI eligible acres will be the lesser of the number of acres planted at the time of the qualifying event or the highest number of planted insurable acres for the crop in the past four years. For crops which do not require an acreage report, use the crop's equivalent of an acreage report.

If an acreage report must be revised, or the Actual Production History (APH) needs to be corrected, the HIP-WI liability will be held to what the insured initially reported on their underlying policy's acreage report and/or Production Report (APH Record).

Cause of Loss

The full value of the HIP-WI Endorsement is paid if a county, or adjacent county, is within the area of sustained hurricane- force winds from a named hurricane based on data published by the NHC. Half of the value of the HIP-WI Endorsement is paid when the TS is elected and the county, or adjacent county, is within the area of a tropical storm with sustained surface wind speeds of 34 knots (39 mph) and at least 6 inches of total precipitation received over four days (one day preceding the arrival of the tropical storm, the day of the tropical storm, and two days following the arrival of the tropical storm), according to NOAA and as determined by RMA, except in the following circumstances:

If a named tropical storm enters your county multiple times, each re-entry will trigger a new four-day period during which rainfall received is counted toward the Final Rainfall Amount. If a new four-day period overlaps another four-day period due to re-entry, rainfall on overlapping days will be counted as occurring simultaneously and will not be double counted. For purposes of determining the Final Rainfall Amount, if a named tropical storm is present in your county for a 24-hour period or more, an additional day will be added to the end of the four-day window for each 24-hour period the named tropical storm is in your county. Additionally, a Final Rainfall Amount of 5.900 inches and above will be rounded to 6 inches.



The counties where payments have been triggered will be identified in the actuarial documents. Individual farm yields and revenues are not considered under HIP-WI, and it is possible that you may experience reduced revenue or reduced yield and not receive an indemnity under HIP-WI. You are not required to file a notice of loss.

Settlement of a Claim

An indemnity is due when the county loss trigger is identified for the insured county or adjacent county. Only one indemnity payment per insurance period or per planting period, when applicable, per acre is allowed. An indemnity will be due under the TS option if the TS county loss trigger is identified for the county. This indemnity will be 50% of the Hurricane Protection Amount (HPA). When the TS option is elected, up to two indemnities are allowed, but the combined indemnities are not to exceed 100% of the HPA..

Administrative Fees and Premium

An administrative fee and premium for the crop covered by each HIP-WI Endorsement will be due in addition to any administrative fee(s) and/or premium(s) of the underlying policy. The HIP-WI endorsement attaches only to the underlying policy and not to an endorsement. Therefore, only one admin fee is charged for HIP-WI coverage. However, the HIP-WI administrative fee may be waived if you qualify as a limited resource farmer, a Beginning Farmer Rancher (BFR), or a Veteran Farmer Rancher (VFR).

Premium for HIP-WI is calculated by multiplying the HPA by the premium rate and any premium adjustment percentages that may apply. All information needed to calculate the premium rate is contained in the actuarial documents. The premium subsidy for HIP-WI is fixed at 80%.

Important Dates

Sales Closing Date: Sales Closing Date of Underlying Crop Policy Cancellation
Date: Cancellation Date of Underlying Crop Policy.

Where to Buy Crop Insurance

Contact a crop insurance agent to see how Federal crop insurance can meet the specific needs of your operation. Crop insurance is sold and delivered solely through private crop insurance agents. A list of crop insurance agents is available online at rma.usda.gov/agent-locator.

More Information

Producers can learn more about crop insurance and the modern farm safety net at rma.usda.gov or by contacting their RMA Regional Office.

RMA fact sheets give only a general overview of Federal crop insurance programs, not complete policies. For further information and an evaluation of your risk management needs, contact a crop insurance agent.

Guidance documents lack the force and effect of law, unless expressly authorized by statute or incorporated into a contract. USDA may not cite, use, or rely on any guidance that is not available through their guidance portal, except to establish historical facts.

Natural Disasters and Crop Insurance



Overview

Natural disasters can damage or destroy crops, prevent farmers from planting, or prohibit them from harvesting. For producers who purchase federal crop insurance, the economic impacts from natural disasters can be mitigated, providing confidence that their business will be able to continue to operate.

The United States Department of Agriculture's (USDA) Risk Management Agency (RMA) oversees the federal crop insurance program that supports the nation's farmers and ranchers in difficult times. Federal crop insurance and other USDA programs provide a safety net that helps keep agricultural producers in business in times of hardship.

If you are a producer who purchases federal crop insurance and your crop is impacted by a natural disaster such as a hurricane, flood, drought, or hail, there are certain steps you must take to ensure your claim is processed accurately and efficiently and any potential indemnities are paid in a timely manner.

Actions to Take Prior to a Disaster

- ♦ Review your policy annually for changes or updates. The policy contains important information including eligible causes of loss, key dates, and your duties in the event of a loss.
- ♦ Verify information contained on your Summary of Coverage. The Summary of Coverage includes information specific to you, such as the amount of insurance you selected, the number of acres you have insured, and any elected options or endorsements.
- ♦ Ensure your farm records, including production records, are in order and secured.
- ♦ Make sure you have the contact information, including email addresses and phone numbers, for your crop insurance agent and crop insurance company/approved insurance provider (AIP).



Blueberry crop damage caused by Hurricane Irene in North Carolina.

Actions to Take After a Disaster

- ♦ Contact your crop insurance agent to file a notice of loss or damage within 72 hours of discovery and follow up in writing within 15 days (keep a copy for your records). Your AIP will arrange for a loss adjuster to inspect your crop and determine whether your yield or crop value falls below your insurance guarantee. It is your responsibility to contact your crop insurance agent and initiate this process.
- ♦ If you are still within the window of opportunity to replant your crop, switch to another crop, or if you want to destroy the crop for any reason (such as planting a cover crop), contact your crop insurance agent and let them know your intentions immediately. Your AIP must have an opportunity to inspect the crop and release the acres. Destroying your crop before the company releases the acres could result in your claim being denied.
- ♦ If, later in the growing season, your crop is further damaged by a subsequent loss event, report the additional damage to your crop insurance agent within 72 hours of discovery.
- ♦ You must continue to care for the crop until harvest or until your AIP appraises the crop and releases the acreage.

Remember: Do not destroy your crop or representative samples without clear direction from your AIP, preferably in writing.

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Claim Adjustment Process

After you have submitted a timely notice of loss or damage to your crop insurance agent, your AIP will arrange for a loss adjuster to inspect your crop. While you wait for the loss adjuster, remember to not replant, or do anything to destroy or further damage your crop until you have permission from a loss adjuster or a representative from your AIP.

The loss adjuster should contact you to schedule an inspection. They will expect and welcome your presence and assistance during the inspection. The loss adjuster will be interested in what you have to say. You can expect the loss adjuster to be familiar with your policy and to explain your options. You should have your acreage report information ready to show the number of acres and locations of your insured crops if available.

The loss adjuster should have copies of your crop insurance policy documents including your yield or crop value history. Loss adjusters are required to have extensive classroom and field training to maintain their certification, and they are trained on how to accurately assess your reported loss. This includes activities such as taking pictures or videos of your fields, checking with other producers in your area to assess crop conditions, talking with local elevator operators regarding average area yields, and consulting local weather data. Appraising crop yield is not guesswork; it takes a lot of information to calculate crop yield accurately.

Prevented Planting

Prevented planting is the failure to plant an insured crop with the proper equipment by the final planting date or during the late planting period, if applicable. To qualify, you must be prevented from planting by an insured cause of loss that is general to the surrounding area and that prevents other producers from planting acreage with similar characteristics. Final planting dates and late planting periods vary by crop and by area.

The provisions for each crop specify whether prevented planting is available. Because farming is complex, and because conditions vary significantly between geographic areas, eligibility for a prevented planting payment must be determined on a case-by-case basis. In general, an insured cause of loss must have occurred within the insurance period on eligible acreage. To be eligible, your acreage must meet all applicable policy provisions.

You are required to provide a notice to your insurance agent that you were prevented from planting an insured crop. See your policy or contact your crop insurance agent for dates or more information about your insurance coverage.

Find a Crop Insurance Agent

RMA provides policies for more than 100 crops. See RMA's program listings for information on the crop policies and endorsements available in your county.

Contact your crop insurance agent for more information regarding policy choices. To find an AIP or crop insurance agent, visit the RMA website at: www.rma.usda.gov/en/Information-Tools/Agent-Locator.

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