

# Crop Insurance

# UPDATE



## 2010 Fall News

### QUOTES FOR FALL CROPS

If you have fall crops insured, you will be receiving your 2011 quotes shortly. Remember, if you are planting wheat &/or barley this fall, it must be insured to participate in future disaster programs through FSA. The quotes will look a little different this year due to the new policy changes. There will be a sample quote enclosed that explains the changes. It is a good year to consider revenue coverage on wheat. The base price is now estimated at \$7.00/bu.

### CLAIMS

Remember to notify us as soon as you think there will be a loss and also get your production reported right after harvest. (report sheet enclosed) Don't wait to file claims. See more claim information on the back of this sheet.

### REPORTING

Big changes to acreage reporting for this year: The way you report acreage is changing. Instructions for reporting acreage this year will be sent in a separate mailing. Be sure to keep an eye out for it.

### PRODUCTION FOR SPRING CROPS

Report your spring crop production as soon as you are done harvesting. A report sheet is enclosed. Keep your production separate by farm

number and keep double cropped production separate from full season production if you have both on the same farm. This is important if you have a future claim on both crops in the same crop year.

Mark your tickets with farm number, name and practice (I or NI) as you deliver your loads. DO NOT put production from more than one unit on the same ticket as this will be considered comingled and the farms will be put together as one unit. This decreases the possibility of being paid if you have a loss.

### MARITAL STATUS/ENTITY CHANGES

If your marital status or entity has changed for any reason, you must update this information on your policy by the sales closing date. Failure to do so will adversely affect claim payments. Call if you have any questions regarding your personal situation.

### PREVENTED PLANTING

If you find yourself in this situation this fall, you must notify us no later than the final plant date for the crop that is prevented from being planted. We will need to file a claim by this date.

### CAT POLICIES

The CAT policy fee is \$300/crop/county.

## Important Dates

### SALES CLOSING DATE

**9/30/10** for fall crops—All changes to coverage levels, entity changes, cancellation of policies, deleting or adding crops/counties, changes to policy options, etc., must be made by this date.

### PRODUCTION – IMPORTANT

Please report your spring crop production when you get done harvesting. A report sheet is enclosed. See production notes under FALL NEWS.

### ACREAGE REPORTING FALL CROPS

**11/15/10**—All acreage must be reported in the county you have insured. This includes, but is not limited to, prevented acres, late planted acres, cover crop acreage, acres planted for wildlife (not to be harvested), etc.

### FINAL PLANT DATES 2010

**Wheat** - 11/15 (Harford - 10/31)

**Barley** - 10/31 (Harford - 10/15)

### CONTACT INFORMATION

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Thank you for choosing MidAtlantic Farm Credit for your crop insurance needs. Please visit us on the web at [mafc.com](http://mafc.com) to get information on all our other products and services! ■

# Crop Insurance Facts

The following is provided to each of our insureds to be used as an information tool. Updates will be supplied periodically as needed. Of course, if you have any questions, please feel free to call us at any time at 410.479.2323 or 800.573.3028 or check out the Web at [farmcreditcropinsurance.com](http://farmcreditcropinsurance.com).

## Who to contact

Kathi Levan, Agent or Teresa Gleockler at MidAtlantic Farm Credit, Denton, MD

## 1st Crop, 2nd Crop

You will see the words “first insured crop and second insured crop” in your policy form. This is confusing as these terms do not refer to double crop situations unless specified as such. For example: If you plant corn and it fails due to excess moisture, you have a claim paid on this crop and then decide to plant soybeans and insure them also. Read the definitions for these terms carefully in your policy form.

You have the option whether or not to insure the second crop. If you choose not to insure the second crop you will be paid 100% of the insurable loss on the first crop. (You must let us know your intentions at the time of loss). If you wish to insure the second crop, you will be paid only 35% of the insurable loss on the first crop but would be eligible for 100% of any insurable loss on the second crop. The second crop must be planted after the late plant period ends for the first crop. If it turns out that there is no loss on the second crop, you will be paid for the additional 65% of insurable loss on the first crop. If you do not notify us of your intent to plant a second crop and then you insure it, you must repay any overpaid indemnity for the first insured crop. Any acreage that is planted but not insured must be reported as uninsurable acreage on your acreage report.

## 578 Forms & Acreage Reporting

It's best for you to use the report sheet we send you to report your acreage. As you take the information from your 578 form, it gives you a chance to review it for accuracy. If you bring in a 578 form to report your acreage it must be dated by the acreage report date. You are responsible for the accuracy of the information on these forms. **CHECK ALL INFORMATION CAREFULLY** before submitting for your acreage report. Make sure all info is correct such as crop, acres planted, share, practice, plant date, etc. Get a copy of the 578 and your maps and hold onto them in case you have a claim. We will be glad to keep them here in your file for you so they don't get misplaced if you like.

## Added Land

Call us when you find out that property will be added to your operation. We will need to know the farm number and amount of

acreage and what you are intending on planting for the coming crop year.

## Marital Status or Entity Changes

Make sure you report any changes to your marital status or entity by the sales closing date. If you have married in the past year, your spouse's social security number must be reported by the sales closing date or your coverage may be limited for the coming crop year. Changes cannot be made after this date.

## Continuous policies

Crop insurance policies are continuous policies. This means that they will continue in force from year to year unless they are cancelled by you before the sales closing date for the crops you insure. They cannot be cancelled mid-term.

## Policy reviews/changes

Keep your policy information up to date. You must notify us immediately if a change needs to be made to acreage, etc. Review your report forms as soon as you receive them for accuracy. They will not make corrections later on. Please plan to review your policy with us at least once a year. If it is not convenient for you to come into the office, just give us a call. We can review it by phone.

## Final planting dates

Remember all crops have a final planting date. These will be listed in the acreage reporting newsletters, but if you are ever in doubt, just call.

## Acreage reporting

You must submit an acreage report each year for the crops you have insured. If no acreage is planted, a '0' acreage report must still be filed. These reports must contain the amount of acres, plant date, share and practice for each farm # in the county. All acreage for that county must be reported. This includes but is not limited to prevented or late planted acres, cover crop acreage, etc. Remember, accuracy is important, it must be within 10%.

## Production reporting

Production must be reported for all farms on which you have reported acreage. Separate this information by farm# and practice (I or NI). Remember production must be reported in dry bushels. If no production is reported, the insurance company will impose a yield equal to 75% of your previous crop year APH.

## Coverage summaries

After receiving the acreage report, the insurance company will issue a summary of coverage. It contains all of your policy information as you reported it on your

acreage report. It will also show your total premium. Review this form carefully. Notify us immediately if any corrections need to be made. Normally acreage amounts cannot be increased after the final acreage reporting date, so it is important that the data you provide on your acreage report is accurate.

## Claims

Please report any possible claim to your agent as soon as you feel there may have been a loss. Possible losses should also be reported. Remember, do not destroy any acreage until you have spoken to your agent. You may need to leave strips for an adjuster to look at. If any premium is due at the time a claim payment is to be made, that premium will be deducted from the claim payment. Premiums are earned and payable when coverage begins. Your policy defines this as the time when planting begins on a unit.

## Claims on double cropped acreage

In order to obtain the largest indemnity due to you on double cropped acreage, you must be able to show double cropping history on both acreage and production. Acreage history is easily proven by past 578 forms. Your production needs to be kept separate for double cropped acreage. For example: you have 20 acres of beans following 20 acres of wheat and also 50 acres of full season beans on the same unit. You should keep the production separate for the beans on the 20 acres from the beans on the 50 acres.

You will still be eligible for a claim payment if you cannot produce these records, but if you expect to be paid in full if there is a claim on both crops (wheat & beans), you will need to be able to show this separate production history to the adjuster when your claim is worked. We'll be glad to discuss this with you further if you have questions. Just give us a call.

## Records, Records, Records

Yield records continue to be very important. Any excessively high yields will be questioned and you will need to be sure you have your records to back it up. (See section 21 of the basic provisions).

For any production that is showing on your 5030 reporting form, you are safest if you keep the records to back it up in case you get into a situation where you have to prove your history. It's a lot smoother sailing if the records are available and you will be much happier with the outcome. ■



# Big Changes for 2011 Crop Year

- **VERY IMPORTANT**—It is still vitally important that your entity information (name, SSN/EIN, type of entity, etc.) be correct. If this information is incorrect, you will be severely penalized at claim time. You will also be required to pay 20% of the premium due if your policy is voided due to concealment, misrepresentation or fraud.

## ■ NEW COMMON CROP INSURANCE POLICY

The CRC, APH, RA and IP plans of insurance have now been combined into one policy. You now have the following coverage plans available: Revenue Protection (RP) which works the same as the previous CRC policy, Yield Protection (YP) which is the same as the previous APH policy and Revenue Protection with the Harvest Price Exclusion (RPHPE) which is similar to the RP coverage but gives no upside price protection. Call us if you are interested in a quote for this coverage or if you have any questions about other issues concerning the new policy.

- Corn, soybeans, wheat and barley are covered under these new plans. The policy you currently have will be converted automatically to the plan closest to what you have now. If you currently have CRC coverage, the crop will be converted to RP coverage. If you have APH coverage, the crop will be converted to the YP coverage.
- Acreage reporting will be different this year. In addition to filling out the usual sheets, we will be sending a copy of the actual report form which **MUST HAVE A SIGNATURE**. Also we will need a copy of your 578 form which will allow us to report your acres by tract and field # as RMA now requires us to do. Keep an eye out for more details in a separate mailing.
- There will no longer be established prices for wheat and barley under the Yield Protection (YP) plan of insurance. The price will be determined same as for the Revenue Protection (RP) plan. Both YP and RP will have the same price. Only the RP price will be subject to change as it was previously under the CRC coverage. The prices and applicable volatility factors will be set in mid September.
- Revenue coverage is now available for Barley.
- There are changes in the requirements for Enterprise Units for 2011. If you had EU's in 2010, we will contact you prior to sales closing to discuss your options. If you are interested in knowing more about EU's, just give us a call. They can save you a lot in premium dollars, but be aware that they combine all units of the crop into one. This includes I and NI. You should make sure you will qualify before you sign up for this option. The EU eligibility is based on PLANTED ACRES.

