

Natural Disasters and Crop Insurance

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Overview

Severe weather can destroy crops, prevent farmers from planting or prohibit them from harvesting. Major events like floods and hurricanes can put many farm operations out of business, if they didn't have a safety net. For producers who purchase federal crop insurance, the effects of bad weather can be mitigated and they can have confidence their business will be able to continue to operate.

The USDA's Risk Management Agency oversees the federal crop insurance program that supports the nation's farmers and ranchers in difficult times. The safety net provided by federal crop insurance and other USDA programs helps keep agricultural producers in business.

Whether a producer experiences loss due to a major disaster like a hurricane, or more localized weather like hail, there are steps they should take to ensure they can file a crop insurance claim on time to ensure they receive their indemnity quickly.

Actions to Take Prior to a Disaster

- Frequently review your policy to make sure you know the eligible causes of loss.
- Ensure your records, including contemporaneous records, are in order and secured.
- Review your schedule of insurance for established production guarantee, insured acres, coverage level, elected options or endorsements.
- Make sure you have your agent/company contact information, including email address, cell phone number, and 1-800 numbers.

Actions to Take Post-Disaster

- Contact your crop insurance agent and follow up in writing (keep a copy for your records). Your crop insurance company will arrange for a loss adjuster to inspect your crop. It is your responsibility to contact your crop insurance agent and initiate this process.
- Any time you have crop damage that will

adversely affect your yield or crop value, you may be eligible to file a claim. Contact your agent within 72 hours after discovery of damage. The loss adjuster will determine whether your yield or revenue falls below the guarantee stated in your policy.

- 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 him or her know your intentions immediately. Your crop insurance company 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 destroyed by a hurricane, for example, or if a severe drought has damaged your crop but you intend to take the crop to harvest, you still need to contact your agent within 72 hours of damage. You must continue to care for the crop until harvest or until your company appraises the crop and releases the acreage.

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

Claim Adjustment Process

When you initiate your claim, your crop insurance company will arrange for a loss adjuster to inspect your crop. It is your responsibility to call your crop insurance agent and initiate this process.

Any time you have crop damage that will adversely affect your yield, or the value of your crop, you may be eligible to file a claim. The loss adjuster will determine whether your yield falls below the production guarantee stated in your crop insurance policy.

While you wait for the adjuster, remember these rules: Do not destroy any of your crop. Do not disk.

Do not plow. Do not replant. Do nothing to destroy your crop until you have permission from a claims adjuster or an insurance company representative.

The adjuster should contact you to schedule an inspection. He or she will expect and welcome your presence and help during the inspection. The adjuster will be interested in what you have to say. You can expect the adjuster to be familiar with your policy and to explain your options. You should have your Farm Service Agency (FSA) documents ready to show the number of acres and locations of your insured crops.

The adjuster should have copies of your crop insurance policy documents and your Actual Production History (APH). Adjusters may take pictures of your fields. They may check with your neighbors on the condition of their crops and they may check with the local elevator operator for average yields in the area. They may even consult local weather data. Calculating crop yield is not guesswork. It is a disciplined process. Your adjuster has extensive classroom and field training and is constantly studying to maintain his or her certification.

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. 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 do vary by crop and by area. See your policy or contact your insurance agent for dates and more information about your insurance coverage.

The provisions for each crop specify whether prevented planting is available, unless otherwise shown in the Special Provisions. Crop insurance policies with prevented planting provisions provide you with valuable coverage when a natural event prevents planting. Because farming is complex, 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.

Because conditions vary significantly between geographic areas, loss determinations are based on each producer's circumstances. You must contact your crop insurance agent to report a prevented planting loss.

For More Information

To find a crop insurance company or agent, visit the RMA website at <http://www.rma.usda.gov/tools/agent.html>.

USDA is an equal opportunity provider and employer. To file a complaint of discrimination, write: USDA, Office of the Assistant Secretary for Civil Rights, Office of Adjudication, 1400 Independence Ave., SW, Washington, DC 20250-9410 or call (866) 632-9992 (Toll-free Customer Service), (800) 877-8339 (Local or Federal relay), (866) 377-8642 (Relay voice users).