



# 2021 Winter Forum

## Crop Insurance Update

Presented by:

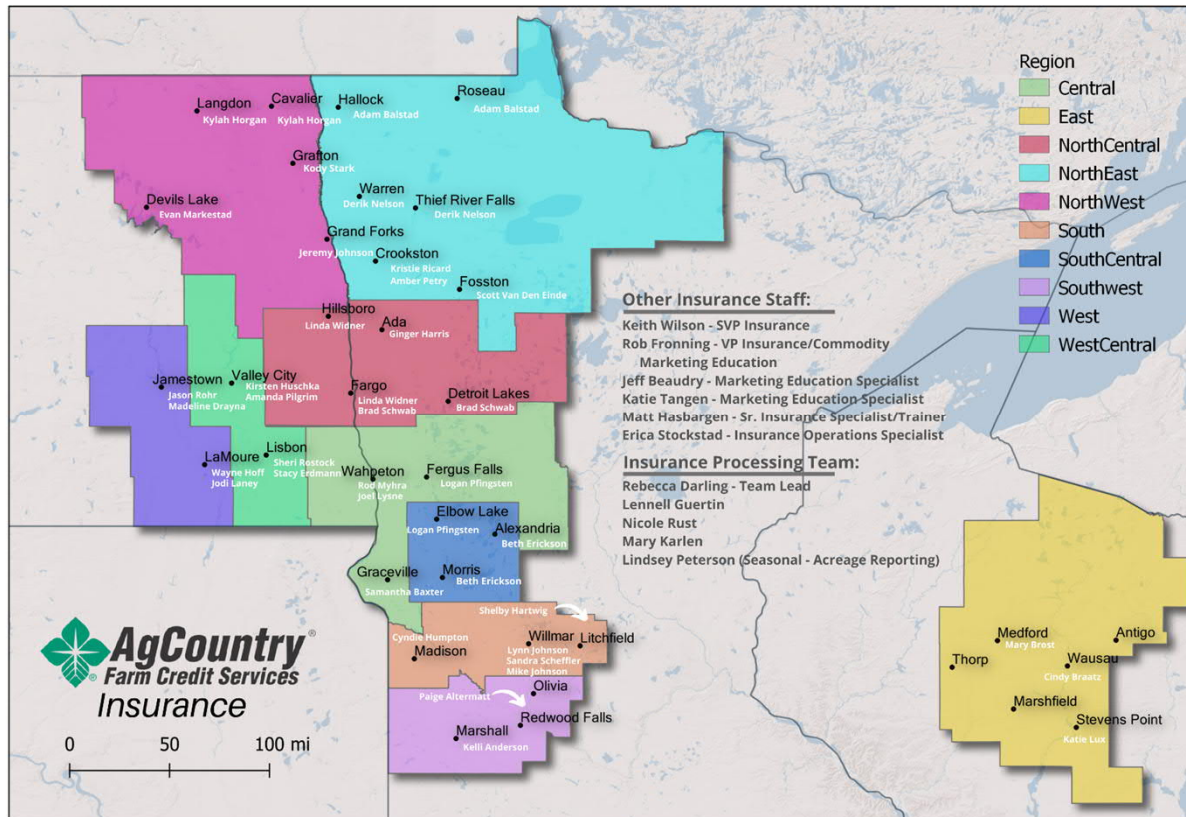
Katie Lux

Insurance Specialist

Stevens Point, WI



# Team of Experts



Design: Brad Lindblad

- 36 Insurance Specialists
- 13 MPCI Support team members
- 4 Insurance Processing team members
- 30 Part-time Hail Processing team members
- 3 Marketing Specialists
- 1 Hail Insurance Operations Specialist

# Overview



2021 Updates and Changes

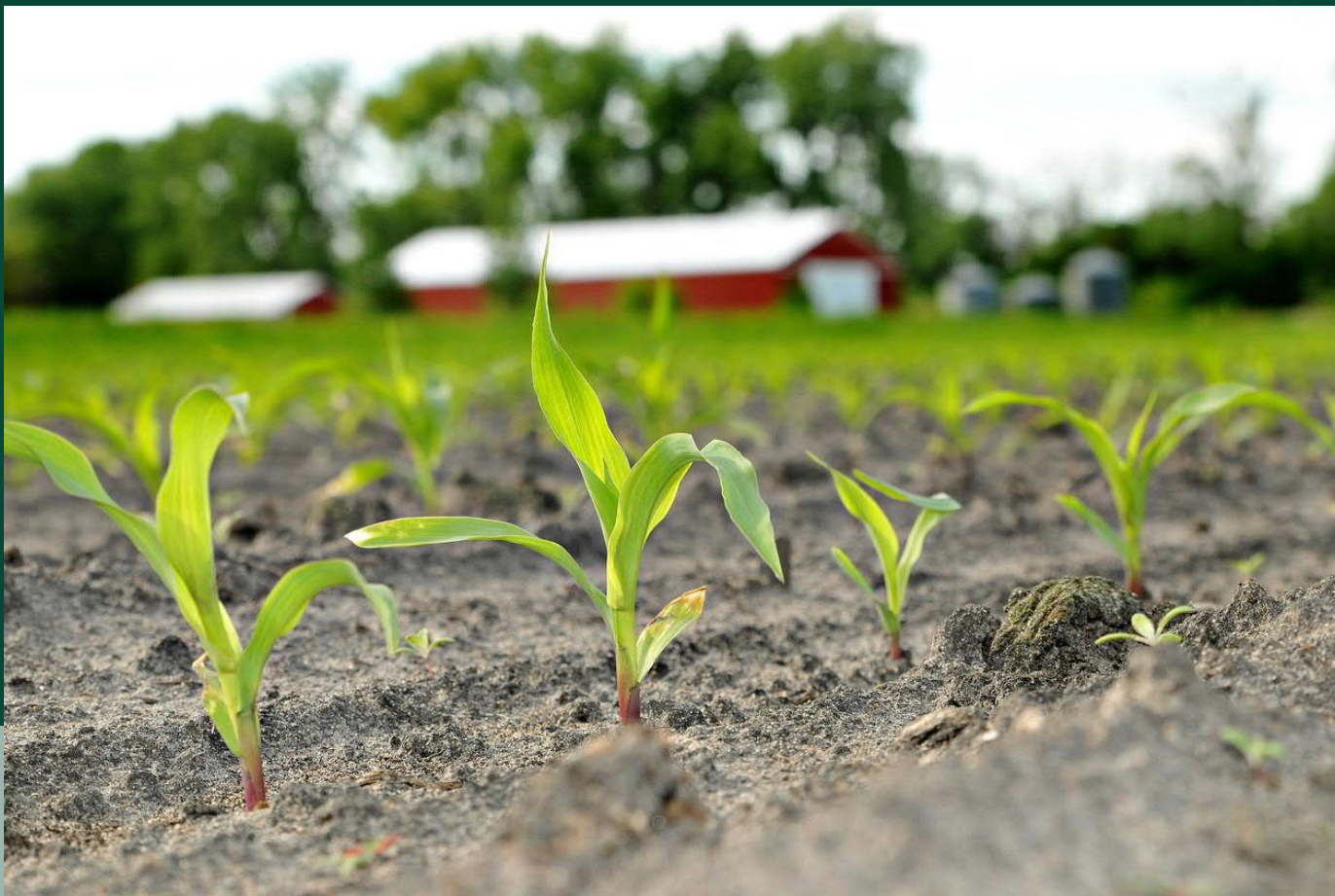


General Insurance Reminders



What Your Agent Needs to Know

# 2021 Updates and Changes





# Prevent Plant Changes

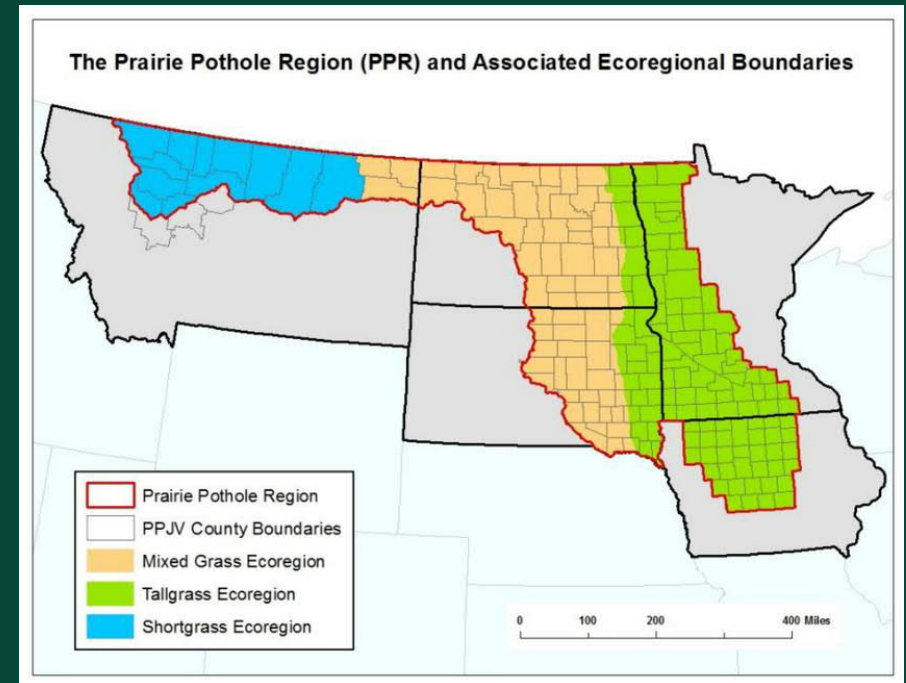
## Expanded 1-in-4 planting rule

Now nationwide vs Prairie Pothole Region  
Must be physically available for planting

## Removed 2-crop history requirement within a unit

Must provide proof of intending to plant a 2<sup>nd</sup> crop

## Revised to allow use of an intended acreage report for a 2<sup>nd</sup> crop year



# Prevent Plant

Prevent Plant coverage is included in your crop insurance policy and pays on eligible *unplanted* acres.

- What are eligible PP acres?
- Difference between a “field” and a “unit”
- PP buy-up options available
- Added land? What are the PP coverage rules?
- Cover crop guidelines
- Enterprise unit discounts with PP acres
- PP vs fallow

# Livestock Programs

Increased subsidies for 2021 crop year  
(7/1/2020)

*Fed Cattle, Feeder Cattle, & Swine*

Coverage Level (Percent)	Previous Subsidy Rate (Percent)	Revised Subsidy Rate (Percent)
95-100	25	35
90-90	30	40
85-90	35	45
80-85	35	50
75-80	35	55
70-75	35	55

## Changes for 2021

Increased limits on feeder & fed cattle

- From 3,000 head/endorsement to 6,000
- From 6,000 head annually to 12,000

Increased limits on swine

- From 20,000 head/endorsement to 40,000
- From 75,000 head annually to 150,000

# Livestock Programs

## Changes for 2021

Modified requirement to own livestock from last 30 days of endorsement to last 60 days

Added 39 and 52-week swine endorsements (13, 17, 21 & 26-week endorsements remain)

Created new feeder cattle and swine types to allow for unborn livestock to be insured





# Master Yields

Master yield: production from all acres of the crop the producer has in the county is used to establish an approved APH yield

**NEW**

- Added Buckwheat as a Master Yield crop in ND
- Added Dry Beans as a Master Yield crop in MN

Additional Master Yield  
crops in our association:

Dry Peas  
Potatoes

Sugar Beets  
Sunflowers

# Forage Seeding & Production

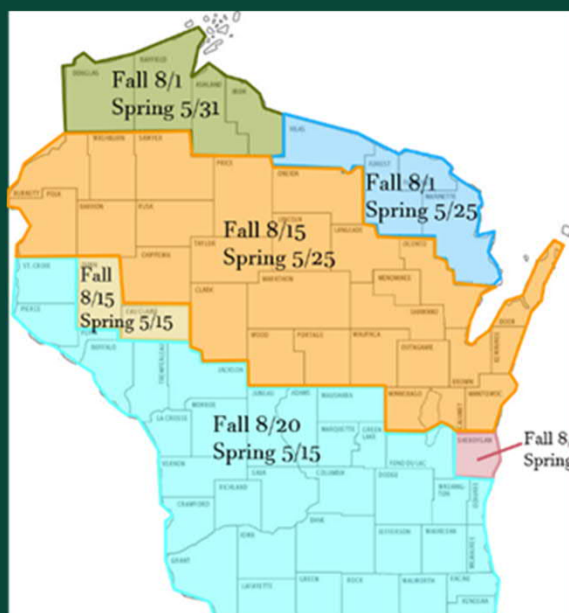
Summer/Fall seeded acres are now insurable without a Written Agreement.

Seeding alfalfa (ND, MN) or red clover (MN) after July 1? Contact us by July 31 to discuss coverage options.

If seeded after the final plant date, those acres are uninsurable on the Forage Seeding policy.

Loss-adjustment procedures revised to use number of live alfalfa stems rather than number of live plants

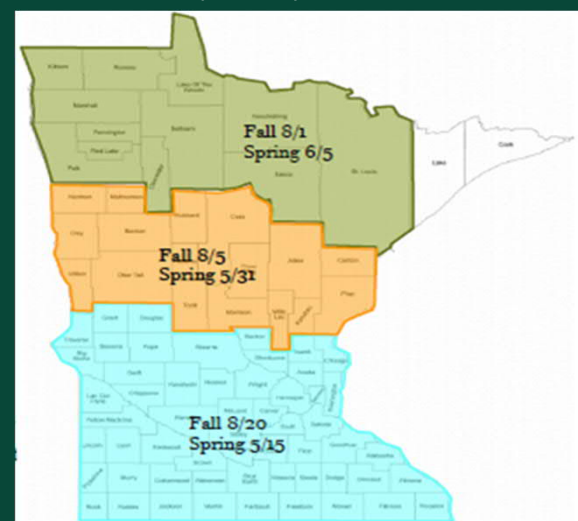
# Forage Seeding & Production



ND Fall 8/31  
Spring 5/31



WI Fall 8/15  
Spring 5/25



MN Fall  
8/1,8/5,8/20  
Spring  
6/5,5/31,5/15

# Quality Loss Option (QLO)

**NEW**

Replaces post-quality production with pre-quality yields

- Elect by Sales Closing (3/15)
- NOL must have been filed for QLO to apply
- Will apply to previous quality adjustments
- Option to opt out by PRD
- Only one option, YE, YA or QL can be applied to an actual yield within a database

# Enhanced Coverage Option (ECO)

NEW

Optional endorsement that provides *county-based coverage* for a portion of the deductible of the underlying MPCl policy

Covers from 86% up to 90% or 95% of approved yield

Similar to Supplemental Coverage Option (SCO) which covers from MPCl level up to 86%

Uses same expected and final area yields, projected and harvest prices, and payment factors as SCO



**NEW**

# Enhanced Coverage Option (ECO)

Losses incurred on a county basis. Indemnities triggered when the county average revenue falls below 90% or 95% of the expected level, depending on the ECO trigger selected.

Losses are not affected by whether there is an indemnity payment on the underlying policy. It's possible to experience an individual loss, but not receive an ECO payment, or vice-versa.

Losses paid the summer following current crop year

ARC & PLC participation has no effect on eligibility for ECO

Available with SCO, but not eligible with MP, MP-HPO, ARPI, HIP-WI

# Enhanced Coverage Option (ECO)

Deductible (no coverage)	100-95%
ECO Coverage Range	95% -86%
SCO or ARC Coverage Range	86-80%
MPCI Coverage Range	80%

Deductible (no coverage)	100-90%
ECO Coverage Range	90% -86%
SCO or ARC Coverage Range	86-80%
MPCI Coverage Range	80%

# Enhanced Coverage Option (ECO)

## Eligible Crops

Wheat  
Millet  
Flax  
Popcorn  
Grain Sorghum  
Silage Sorghum  
Peanuts  
Soybeans  
Tobacco

Canola  
Rice  
Sugar Beets  
Dry Beans  
Cultivated Wild Rice  
Hybrid Corn Seed  
Sunflowers  
Barley  
Sesame

Oats  
Cotton  
Corn  
Hybrid Sorghum Seed  
Safflower  
Dry Peas  
Hybrid Seed Rice  
Buckwheat

# Hemp

2021

Available in MN, ND & WI  
for APH coverage in many  
counties

Check with your insurance  
specialist for details



# Crop Insurance Reminders





# Crop Insurance Reminders

## Review production for claims

Need to report production claims within 15 days of harvest

Revenue claims must be filed within 45 days of harvest price announcement

The AIP has the right to deny claims after 60 days from the end of insurance period or completion of harvest

## Production reports

The sooner you get them in, the more accurate your quotes

# 2021 Strategies to Consider

Get the correct MPCl coverage & options in place

- Coverage levels/unit structures
- Added land or new crops

Look at a hail plan and/or supplemental coverage

- Production, Companion, Deductible, Basic
- Endorsements (Wind, WFC, etc.)
- Add additional coverage on top of the MPCl w/ supplemental coverage

Bundle your MPCl, hail & supplemental coverage

- Be assured your coverage works together



# What Your Agent Needs to Know



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Some things you'll want to discuss with your specialist:

- Change in entity structure  
i.e. operator transitions, SBI changes, tax ID, etc.
- Change in name, address, phone, marital status
- Change in shares
- Planting intentions or prevent plant concerns
- Added land or entities
- Marketing plans
- Cost of production
- Transition plans
- New crops and/or practices
- Questions regarding unit structures, plans of coverage, 2021 policy changes
- Adding a Power of Attorney or Authorized Rep
- Any additional plans or concerns

# 2021 Winter Forum

Questions?





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Thank you  
for your  
business!

