



# Disaster Assistance Flood and Prevented Planting

## Risk Management Agency

Topeka Regional Office

October 31, 2019

Paul Gallagher

Senior Risk Management Specialist



*This presentation is designed to support and help clarify existing policy provisions and procedures.*

*This presentation does not replace or supersede any procedures or modify any provisions contained in the complete insurance policies.*



## What Is the Risk Management Agency?

- USDA agency –manages the Federal Crop Insurance Corporation.
- RMA, via the FCIC provides crop insurance to American producers.
- 14 companies have Standard Reinsurance Agreements with RMA.
- The companies provide agents that sell the crop insurance to producers.
- The companies manage loss adjusters and pay all claims.



## What Is the Risk Management Agency?

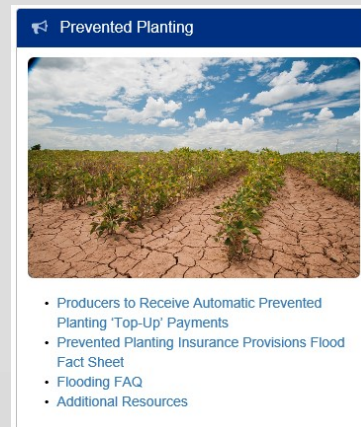
- RMA's Topeka Regional Office is responsible for managing the crop insurance program in Colorado, Kansas, Missouri, and Nebraska.
- We, along with Insurance Companies, have effectively and efficiently addressed large -scale disaster events in the past.
  - In the following slides, Red Font indicates changes we made for 2019 Crop Year Only

## Loss Compensation

- Indemnity Payment
- Replant Payments (except CAT)
  - Pays when insurable event causes loss to planted acres and it is still practical to replant to the same crop.
- Prevent Planting Payment
  - Pays when prevented due to an insurable cause of loss
- Prevented Planting Disaster Payments – “Top Up” payments
  - Supplemental payments to producers that have been prevented from planting an eligible crop and had coverage under Federal crop insurance.

## Crop Insurance and the 2019 Flood

- You **ARE** covered if you have insurance!!
- Also, you **WILL** be covered for 2020 if you are unable to plant due to damages caused by this 2019 flood event **IF** you had insurance on the crop in 2019.
- USDA/RMA information: [www.rma.usda.gov](http://www.rma.usda.gov)
  - Automatic Prevented Planting ‘Top Up’ payments
  - Prevented Planting Insurance Provisions Flood Fact Sheet
  - Flooding FAQ
  - Additional Resources





## Prevented Planting Additional Information

- **Prevented planting** - Failure to plant the insured crop by the final planting date for the insured crop in the county, or within the late planting period (if applicable), due to an insured cause of loss that is general to the surrounding area and that prevents other producers from planting acreage with similar characteristics.
  - Failure to plant because of uninsured causes such as lack of proper equipment or labor to plant acreage, or use of a particular production method, is not considered prevented planting.



## Prevented Planting Additional Information

- You must file a notice of loss within 72 hours of the Final Planting date or the End of the Late Planting Period.
  - Example: Soybean FPD 6/20/19 + 25 day LPP = July 15<sup>th</sup>. Must file by July 15<sup>th</sup>.
- For spring planted crops, you must also report your Prevented Planting on your Acreage Report. Due July 15<sup>th</sup>.



## Prevented Planting Additional Information

- Payment is 55 to 60% (for most crops) of the production guarantee  
+ 5% if options were selected...
- Payments are based on the Projected Price on both Yield & Revenue plans and CAT.
- **2019 Crops with a Final Planting Date in 2019 Calendar Year Only:** Insured's who had payable prevented planting indemnity related to flooding, excess moisture or causes other than drought will automatically receive a "top-up" payment. Producers will receive the payment from their Approved Insurance Providers (AIPs) starting in mid-October.

2019 Corn Example RP – FPD 5/25/19	
127	bu APH Corn
\$4.00	Proj Price
\$508.00	Total Revenue
65%	Coverage
\$330.20	Guarantee
55%	PP Guarantee
\$181.61	PP Pmt/Acre
\$27.24	'Top-Up'*
<b>\$208.85</b>	<b>Total</b>
* For Revenue Protection Plan, Top Up is 15% of PP Payment	



## Prevented Planting Disaster Payments 'Top-Up' Payment Additional Information

- Authorized by the Additional Supplemental Appropriations for Disaster Relief Act of 2019.
- Producers participating in Federal crop insurance for the 2019 crop year and experienced a payable prevented planting payment related to an eligible cause of loss in the 2019 calendar year.
- Eligible causes of loss are excess moisture/precipitation, flood, cold wet weather, storm surge, tornado, volcanic eruption, hurricane, and cyclone.
- All crops for which the final planting date for the 2019 crop year is in the 2019 calendar year are eligible for prevented planting disaster payments.



## Prevented Planting Disaster Payments 'Top-Up' Payment Additional Information

- If you received a prevented planting payment from an Approved Insurance Provider and you meet the eligibility requirements, you are automatically signed up to receive a prevented planting disaster payment.
- The amount of payment will be an additional 10 or 15 percent of your prevented planting payment issued under your multi-peril policy, depending on the plan of insurance. Yield Protection/Actual Production History and Revenue Protection with Harvest Price Exclusion will receive 10 percent; Revenue Protection will receive 15 percent.
- The Act requires all participants who receive a disaster payment to purchase crop insurance or NAP, for the crop in the county, for the next 2 available crop years... Producers that fail to meet this requirement must refund all payments for the crop in that county, including interest.
- Your insurance provider will begin processing payments as early as mid-October 2019. As more claims are processed, further payments will be issued near the middle of each subsequent month.
- See FAQ on our webpage ([www.rma.usda.gov](http://www.rma.usda.gov)) for more information on 'Top-Up' payments



## Prevented Planting Additional Information

*If prevented from planting at the Final Plant Date - 6 Options Under the Terms of Your Policy*

- Leave the acreage idle and receive a full prevented planting payment
- Plant the insured crop during the late planting period, if applicable, and insurance coverage will be provided. For most crops, the production guarantee per acre is reduced one percent per day for each day planting is delayed after the final planting date. You will not receive a preventing planting payment.



## Prevented Planting Additional Information

*If prevented from planting at the Final Plant Date - 6 Options Under the Terms of Your Policy (continued)*

- Plant the insured crop after the late planting period (or after the final planting date if a late planting period is not available). You will not receive a prevented planting payment. You will have the option to not insure the late planted crop or to insure with the production guarantee reduced to the prevented planting coverage level;
- Plant another crop (second crop) after the late planting period, or after the final planting date if no late planting period is applicable and receive a prevented planting payment equal to 35 percent of the prevented planting guarantee.



## Prevented Planting Additional Information

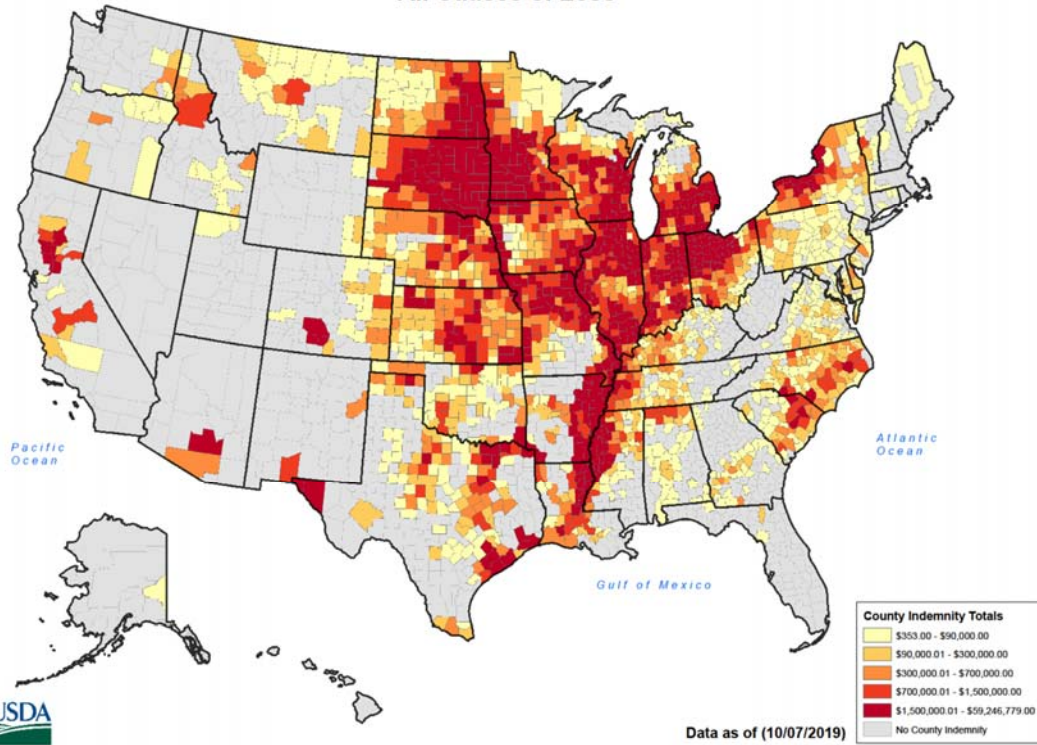
*If prevented from planting at the Final Plant Date - 6 Options Under the Terms of Your Policy (continued)*

*Highlighted Red is for 2019 Crop Year Only*

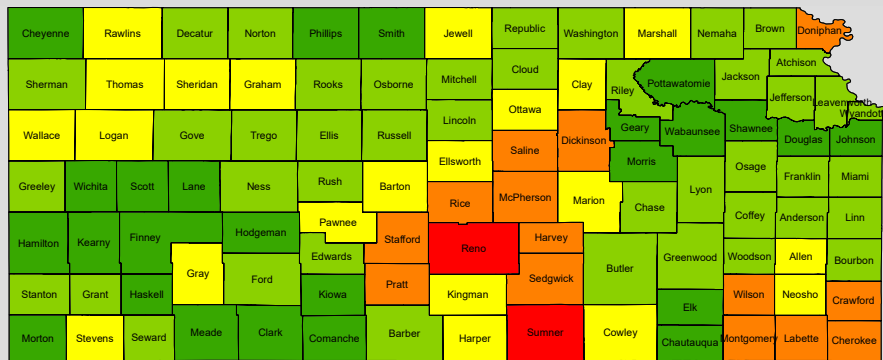
- Plant a cover crop during the late planting period and receive a full prevented planting payment, but for the 2019 crop year do not hay, graze or cut for silage (haylage or baleage) this cover crop before **September 1**, or otherwise harvest it at any time. If you hay, graze or cut for silage (haylage or baleage) it before **September 1**, you will not receive a prevented planting payment for your first crop. If the cover crop is harvested at any time, you will not receive a prevented planting payment (**Note: Cutting a cover crop for silage, haylage, and baleage will be treated the same as haying or grazing.**); or
- Plant a cover crop after the late planting period and for the 2019 crop year hay, graze or cut for silage (haylage or baleage) it before **September 1** and receive 35 percent of a prevented planting payment for your first crop or wait to hay, graze or cut for silage (haylage or baleage) it on or after **September 1** and receive a full prevented planting payment for your first crop;

For more info on 2019 cover crops planted on prevent plant acres, visit our [Flooding FAQ](#) on our RMA Home Page ([www.rma.usda.gov](http://www.rma.usda.gov))

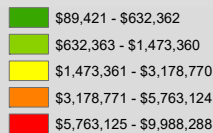
### 2019 Risk Management Agency Prevented Planting Claims All Causes of Loss



### 2019 Prevent Plant Indemnities (All Crops)

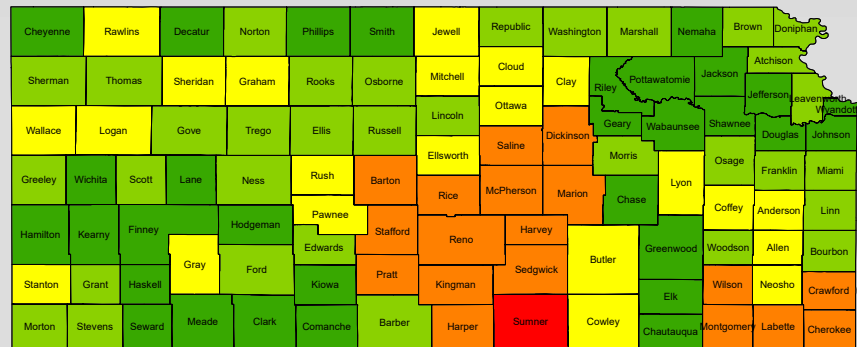


Prevent Plant Indemnities in County

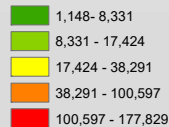




2019 Prevent Plant Acres by County  
(All Crops)



Prevent Plant Acres in County



## Frequently Asked Questions...

**Q: What type of documentation do I need to maintain for the cover crop planted on my prevented planting acreage to meet the requirements in the crop insurance policy?**

**A:** Producers should maintain all documentation regarding recommendations from an agricultural expert (cover crop selection, seeding rate, etc.) and provide such documentation to their crop insurance company upon request.

## What to expect for 2020...

- You can purchase higher levels of coverage by the sales closing date – 3/15/2020.
- You cannot buy higher levels of Prevented Planting coverage if a cause of loss that could prevent planting has occurred during the PP insurance period and prior to your request to change.
- For counties where levees have breached, we will place a breached levee statement on the actuarial documents, as we have in the past.
  - The statement means premium rates will increase on land flooded by the breach in the event the breach has not been repaired by the sales closing date or earliest plant date.
  - The statement is applicable for wheat and other fall planted crops, and will be applicable to next springs' planted crops

## What to expect for 2020... Breached Levee Statement

*Land flooded due to a breach in a levee resulting from prior year(s) flooding is insurable. The applicable rate will be assigned based on conditions of the levee and soils on the latter of the sales closing date or earliest planting date. If, by that date, the levee has not been repaired to prior specifications, or if damaged soil (if any) has not been restored to at least the same crop yield potential as prior to the flood event, the land will be classified as high-risk and will have the highest rate classification in the county. However, if the levee has been repaired to prior design specifications and the soil has at least the same crop yield potential as before the flood, the land will be classified as shown on the current crop year Actuarial Map. If the levee has been restored to prior design specifications (e.g. same material and width from toe of slope to toe of slope), but at a lesser height by the latter of the sales closing date or earliest planting date, then RMA may adjust the rate to an amount consistent with the level of flood risk, by written agreement.*

