

# **Hurricane Insurance Protection - Wind Index Endorsement CY2020**

## **What is Hurricane Insurance Protection - Wind Index Endorsement?**

The Hurricane Insurance Protection – Wind Index (HIP-WI) Endorsement provides coverage for a portion of the deductible, up to 95 percent of the expected crop value, 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 that are published by the National Hurricane Center (NHC) at the National Oceanic and Atmospheric Administration (NOAA).

This endorsement is attached to the crop policy under the Common Crop Insurance Policy, Basic Provisions (Basic Provisions). The coverage can be combined with the Supplemental Coverage Option (SCO) and the Stacked Income Protection Plan (STAX), when acreage is also insured by a companion policy.

## **Where is HIP-WI available and for what crops?**

The HIP-WI Endorsement provides coverage for over 70 different crops insured under the Basic Provisions for both CAT and additional coverage policies, when provided in the actuarial documents. It will be available in counties in the vicinity of the Gulf of Mexico and the Atlantic, as well as Hawaii. If HIP-WI is available in the county, it will be available for all crops in that county insured under the Basic Provisions.

Crops include: Wheat, Blueberries, Onions, Canola, Oats, Rice, Avocados, Pecans, Cotton, Cotton Ex Long Staple, Macadamia Nuts, Macadamia Trees, Forage Seeding, Forage Production, Peaches, Sugarcane, Corn, Sweet Corn, Fresh Market Sweet

Corn, Processing Beans, Grain Sorghum, Grapes, Apples, Cranberries, Hybrid Corn Seed, Green Peas, Cabbage, Nursery (FG&C), Nursery Value Select (NVS), Peanuts, Sunflowers, Clary Sage, Hybrid Seed Rice, Soybeans, Peppers, Potatoes, Fresh Market Tomatoes, Tomatoes, Barley, Rye, Fresh Market Beans, Clams, Cucumbers, Sweet Potatoes, Tangerine Trees, Grapefruit, Lemons, Tangelos, Orange Trees, Grapefruit Trees, Lemon Trees, Lime Trees, All Other Citrus Trees, Avocado Trees, Carambola Trees, Mango Trees, Oranges, Flue Cured Tobacco, Fire Cured Tobacco, Burley Tobacco, Maryland Tobacco, Dark Air Tobacco, Cigar Filler Tobacco, Cigar Binder Tobacco, Cigar Wrapper Tobacco, Banana, Coffee, Papaya, Banana Tree, Coffee Tree, Papaya Tree, Pecan Tree, Mandarins/Tangerines, Sesame, Tangors, Limes, Hemp

## **What are the eligibility requirements for HIP WI?**

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

- Have an insurance policy under the Basic Provisions with the same insurance provider;
- Elect HIP-WI on or before the sales closing date (SCD);
- Elect a HIP-WI coverage percentage; and
- Comply with all terms and conditions of the HIP-WI Endorsement.

## **When do I have to purchase HIP-WI?**

For the 2020 crop year:

- April 30, 2020, for crops with a 2020 SCD that has already passed; or
- The SCD of the underlying crop policy for crops with 2020 SCD that has not passed.

For 2021 and subsequent crop years:

- The SCD of the underlying crop policy.

## **When will my crops be covered for hurricane damage?**

Generally, the insurance period for HIP-WI will begin on the later of the SCD or earliest planting date of the crop and will end on the earliest of the end of insurance date or termination date (if there is no end of insurance date for the crop). However, there will be a 14-day waiting period after the SCD for HIP-WI coverage to attach the initial year of HIP-WI coverage or in a crop year where HIP-WI coverage is increased.

**For the 2020 crop year, some crops will already have been planted prior to the SCD of April 30, 2020. What if my planted crop fails prior to the SCD? Will I still be allowed to purchase and be indemnified under the HIP-WI?**

The insurance period for HIP-WI begins on the later of the SCD or the earliest planting date of the crop. For the 2020 crop year only, the SCD for HIP-WI is April 30, 2020, for those crops with a 2020 crop year SCD prior to April 30, 2020. A crop that fails prior to the beginning of the crop year will not be insured under HIP-WI because there is no insurable crop during the insurance period of HIP-WI.

**What cause(s) of loss will HIP-WI cover and what triggers an indemnity payment?**

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. The counties where payments occur will be identified in the actuarial documents. It is possible that your individual farm may experience reduced revenue or reduced yield due to hurricane-related causes and you do not receive an indemnity under HIP-WI. You are not required to file a notice of loss.

**How much does HIP-WI cost?**

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. However, the HIP-WI administrative fee may be waived if

you qualify as a limited resource farmer, a BFR, or a VFR.

Premium for HIP-WI is calculated by multiplying the Hurricane Protection Amount (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 65 percent.

## **How does HIP-WI coverage work when combined with SCO or STAX?**

HIP-WI covers a portion of the deductible above the SCO or STAX layer of insurance, up to 95 percent of the expected crop value, the same as for other crops.

## **What will my HIP-WI coverage be based on if I have SCO or STAX acreage that is later enrolled in ARC or PLC? Will my coverage range for HIP-WI be based on the underlying policy or the coverage level including SCO or STAX since I will be ineligible for SCO or STAX indemnity on those acres?**

Producers who have purchased SCO or STAX are required to annually report acres that have been, or will be, enrolled in ARC or PLC on their acreage report. Producers who later enroll acreage in ARC or PLC on acreage not identified as covered by ARC or PLC, or who have misidentified acres enrolled in ARC or PLC, will be ineligible for a SCO or STAX indemnity on such acreage due to the prohibition on SCO or STAX coverage on acreage enrolled in ARC or PLC. HIP-WI will continue to cover the portion of the deductible of the underlying policy between the upper lever coverage of SCO or STAX, regardless of whether acreage is later enrolled in ARC or PLC because you cannot have an increase in coverage.

## **How will the HIP-WI work with Nursery and Nursery Value Select?**

HIP-WI will cover a portion of the deductible for nursery and nursery value select, up to 95 percent of the expected crop value, the same as for other crops.

### **Do I have to file an acreage report for HIP-WI?**

You are not required to submit an acreage report for HIP-WI because HIP-WI uses the underlying policy's acreage report. The number of eligible acres will be the number of acres reported on an intended acreage report, or the number of planted acres reported on an acreage report of the underlying policy. If you file an intended acreage report, eligible acres will be limited to the actual acres you planted and reported on the underlying policy's acreage report.

### **When will any HIP-WI indemnities be paid?**

An indemnity is due when the county loss trigger is identified for the insured county, or adjacent county. Losses under HIP-WI will be paid within 30 days after FCIC releases the list of counties identified as meeting the county loss trigger.