

Newsletter

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2020 CROP INSURANCE

Going into this spring your crop insurance coverage is very critical to your farming operation for 2020. Markets are struggling to maintain their prices, which will result in less revenue guaranteed per acre with your crop insurance. You may need to increase your crop insurance levels to cover your input cost! I would encourage all of you to take a close look at your current coverage to make sure it is adequate, and check with us before March 15th to review your coverages and/or make any changes. **Remember March 15th is the last day to make coverage changes, add pricing options and accept new applications or transfers.**

Spring price guarantees are set during February, and as of 2/24 the corn price average for February is \$3.91 and the soybean average is \$9.20.

Last year spring price guarantees were \$4.00 for corn and \$9.54 for soybeans. We will post the final February average on our website on March 1st.

IMPORTANT MPCI DATES - NEBRASKA

Sales Closing Date March 15
Policy Changes Deadline..... March 15
SCO (Supplemental Coverage Option) March 15
2019 Production Reporting Deadline April 29
2020 Acreage Reporting Deadline..... July 15
End of Insurance Period Dec. 10

MPCI PLANTING DATES - NEBRASKA

Corn: Earliest Plant Date: 4/10
Final Plant Date: 5/25

Soybeans: Earliest Plant Date: 4/25
Final Plant Date: 6/10

GSorg: Earliest Plant Date: 4/16
Final Plant Date: 6/15

**Late Planting Period is 20 days after the Final Plant Date. If planted during the Late Planting Period, there will be a 1% reduction in coverage for each day after the Final Plant Date.*

SOD BUSTING

Sod busting applies when more than 5 acres in the county are tilled.

- Native sod acreage is uninsurable the first year
- Must be insured for the next 3 years. The premium subsidy will be reduced 50% and the guarantee will be 65% of the county average for bushels. (In years past you could break up to 5 acres each year with no effect on coverage, but now acres will be added together each year and when they total 5 acres the sod busting rules will apply.)
- Production must be kept separate on these acres.

CRP GROUND GOING INTO PRODUCTION

The first year coming out of CRP you must report acres separately and keep your production separate. The yield base will be 100% of the county average for the first year, and then averaged into any existing unit average for the crop planted after one year.

REPLANTING

You still must replant a minimum of 20 acres or 20% of the unit's total acres for replant to apply. The adjuster must be contacted before you replant to verify replant payment.

If replant is during the last 10 days of the late plant period and it is determined it is not practical to replant, no replant payment will be made, and coverage continues based on the initial plant date.

No replant payment if the crop is planted prior to the earliest plant date, which is April 10 for corn and April 25 for soybeans.

AD-1026

Remember you must have an AD-1026 Form on file with the FSA office for 2020 to be eligible for the premium subsidy.

PERSONAL STATUS CHANGES BEFORE MARCH 15, 2020

We must be notified of personal status changes due to marriage, divorce, death, etc. so we can change your policy accordingly. Entity changes, such as creating trusts, incorporating, etc. must also be reported by March 15th.

Remember grain must be marketed in the same name as the named insured on the policy, and you must also be signed up at the FSA using the same name.

SEPARATE COVERAGE LEVELS BY PRACTICE

You can now insure all irrigated acres and all non-irrigated acres on different levels for the same crop. This applies to optional units and enterprise units. This must be done by the March 15 sales closing date.

MPCI CLAIMS

Report claims early. Your policy requires you to report within 72 hours of when you first notice damage, within 15 days of harvest, or at the end of the insurance period, whichever comes first. YOU are responsible for reporting a claim!

Should you have a claim we will need your load summary sheets with each load marked as to which farm it came from, with irrigated loads marked separate from non-irrigated loads.

If you have grain from last year in a bin we must have an adjuster determine how many bushels are in the bin before you dump the new crop on top of the old crop in storage. Also, if you commingle different units into a bin, you need to mark where each unit level is on the outside of the bin so the adjuster can get measurements for bushel determination for each unit. We can also use load wagon printouts with unit verification marked on the load wagon printout.

It is also a good idea to contact us if you think you may be in a loss situation and we can

walk you through what you need to do for your claims process.

ACREAGE REPORTING ACCURACY

YOUR ACREAGE REPORT IS THE MOST IMPORTANT INFORMATION YOU WILL REPORT ALL YEAR!

Please review your acres on your *Schedule of Insurance* carefully and verify they are correct. Review all forms you receive from us and from the insurance company for accuracy also.

NEVER DESTROY ACRES

Don't destroy any acreage, or use it in any way, other than what was originally intended, without notifying us first (this includes silage acres). An adjuster will need to appraise and release the acreage before it is destroyed if you want to be paid on a claim.

CROP HAIL / WIND

We've seen a trend for wind claims on hail policies with the wind endorsement in comparison to just a straight hail policy. The wind coverage from last fall made a huge difference on the harvest income. Our wind coverage expires on November 1, which is critical, as some companies' wind coverage terminates much earlier! Keep wind coverage in mind when you do your hail insurance for 2020!

I just reviewed the new rates for the 2020 wind coverage, and they have significantly decreased (42% less)! This really makes it more attractive to endorse wind coverage onto your hail policy. The wind endorsement must be done by June 15th! After that date

we can still do hail coverage but we're not able to endorse wind onto your policy.

NEW IN 2019

A. Multi Country Enterprise Unit

In the past you had to have acres of the same crop planted in two sections in a county to qualify for the enterprise unit coverage. Starting in 2019, if you qualify for an enterprise in one county and you have only one section in a bordering county you can now combine the bordering county with the qualifying county for the multi country enterprise unit coverage.

B. White Corn Coverage

In the past white corn was insured the same as yellow corn and we would combine production into one unit using the yellow corn spring price per bushel guarantee. For 2020 farmers can insure white corn separate from yellow corn using the contract price. Producers of white corn will now have to establish past white corn production history, present a contract for their white corn and keep harvest production separate. You also must advise us that you want contract price coverage for your white corn. This coverage must be endorsed to your policy by March 15th. If you added white corn coverage in 2019 it will carry over to 2020.

PREMIUM BILLING FOR MPCI AND CROP HAIL

No change from last year. Premium will be due August 15th for spring crops. You have until the end of September to pay without any interest. If the company doesn't receive payment before October 1 then interest will be added for September.

ProAg is offering a 5% cash discount this year on crop hail policies. To receive the 5% cash discount the crop hail premium must be paid by August 1.

KEEPING YOUR CROP INSURANCE LOCAL

I encourage you to work with a local agent to not only make doing your insurance easier, but by doing so you help keep our resident agencies and economy thriving. Naturally I hope the local agency you choose is Gill Insurance. So if you or someone associated with your farming operation is going out of the area for coverage, encourage them to stay local, as you will be better served and you will help to keep our local economy prospering.

FINAL THOUGHTS

We've been doing MPCl and Hail Insurance for over forty years and there have been many changes through the years, most of which increases the chances of something being misreported, so please take some time to review your *Schedule of Insurance* to make sure the crop, share, practice, legal descriptions and acres are correct! If you see an error, report it to us ASAP!

Each year seems to bring new challenges for our farmers. Last year we dealt with the effect tariffs had on our crops and we are still going to have that challenge for 2020, but now we are also being affected by the coronavirus as it is starting to limit trade with various countries. Let's hope that these two areas stabilize, that our trade resumes its normal process, and that the weather cooperates for 2020!

Remember we have many products to offer other than crop insurance, such as farm packages, autos, and many life insurance

products which include ways to transfer your farm assets to your heirs tax free!

Let's hope 2020 has more favorable planting conditions than last year and that we all enjoy a safe and prosperous 2020.

Thank you for allowing us to serve your various insurance needs, and we look forward to working with you again this year!

Mick Gill