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HURRICANE INSURANCE PROTECTION-WIND INDEX STANDARDS HANDBOOK

2022 and Succeeding Crop Years

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UNITED STATES DEPARTMENT OF AGRICULTURE WASHINGTON, D.C. 20250

TITLE: HURRICANE INSURANCE PROTECTION - WIND INDEX STANDARDS HANDBOOK	**NUMBER: 24360**
EFFECTIVE DATE: 2022 and Succeeding Crop Years	**ISSUE DATE: June 30, 2021**
SUBJECT: **Provides procedures and instructions for administering the Hurricane Insurance Protection - Wind Index Endorsement**	**OPI: Product Administration & Standards Division** **APPROVED:** ***/s/ John W. Underwood for*** **Deputy Administrator for Product Management**

REASON FOR ISSUANCE

This handbook provides the official FCIC-approved standards for administering the Hurricane Insurance Protection - Wind Index (HIP-WI) Endorsement for the 2022 and succeeding crop years for crops with a contract change date of June 30, 2021, or later.

HURRICANE INSURANCE PROTECTION - WIND INDEX ENDORSEMENT STANDARDS HANDBOOK CONTROL CHART

	TP Page(s)	TC Page(s)	Text Page(s)	Exhibit Page(s)	Date	Directive Number
Remove	1-2	1-1	1-12	13-22	February 2020	FCIC 24360
Insert	1-2	1-2	1-16	17-26	June 2021	FCIC 24360
Current Index	1-2	1-2	1-16	17-26	June 2021	FCIC 24360

FILING INSTRUCTIONS

This handbook replaces FCIC-24360, Hurricane Insurance Protection - Wind Index Standards Handbook, dated August 20, 2020. This handbook is effective upon approval until obsoleted.

SUMMARY OF CHANGES

Listed below are the changes to the 2022 FCIC-24360 Hurricane Insurance Protection - Wind Index Standards Handbook with significant content change. Minor changes and corrections are not included in this listing.

Reference	Description of Changes
Para. 2	Added note to address 2-year module for Pecan Revenue.
Para. 6 (1)	Added coverage under the HIP-WI Endorsement will automatically be voided or terminated to match when the underlying policy is voided or terminated.
Para. 7 A	Added language to clarify attachment of the administrative fee for HIP-WI coverage.
Para. 14 C	Added clarifying language to address the attachment of insurance waiting period in subsequent years when HIP-WI coverage levels are adjusted.
Para. 22	Added a new paragraph clarifying the impact to HIP-WI liability for acreage adjustments to the underlying crop policy.
Para. 31	Added clarifying language that any adjustment to liability to the underlying crop policy will apply.
Definitions	Added and modified definitions.

HURRICANE INSURANCE PROTECTION - WIND INDEX ENDORSEMENT STANDARDS HANDBOOK

TABLE OF CONTENTS

PAGE NO.

PART 1 GENERAL INFORMATION AND REQUIREMENTS

1 General Information ... 1
2 Endorsement Availability ... 1
3 Eligibility Requirements ... 1
4 HIP-WI Plan of Insurance Code ... 2
5 Continuous Endorsement ... 2
6 Cancellation or Policy Change ... 2
7 Administrative Fees and Premium ... 3
8 Written Agreements (WA) ... 3
9 Impact of High-Risk Land ... 4
10 Underlying Policy Requirements ... 4
11 Supplemental Coverage Option (SCO) and Stacked Income Protection Policy (STAX) ... 4
12 Duplicate Policy Exceptions ... 4
13 Planted Acreage Only ... 5
14 Attachment of Coverage ... 5
15 Insurable Acreage and Inventory ... 7
16 Units ... 8
17 Summary of Coverage/Schedule of Insurance ... 8
18 Insurable Cause of Loss ... 8
19 Nursery ... 9
20 (Reserved) ... 9

PART 2 ACREAGE REPORTING

21 Acreage Reporting Requirements for HIP-WI ... 10
22 Acreage Adjustments to the Underlying Policy ... 12
23-30 (Reserved) ... 12

PART 3 DETERMINING HURRICANE INSURANCE PROTECTION AND INDEMNITY

31 Hurricane Protection Amount (HPA) ... 13
32 Indemnity ... 14
33-40 (Reserved) ... 16

EXHIBITS

1 Acronyms and Abbreviations ... 17
2 Definitions ... 18
3 Form Standards ... 20
4 HIP-WI Endorsement Calculation Examples ... 22

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PART 1 GENERAL INFORMATION AND REQUIREMENTS

1 General Information

This handbook provides the FCIC approved procedures for administering the HIP-WI Endorsement. HIP-WI attaches to and is made part of the Common Crop Insurance Policy, Basic Provisions (Basic Provisions) and Crop Provisions for the insured crop. The HIP-WI provides coverage for a portion of the deductible of the underlying policy that is not otherwise covered, when the county, or a county adjacent to it, is subject to sustained hurricane force winds within its boundaries according to the National Oceanic and Atmospheric Administration (NOAA). HIP-WI does not provide indemnities for acreage that is prevented from planting or any replanting reimbursement. It is also not available with the Occurrence Loss Option (OLO) or the Comprehensive Tree Value (CTV) Endorsement. The coverage provided by this Endorsement may be combined with the Supplemental Coverage Option (SCO) and the Stacked Income Protection Plan (STAX) when acreage is also insured by a companion policy.

The HIP-WI Endorsement must be purchased from the same AIP as the underlying policy and the HIP-WI guarantee is established using information from the underlying policy. Since there are no units for HIP-WI, policy protection is based on all planted acreage (annual crops), insurable acres (perennials), and dollar amount of insurance (tree crops and nursery) of the crop in the county insured by the underlying policy. If there are multiple coverage levels, types or practices for the insured crop in the county, the HIP-WI protection amount will be determined separately for acreage or plants insured at each coverage level, type and practice.

Additionally, any liability, premium, and/or indemnity adjustments made on the underlying policy will apply to the HIP-WI Endorsement. For example, when the underlying policy premium and indemnity is reduced due to first and second insured crop limitations, the protection under the HIP-WI Endorsement will similarly be reduced. When the HIP-WI payment is limited due to first and second insured crop requirements, if there is a reinstated guarantee on the underlying policy, i.e., the remaining 65 percent is issued for the first insured crop because there is not a loss on the second insured crop, the withheld 65 percent of HIP-WI indemnity will also be issued.

2 Endorsement Availability

The HIP-WI Endorsement is available for CAT and additional coverage policies when provided on the actuarial documents.

Note: For Pecan Revenue, if the HIP-WI Endorsement is available, the HIP-WI Endorsement may be elected by the SCD and cancelled by the cancellation date for either year of the two-year coverage module.

3 Eligibility Requirements

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

(1) have an insurance policy under the CCIP-BP and the applicable CP with the same AIP;

(2) elect the HIP-WI Endorsement on or before the SCD for the underlying policy;

(3) elect a HIP-WI coverage percentage;

3 Eligibility Requirements (Continued)

(4) not have elected the Occurrence Loss Option (OLO) or the Comprehensive Tree Value (CTV) Endorsement for the underlying policy; and

(5) comply with all terms and conditions of the HIP-WI Endorsement.

4 HIP-WI Plan of Insurance Code

When elected, the HIP-WI Endorsement establishes a separate plan of insurance code of 37 for the HIP-WI Endorsement coverage for IT processing purposes only. Although the HIP-WI Endorsement creates an insurance plan for IT processing, the actuarial documents identify HIP-WI Endorsement availability as additional tabs for the underlying policy's plan of insurance, on the actuarial documents.

5 Continuous Endorsement

The HIP-WI Endorsement is a continuous endorsement and will remain in effect until cancelled by the insured or the AIP on or before the cancellation date.

6 Cancellation or Policy Change

(1) If the insured's underlying policy for the crop is cancelled, voided, or terminated, coverage under the HIP-WI Endorsement is automatically cancelled, voided, or terminated.

(2) Other changes made to the underlying policy do not cancel the HIP-WI Endorsement provided the new coverage (plan of insurance, etc.) also allows HIP-WI. The HIP-WI Endorsement will provide HIP-WI coverage based on the changes to the coverage level or plan of insurance of the underlying policy.

Example: The insured changes their coverage level on their underlying policy from 80 percent to 70 percent. Their HIP-WI Endorsement coverage will change from covering 80 to 95 percent to covering 70 to 95 percent, increasing HIP-WI coverage from 15 percent to 25 percent.

(3) The HIP-WI Endorsement will remain in effect when an insured adds, modifies, or removes any SCO or STAX coverage associated with the underlying policy.

After the SCD, if SCO coverage on a farm number (FN) is removed due to the FN being enrolled in the FSA Agriculture Risk Coverage (ARC) program, or if STAX coverage on a FN is removed due to the FN being enrolled in either the ARC or FSA Price Loss Coverage (PLC) program, HIP-WI coverage will not be increased to the underlying policy coverage level, unless the change to SCO or STAX coverage is reported by the insured on or before the ARD.

7 Administrative Fees and Premium

A. Administrative Fees

An administrative fee and premium for each crop covered by the HIP-WI Endorsement will be due in addition to any administrative fee(s) and/or premium(s) of the underlying policy (GSH Para.807-809) for the crop year in which the HIP-WI Endorsement attaches to the underlying policy. The administrative fee for HIP-WI coverage is on a policy basis and only attaches to the underlying policy. However, the HIP-WI administrative fee may be waived for insureds who qualify as a limited resource farmer, a BFR or a VFR (see GSH Para. 809).

Note: The HIP-WI Endorsement attaches only to the underlying policy and not to an endorsement. Therefore, only one administrative fee is charged for HIP-WI coverage.

Example: An insured has a Revenue Protection policy and elects the Cottonseed Endorsement, SCO Endorsement, and the HIP-WI Endorsement. The insured would pay four administrative fees, based on these elections, as follows:

- administrative fee for the Revenue Protection policy (underlying policy).
- administrative fee for the Cottonseed Endorsement (attached to the underlying policy).
- administrative fee for SCO (attached to the underlying policy)
- administrative fee for the HIP-WI Endorsement (attached to the underlying policy).

B. Premium

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 is contained on the actuarial documents.

8 Written Agreements (WA)

(1) WAs are not authorized to add the HIP-WI Endorsement to an underlying policy when the HIP-WI Endorsement is not provided on the actuarial documents for the crop/county.

Example: The insured has a WA to insure corn in County A, which allows a crop to be insured in a county when the published actuarial documents do not include that crop in the county (XC WA). The XC WA references County Z which offers the HIP-WI endorsement. The County A corn policy cannot have HIP-WI coverage because HIP-WI is not provided for corn in the published county actuarial documents in County A. A crop in a county can only have HIP-WI coverage if the HIP-WI plan of insurance is specifically listed in the actuarial documents for that state, crop, and county.

(2) If the HIP-WI Endorsement is available on the actuarial documents for the crop/county where the crop is physically located, the HIP-WI Endorsement may be elected when a WA applies to the underlying policy.

8 Written Agreements (WA) (Continued)

Example: The insured has a high-risk rated area written agreement (HR WA) on their underlying policy for NI corn for grain and the HIP-WI is available for NI corn for grain. Since the HIP-WI is available for the crop/county/P/T, the insured may elect HIP-WI for the policy even though the HR WA is applicable.

9 Impact of High-Risk Land

(1) High-risk acreage insured by the underlying policy is insurable under HIP-WI.

(2) Any high-risk acreage excluded from an underlying policy under the High-Risk Land Exclusion Option is not insurable under HIP-WI, unless the high-risk acreage is insured under a CAT policy. If the high-risk acreage is insured under a CAT policy the insured may elect to insure their high-risk acreage under the HIP-WI Endorsement.

(3) When high-risk acreage is insured under a separate policy by the HRACE, the HIP-WI Endorsement must be elected on the HRACE policy when the insured elects the HIP-WI Endorsement on their base policy.

10 Underlying Policy Requirements

The HIP-WI Endorsement can only be elected if the insured has an underlying policy insured under the CCIP-BP. Both the underlying policy and HIP-WI must be with the same AIP.

The HIP-WI Endorsement is not available with ARPI, WFRP, or with STAX when STAX is a standalone policy.

11 Supplemental Coverage Option (SCO) and Stacked Income Protection Policy (STAX)

The insured may elect both the HIP-WI Endorsement and SCO or the HIP-WI Endorsement and STAX, if they meet the eligibility requirements of both programs. The insured may also elect the HIP-WI Endorsement, SCO and STAX; however, the same acreage cannot be insured under both the SCO and STAX.

If the insured has elected both the HIP-WI Endorsement and STAX, then the upland cotton must also be insured under the CCIP BP. If the underlying policy is ARPI or a standalone STAX policy, the HIP-WI Endorsement is not available for the upland cotton.

After the SCD, if SCO coverage on a FN is removed due to the FN being enrolled in the ARC program, or if STAX coverage on a FN is removed due to enrollment in either the ARC or PLC program, HIP-WI coverage will not be increased to the underlying policy coverage, unless the change to SCO or STAX coverage is reported by the insured on or before the ARD.

12 Duplicate Policy Exceptions

The HIP-WI Endorsement is not considered a duplicate policy with an underlying policy when available in the actuarial documents.

13 Planted Acreage Only

(1) Only planted acreage can be insured under HIP-WI. When HIP-WI is elected, all eligible (insured) planted acreage of the crop, including perennial crops, inventory of the crop (e.g., nursery), and insurable trees and plants in the county where those acres, inventory, or trees and plants are insured by the underlying crop policy must also be insured under the HIP-WI Endorsement when all acreage or inventory of the crop is required to be insured by the underlying policy. Any crop acreage, inventory, or trees and plants that are not insured by the underlying policy are not covered by HIP-WI.

If a qualifying event triggers an indemnity during a planting period, as defined in the actuarial documents, the insurable acreage planted as of that event date is insured under HIP-WI and eligible for an indemnity. If additional insurable crop acreage is planted during the same planting period after that qualifying event, the additional insurable crop acreage will be insurable and eligible for an indemnity payment if a second qualifying event occurs.

Example: Farmer A has 50 insurable crop acres planted when Hurricane A triggers the county and Farmer A receives a HIP-WI indemnity for the 50 acres. After the hurricane, Farmer A plants an additional 150 insurable crop acres before the final planting date. If Hurricane D triggers the county after Farmer A plants an additional 150 acres, Farmer A can receive a HIP-WI indemnity on the additional 150 acres, bringing the total acres indemnified to 200 acres (50 acres due to Hurricane A plus 150 acres due to Hurricane D).

(2) Insurable acreage planted during the late planting period is eligible for HIP-WI coverage based on the late planted guarantee. If acreage is planted after the late planting period or after the final planting date when no late planting period applies and the underlying policy guarantee is reduced to the same level as a prevented planting guarantee, the acreage will be covered by HIP-WI based on the reduced guarantee of the underlying policy.

(3) HIP-WI will not insure any crop acreage prevented from planting.

(4) For planted cotton acres where cottonseed endorsement exists, HIP-WI coverage will apply to both the underlying cotton crop policy and the cottonseed endorsement.

14 Attachment of Coverage

A. Insurance Period

(1) Begins on the insurance attachment date, when provided in the HIP-WI actuarial documents. When no insurance attachment date is provided on the HIP-WI actuarial documents, the insurance period begins on the later of:

(a) the sales closing date for the underlying policy; or

(b) the earliest planting date, for each planting period when applicable, for the underlying policy, and

A. Insurance Period (Continued)

(2) Ends on the end of insurance date, for each planting period when applicable, when provided in the:

(a) HIP-WI actuarial documents; or

(b) underlying policy actuarial documents when not provided in the HIP-WI actuarial documents.

(3) In lieu of (1-2) in this definition, for those crops where the underlying policy requires a waiting period, the period:

(a) beginning on the date insurance attaches on the underlying policy; and

(b) ending on the:

(i) end of insurance date, for each planting period when applicable, when provided in the HIP-WI actuarial documents; or

(ii) end of insurance date published, for each planting period when applicable, provided in the underlying policy actuarial documents when not provided in the HIP-WI actuarial documents.

B. Initial Year of Election

The initial year HIP-WI is elected, coverage will not begin until 14 days after the SCD. Where the underlying policy also requires a similar waiting period, the waiting periods will run concurrently and if the underlying policy waiting period is longer than 14 days, the HIP-WI waiting period will extend to match the underlying policy waiting period length.

Example: Nursery Crop policies are subject to a 30-day waiting period before commencement of coverage. If the application for a Nursery Crop policy and the HIP-WI is filed on or before the SCD, the HIP-WI waiting period will begin on the date the application is filed and will expand to run the entirety of the 30-day waiting period for the Nursery Crop policy.

C. Subsequent Years

For subsequent years, HIP-WI coverage may be adjusted (e.g., lowering coverage on underlying policy, increasing HIP-WI coverage percentage, decreasing STAX coverage level, etc.) on or before the SCD. If HIP-WI coverage is:

(1) Decreased, the decreased coverage will take effect immediately (there is no waiting period). If a qualifying event triggers the county, HIP-WI coverage will be based on the lower coverage for the current insured year.

C. Subsequent Years (Continued)

(2) Increased, the increased coverage will not be effective until the later of 14 days after the SCD, or the end of the waiting period for the underlying policy, when a waiting period is required by the underlying policy.

(a) If a qualifying event triggers the county within the 14-day waiting period, or within the waiting period for the underlying policy when required, HIP-WI coverage (including liability, premium and any indemnity) will be calculated based on the lower HIP-WI coverage from the previous crop year for the acreage insured under HIP-WI at that time.

Example: Farmer A elected 70 percent coverage level for winter wheat on his underlying policy for crop year 2021. In crop year 2022, Farmer A lowers the coverage level on the underlying winter wheat policy to 65 percent which increases the coverage under HIP-WI for winter wheat. If Farmer A's county is triggered within the 14-day waiting period, HIP-WI coverage and indemnity will be calculated based on the HIP-WI coverage from the 2021 crop year.

(b) If additional acreage is insured under HIP-WI after the 14-day waiting period, or the waiting period of the underlying policy, that acreage will be insured using the current year's HIP-WI coverage.

Example: Using the example in (a) above, in crop year 2022 Farmer A plants 100 acres of winter wheat on 10/05/2021, a hurricane makes landfall in the county on 10/10/2021, which is within 14 days after the SCD, triggering the county. Since coverage under the HIP-WI was increased from the prior year, the coverage and indemnity for this triggered event will be based on the prior year's HIP-WI coverage. Farmer A plants an additional 50 acres on 10/20/21; HIP-WI coverage on the additional acres will be based on the 2022 elected coverage instead of being limited to the prior year's lower coverage.

15 Insurable Acreage and Inventory

(1) All eligible planted (insured) acreage, including perennial crops, inventory of the crop (e.g., nursery) and insurable trees and plants in the county where those acres, inventory, or trees and plants are insured by the underlying policy must be insured under the HIP-WI.

This includes all acreage of a crop when there are different planting periods, unless:

- the underlying policy allows the planting periods to be insured separately; or
- the actuarial documents do not provide a HIP-WI rate for all planting periods.

15 Insurable Acreage and Inventory (continued)

If the actuarial documents provide a HIP-WI rate for multiple planting periods, all planting periods must be insured under the HIP-WI Endorsement whenever the crop is planted in multiple planting periods. If the actuarial documents only provide a HIP-WI rate for one, or some, of the planting periods, then only those planting period(s) for which the actuarial documents provide a rate can be insured under the HIP-WI Endorsement, even if the crop is planted in all planting periods.

Example: A crop policy has a fall, winter, and spring planting period. The HIP-WI insurance period for the spring planting period is 12/16 - 5/31 (entirely outside of the hurricane season). The HIP-WI insurance period for the fall planting period is 9/12 - 2/15. The HIP-WI insurance period for the winter planting period is 10/2 - 4/15. If the actuarial documents provide a HIP-WI rate for all planting periods, then all planting periods must be insured under the HIP-WI Endorsement if the crop is planted in all planting periods. If the actuarial documents only provide a HIP-WI rate for the fall and winter planting periods, then the fall and winter planting periods can be insured under the HIP-WI Endorsement but not the spring planting period, even if the crop was planted in all planting periods.

(2) Any crop acreage or inventory that is not insured by the underlying crop policy is not covered by HIP-WI.

(3) Any insurable crop acreage planted after a qualifying event has triggered an indemnity payment will be insurable and eligible for an indemnity payment if a second qualifying event occurs.

16 Units

In lieu of the provisions regarding units and unit division in the underlying policy, HIP-WI will be based on all eligible planted (insured) acreage, including perennial crops, inventory of the crop (e.g., nursery) and insurable trees and plants in the county insured by the underlying policy, regardless of whether such acreage is owned, rented for cash, or rented for a share of the crop, including acres on which the insured is insuring the share of the landlord/tenant.

17 Summary of Coverage/Schedule of Insurance

The Summary of Coverage/Schedule of Insurance must provide the protection, premium and administrative fee for the HIP-WI.

18 Insurable Cause of Loss

Sustained hurricane winds are the only cause of loss for HIP-WI and will be determined from NOAA hurricane wind extents data (refer to the HDP documents). NOAA publishes hurricane wind extent data for each storm track that includes the extent of the hurricane force winds from the hurricane's location extended out to each of the Cartesian quadrants in nautical miles. The series of quadrant extents are utilized to determine the county loss trigger.

(1) To be eligible to receive an indemnity payment, the county loss trigger must have occurred

in the county, or an adjacent county, within the insurance period.

(a) RMA will identify counties with a county loss trigger or an adjacent county on the actuarial documents.

(b) For an insured crop under the HIP-WI Endorsement, only one indemnity payment per insurance period or per planting period when applicable, per acre is allowed.

(2) Individual farm yields and revenues are not considered under HIP-WI. It is possible that an insured's farm may experience reduced revenue or reduced yield and not receive an indemnity HIP-WI.

(3) Insureds are not required to file notices of loss.

19 Nursery

HIP-WI coverage for nursery crop policies is based on the crop value using the initial Plant Inventory Value Report (PIVR) filed by the policyholder. HIP-WI coverage does not consider any increases that may occur at any time throughout the crop year based on a revised PIVR or Peak Endorsement.

(1) When an insured has Nursery (Field Grown (FG) & Container (C)) with HIP-WI and changes to Nursery Value Select (NVS) with HIP-WI, the Nursery FG&C is prorated and the total premium for HIP-WI is also prorated using the same factor as was used for the Nursery FG&C.

(2) Each nursery practice is treated as a separate crop; therefore, HIP-WI can apply to one practice but not the other.

(3) Since a new nursery policy under Nursery FG&C and NVS can be obtained at any time during the year, the insured may likewise purchase HIP-WI for a new policy, if elected at the time of the nursery crop application. Waiting periods as described in Para. 14 apply.

20 (Reserved)

PART 2 ACREAGE REPORTING

21 Acreage Reporting Requirements for HIP-WI

Because the HIP-WI Endorsement uses the underlying policy's acreage report, an insured is not required to submit an additional acreage report for HIP-WI. However, should a qualifying event trigger the county before the insured reports acreage for the underlying policy, the HIP-WI indemnity will not be paid until the insured submits an underlying policy acreage report to allow HIP-WI coverage to be determined. For crops which do not require an acreage report, use the crop's equivalent of an acreage report.

Example: The Nursery Crop Insurance Program does not require an acreage report but does require the insured to provide a PIVR, which is used to determine the amount of insurance.

A. Eligible Acres

(1) The initial year a HIP-WI Endorsement is accepted:

(a) if a qualifying event triggers the county before the insured reports acreage for the underlying policy, the number of eligible acres for HIP-WI will be the lesser of the following as determined by the AIP:

(i) the number of acres specified on an intended acreage report submitted to the AIP by the underlying policy SCD or, for added acreage, within 10 days of the date the insured acquires the acreage; or

(ii) the actual acres planted at the time of the qualifying event triggers the county and reported on the underlying policy acreage report; or

(b) if a qualifying event has not triggered the county on or before the insured reports acreage for the underlying policy, the number of eligible acres for HIP-WI will be the planted insurable acres specified on the acreage report filed and accepted by the AIP on or before the ARD of the underlying policy.

Note: An intended acreage report is not required. However, for acres to be covered under HIP-WI the initial year of application, an insured must provide an acreage report prior to the qualifying event triggering the county.

(2) For any subsequent crop year:

(a) if a qualifying event triggers the county before the insured reports acreage for the underlying policy, the number of eligible acres for HIP-WI will be the actual acres planted, limited to the lesser of the following as determined by the AIP:

(i) the number of acres planted at the time of the occurrence of the qualifying event, which must be reported on the underlying policy acreage report for the current year; or

A. Eligible Acres (continued)

(ii) the highest number of planted insurable acres for the crop in the county in any one of the immediate past four crop years.

(b) if a qualifying event does not trigger the county before the insured reports their acreage for the underlying policy, the number of eligible acres for HIP-WI will be the number of acres specified on the acreage report filed and accepted by the AIP on or before the ARD of the underlying policy.

(3) When an intended acreage report is filed, eligible acres will be limited to the actual acres planted and reported on the acreage report.

B. Crops Which Do Not Require an Acreage Report

(1) Coverage will be based on the amount of insurance determined by the crop's equivalent of the acreage report.

Example: A PIVR is required for the Nursery Crop Provisions instead of an acreage report, therefore, a PIVR is used in the same manner as an acreage report.

(2) When the underlying policy requires a waiting period for insurance to attach after acceptable documents to determine insurance coverage are received, if a qualifying event triggers the county:

(a) the initial crop year a HIP-WI Endorsement is accepted, HIP-WI coverage will attach the later of:

- the waiting period for HIP-WI (SCD plus 14 days); or
- the waiting period for the underlying policy after all required acceptable reporting documents are received.

(b) for any subsequent crop year for HIP-WI carryover insureds, if a qualifying event triggers the county after all required acceptable reporting documents are received but prior to insurance attachment of the underlying policy, coverage for HIP-WI will be the lesser of:

(i) the amount of insurance reported on the underlying policy acreage report equivalent for the current year; or

(ii) the amount of insurance in the prior year.

22 Acreage Adjustments to the Underlying Policy

Any adjustments to the acreage report on the underlying policy will automatically apply to the HIP-WI Endorsement.

Example: If the underlying policy acreage report is revised from what was initially reported due to overreported acreage by reducing the number of insurable acres, such reductions will also apply to the HIP-WI Endorsement automatically since HIP-WI uses the underlying policy's acreage report.

Example: When an acreage report is revised from what was initially reported due to underreported acreage, assuming the underreported acreage does not meet the qualifications to be added as insurable acreage on a revised acreage report, the underreported acreage is included on the revised acreage report as unreported acreage or an unreported unit, when units are applicable, Liability for both the underlying policy and the HIP-WI Endorsement will not increase. Unreported acreage is not considered insurable (see CIH Para. 1232A(3)).

23-30 (Reserved)

PART 3 DETERMINING HURRICANE INSURANCE PROTECTION AND INDEMNITY

31 Hurricane Protection Amount

The AIP must determine protection provided under HIP-WI, separately by coverage level, type and practice, when applicable, then summed for the crop.

A. Calculate HPA for Underlying Policies Containing Acres

To calculate the HPA for all eligible insured acres of the crop in the county:

(1) Calculate HPA separately for all planted acres of the crop in the county with the same coverage level, type, and practice:

(a) Determine the insured's hurricane coverage range by subtracting from 95 percent the higher of the coverage level of the underlying policy, the upper end of the insured's SCO coverage range (if SCO coverage applies), or the upper end of the insured's STAX coverage range (if STAX coverage applies);

(b) Determine the expected crop value by dividing the liability of the underlying policy for those acres of the same coverage level, type and practice by the coverage level for the same eligible acres and then divide by the percentage of the price election or percentage of projected price, as applicable, of the underlying policy;

Note: When SCO or STAX coverage is in effect with the underlying policy, use only the liability and coverage level for the underlying policy, not the SCO or STAX liability or coverage level.

Note: Any adjustment to liability to the underlying crop policy will apply to the HIP-WI Endorsement.

(c) Multiply the expected crop value by the amount of the hurricane coverage range; and

(d) Multiply the result of (c) by the HIP-WI coverage percentage elected by the insured. This is the HPA.

(2) Sum the results of (1) for each coverage level, type, and practice combination to determine the HPA for all eligible insured acres of the crop in the county.

B. Calculate HPA for Underlying Policies That Do Not Contain Acres

To calculate the HPA for the crop in the county:

(1) Calculate HPA separately for each BU on the underlying policy with the same coverage level:

(a) Determine the hurricane coverage range by subtracting the coverage level of the underlying policy from 95 percent;

(b) Determine the expected crop value by dividing the liability of the underlying policy by the coverage level of the underlying policy, as applicable, and then again by the percentage of price election or percentage of projected price, as applicable, of the underlying policy to determine the expected crop value;

(c) Multiply the expected crop value by the hurricane coverage range; and

(d) Multiply the result of (c) by the coverage percentage elected by the insured.

(2) For crop policies where protection is provided based on all eligible inventory, the value of HIP-WI will not increase when there is an increase in the underlying policy inventory during the crop year by a revised report allowable by the underlying policy. The HPA will remain consistent with the coverage established at the beginning of the insurance period for each planting period, where applicable, for the underlying policy.

C. Impact of ARC/PLC Election and/or Enrollment

If the underlying policy includes SCO, the HPA will not increase on a crop, practice, type, and farm number if the insured elects that farm number in the ARC program and fails to report that election on the acreage report on or before the ARD. If the insured timely reports the election of a FN in ARC on the acreage report on or before the ARD, the HPA can extend to the coverage level on the underlying policy.

If the underlying policy includes STAX, the HPA will not increase on a crop, practice, type, and farm number if the insured enrolls that farm number in the ARC or PLC program and fails to report that enrollment on the acreage report on or before the ARD. If the insured timely reports the enrollment of a FN in ARC or PLC on the acreage report on or before the ARD, the HPA can extend to the coverage level on the underlying policy.

32 Indemnity

A. Notice of Loss Requirements

Insureds are not required to file a notice of loss for HIP-WI.

B. Indemnity Due

An indemnity will be due under HIP-WI if:

(1) The county loss trigger is identified for the county, or adjacent county.

(a) RMA may add counties that were not included in the initial county release based upon release of updated NOAA wind extent data.

(b) Once counties are included in the list, they will not be removed even if later data indicates they did not meet the criteria.

(2) FCIC will identify the counties and their adjacent counties meeting the trigger due to sustained hurricane winds.

(3) Only one indemnity per insurance period per planted acre (or equivalent) is allowed under the HIP-WI Endorsement.

(4) For those crops with multiple planting periods within an insurance period, only one indemnity payment is allowed per eligible planting period, on a per acre basis.

Example: An insured has 5 acres of the crop planted on September 10 when a hurricane hits and triggers the county. After that hurricane, the insured plants an additional 25 acres within the same planting period, giving the insured a total of 30 acres of the crop for that planting period. For the September 10 hurricane, the insured would be paid an indemnity on the 5 acres, assuming all requirements are met (Note: Eligible acres are capped when the qualifying event that triggers the county occurs before acreage is reported on the underlying policy). The additional acres planted and reported on the acreage report during the same planting period but after the qualifying event that triggers the county are not eligible for an indemnity payment from that first event.

If another hurricane occurs during the insurance period, the 25 additional insured acres planted during the planting period will be eligible for HIP-WI coverage and an indemnity. The 5 acres indemnified under the September 10 hurricane are not eligible for another HIP-WI indemnity. There will be only one indemnity payment made for an insurance period or planting period when applicable, on a per acre basis.

C. Indemnity Calculation

Indemnity will be the HPA for all eligible acres, inventory, or trees and plants for the crop in the county when a qualifying event triggers the county (see Para. 31A).

32 Indemnity (Continued)

D. Timing of Indemnities

Indemnities will be paid within 30 days after the later of the date:

(1) FCIC releases the eligible HIP-WI counties;
(2) The date the insured provides an acceptable acreage report; or
(3) The conditions in the Basic Provisions sections 14(f)(2)-(4) are met.

33-40 (Reserved)

Acronyms and Abbreviations

The following table provides the acronyms and abbreviations used in this handbook.

Approved Acronyms/Abbreviations	Term
AIP	Approved Insurance Provider
APH	Actual Production History
ARC	Agriculture Risk Coverage Program
ARPI	Area Risk Protection Insurance
CAT	Catastrophic Risk Protection Endorsement
CCIP-BP	Common Crop Insurance Policy-Basic Provisions
CIH	Crop Insurance Handbook
CP	Crop Provisions
FCIC	Federal Crop Insurance Corporation
HDP	Hurricane Data Provisions
HIP-WI	Hurricane Insurance Protection - Wind Index
HPA	Hurricane Protection Amount
HRACE	High-Risk Alternate Coverage Endorsement
NOAA	National Oceanic and Atmospheric Administration
OU	Optional Unit
RP	Revenue Protection Plan of Insurance
RP-HPE	Revenue Protection with Harvest Price Exclusion Plan of Insurance
SCD	Sales Closing Date
STAX	Stacked Income Protection Plan
YP	Yield Protection Plan of Insurance

Definitions

Adjacent County - Counties identified in the US Census County Adjacency File located at https://www2.census.gov/geo/docs/reference/county_adjacency.txt, unless modified in the actuarial documents.

County - In addition to the definition in the Basic Provisions, county boundaries may be modified for the purposes of determining coverage and county loss trigger in the actuarial documents.

County Loss Trigger - The occurrence of sustained hurricane force winds in a county, or adjacent county, as determined by the Risk Management Agency (RMA) in accordance with the Hurricane Data Provisions (HDP) document and identified on the actuarial documents. The date of the county loss trigger will be the day of arrival of the sustained hurricane force wind field from a named hurricane in the county or adjacent county, as determined by RMA in accordance with HDP.

Coverage Percentage - A factor the insured elects, between 1 and 100 percent in whole percent increments, used to determine the Hurricane Protection Amount.

Expected Crop Value - The value of the crop based on the underlying policy and determined by dividing the liability of the underlying policy for those acres by the coverage level and then dividing again by the percent of the price or price election of the underlying policy.

Hurricane Coverage Range - The amount of difference between 95 percent and the higher of the coverage level of your underlying policy, or the upper end of your SCO coverage range (if SCO coverage applies), or the STAX coverage range (if STAX coverage applies), expressed as a whole percentage.

Hurricane Data Provisions (HDP) - A document that describes the methodology utilized by RMA, incorporating NOAA hurricane data, that identifies a county subjected to sustained hurricane force winds and any county adjacent to that county.

Hurricane Protection Amount (HPA) - The dollar amount of insurance determined by the HIP-WI Endorsement.

Definitions (Continued)

Insurance Period **-** In lieu of section 11 of the Basic Provisions, the period:

(a) beginning on the insurance attachment date, when provided in the HIP-WI actuarial documents; or, when the insurance attachment date is not provided on the HIP-WI actuarial documents, the later of:
  (1) the sales closing date for the underlying policy; or
  (2) the earliest planting date, for each planting period when applicable, for the underlying policy; and

(b) ending on:
  (1) the end of insurance date, for each planting period when applicable, when provided in the HIP-WI actuarial documents; or
  (2) the end of insurance date published, for each planting period when applicable, provided in the underlying policy actuarial documents when not provided in the HIP-WI actuarial documents.

(c) In lieu of (a-b) in this definition, for those crops where the underlying policy requires a waiting period, the period:
  (1) beginning on the date insurance attaches on the underlying policy; and
  (2) ending on:
    (i) the end of insurance date, for each planting period when applicable, when provided in the HIP-WI actuarial documents; or
    (ii) the end of insurance date published, for each planting period when applicable, provided in the underlying policy actuarial documents when not provided in the HIP- WI actuarial documents.

Intended Acreage Report - In lieu of the definition contained in the Basic Provisions, a report of the acreage you intend to plant, by crop, for the current crop year and used solely for the purpose of establishing the number of eligible acres for coverage under this program as indicated in Para. 21 of this handbook.

National Oceanic and Atmospheric Administration (NOAA) - An agency within the United States Department of Commerce, or its successor.

Supplemental Coverage Option (SCO) - A county-level crop insurance option that provides additional coverage for a portion of an insured's underlying insurance policy deductible.

Stacked Income Protection Plan (STAX) - A crop insurance product for upland cotton that provides coverage for a portion of the expected revenue for an insured's area.

Underlying Policy - The Common Crop Insurance Policy, Basic Provisions (Basic Provisions) published at 7 C.F.R. part 457 and Crop Provisions, to which this Endorsement is attached. A crop covered by any plan of insurance not under the Basic Provisions will not qualify as an underlying policy for the Endorsement.

Hurricane Insurance Protection Endorsement

Insureds who wish to insure under the HIP-WI Endorsement may amend their policy by signing and submitting the HIP-WI Endorsement Application, developed according to these standards on or before the SCD for the first crop year for which the insured wishes to elect the HIP-WI Endorsement. The AIP may combine the HIP-WI Endorsement Application with another form contained in the Document and Supplemental Standards Handbook (DSSH), if the combined form meets the applicable standards in place for each individual form.

1. Insured Information

A “Insured’s Name” (Substantive)

B “Underlying Policy Number” (Substantive)

C “Street or Mailing Address” (Substantive)

D “City, State and Zip Code” (Substantive)

E “Identification Number” (Substantive)

F “Identification Number Type” (Substantive)

2. Crop Information

A “County Name” (Substantive)

B “Crop(s)” (Substantive)

C “Crop Year” (Substantive)

D “Underlying Plan of Insurance” (Substantive)

E “HIP-WI Coverage Percentage” (Substantive)

F “HIP-WI Plan of Insurance” (Substantive)

<u>Form Standards (Continued)</u>

3. Terms and Conditions

"In addition to Section 3(b)(2) of the Basic Provisions, I hereby elect this Hurricane Insurance Protection - Wind Index Endorsement, and by this election I understand:

(1) I must have purchased an underlying policy consisting of the Common Crop Insurance Policy Basic Provisions and applicable Crop Provisions to elect this Endorsement and must also purchase this Endorsement with the same Approved Insurance Provider as my Common Crop Insurance Policy.

(2) If at any time my underlying policy for the crop is cancelled or terminated, coverage under this Endorsement is automatically cancelled or terminated.

(3) That by electing this Endorsement, it will continue from year to year unless I oryou cancel or change my election by written notice on or before the cancellation date or my coverage is otherwise canceled or terminated under the terms of my underlying policy.

(4) Separate Administrative Fees will be assessed for each crop insured under this Endorsement." (Substantive)

4. Required Signatures

A "Insured's Printed Name, Signature and Date" (Substantive)

B "Agent's Printed Name, Signature, Date, and Code Number" (Substantive)

5. Required Statements

A Certification Statement (Substantive)

B Privacy Act Statement (Substantive)

C Nondiscrimination Statement (Substantive)

<u>HIP-WI Endorsement Calculation Examples</u>

Producer A farms 100 acres of corn in county X and has an approved yield of 154.6 bushels per acre, with a 100 percent share. The projected price is $4.00 per bushel, as published on the actuarial documents in county X. The producer elects HIP-WI coverage of 90 percent. (This information, with some changing variables, applies to the following examples.)

A. Example for Underlying Policy with CAT Coverage:

(1) Step 1: Calculate hurricane coverage range:

Formula: 95 percent minus the maximum coverage from the underlying policy

0.95 – 0.50 = 0.45 hurricane coverage range

(2) Step 2: Calculate the expected crop value of the underlying policy:

Formula: Divide the liability of the underlying policy by the coverage level of the underlying policy, and then by the percentage of price election or percentage of projected price, as applicable, of the underlying policy

$17,006 ÷ 0.50 ÷ 0.55 = $61,840 expected crop value

(3) Step 3: Calculate HPA:

Formula: Multiply the expected crop value by the HIP-WI coverage range and the coverage percentage

$61,840 x 0.45 x 0.90 = $25,045 HPA

(4) If FCIC determines a county is HIP-WI eligible, the indemnity payment would be $25,045, the full hurricane protection amount.

B. Example for CCIP Policy

Producer A elects HIP-WI coverage of 70 percent and 100 percent of price. The remaining information remains the same as the previous example. The liability for the underlying policy is $43,288:

(1) Step 1: Calculate hurricane coverage range:

Formula: 95 percent minus the maximum coverage from the underlying policy

0.95 – 0.70 = 0.25 hurricane coverage range

B. Example for CCIP Policy (Continued)

(2) Step 2: Calculate the expected crop value of the underlying policy:

Formula: Divide the liability of the underlying policy by the coverage level of the underlying policy, and then by the percentage of price election or percentage of projected price, as applicable of the underlying policy

$43,288 ÷ 0.70 ÷ 1.00 = $61,840 expected crop value

(3) Step 3: Calculate the HPA:

Formula: Multiply the expected crop value of the underlying policy by the HIP coverage range and the coverage percentage

$61,840 x 0.25 x 0.90 = $13,914 HPA

If FCIC determines the county meets the county loss trigger, the indemnity payment would be $13,914.

C. Example for Underlying Policy with SCO

(1) Step 1: Calculate hurricane coverage range:

Formula: 95 percent minus the higher of the coverage level from the underlying policy (which is 70 percent) or the upper end of the SCO coverage range (which is 86 percent). In this case the higher number is the upper end of the SCO coverage range, or 86 percent

0.95 – 0.86 = 0.09 hurricane coverage range

(2) Step 2: Calculate the expected crop value of the underlying policy:

Formula: Divide the liability of the underlying policy by the coverage level of the underlying policy, and then by the percentage of price election or percentage of projected price, as applicable of the underlying policy

$43,288 ÷ 0.70 ÷ 1 = $61,840 expected crop value of the underlying policy.

(3) Step 3: Calculate the HPA:

Formula: Multiply expected crop value of the underlying policy by the HIP coverage range and the coverage percentage

$61,840 x 0.09 x 0.90 = $5,009 HPA

C. Example for Underlying Policy with SCO (Continued)

If FCIC determines the county meets the county loss trigger, the indemnity payment would be $5,009.

D. Example for Underlying Policy with STAX:

(1) Step 1: Calculate hurricane coverage range:

Formula: 95 percent minus the higher of the coverage level from the underlying policy (which is 70 percent) or the upper end of the STAX coverage range (which is 90 percent). In this case the higher number is the upper end of the STAX coverage range, or 90 percent

0.95 – 0.90 = 0.05 hurricane coverage range

(2) Step 2: Calculate the expected crop value of the underlying policy:

Formula: Divide the liability of the underlying policy by the coverage level of the underlying policy, and then by the percent of price election or percentage of projected price, as applicable of the underlying policy

$43,288 ÷ 0.70 ÷ 1.00 = $61,840 expected crop value of the underlying policy.

(3) Step 3: Calculate the HPA:

Formula: Multiply expected crop value of the underlying policy by the HIP coverage range and the coverage percentage

$61,840 x 0.05 x 0.90 = $2,783 HPA

If FCIC determines the county meets the county loss trigger, the indemnity payment would be $2,783.

E. Example for CCIP Policy with Multiple Coverage Levels

Insured B has a cotton yield protection policy with an approved APH yield of 1,200 lbs. per acre for IRR cotton and an approved yield of 900 lbs. per acre for NI cotton in County X, which has a projected price of $.74 per lbs., as published on the actuarial documents. Insured B makes the following elections:

- coverage level of 80% for his IRR cotton,
- coverage level of 70% for his NI cotton,
- 100% percent of price,
- HIP-WI Endorsement with a coverage level of 100%.

E. Example for CCIP Policy with Multiple Coverage Levels (Continued)

Insured B plants 100 acres of IRR cotton and 100 acres of NI cotton in county X with a 100% share. The liability for the underlying policy for IRR corn is $71,040 and for NI corn is $46,620. Because the insured elected multiple coverage levels for cotton on the underlying policy, the HPA must be calculated separately for each coverage level

(1) Step 1: Calculate hurricane coverage range for each coverage level:

Formula: 95 percent minus the maximum coverage from the underlying policy

(a) 0.95 – 0.80 = 0.15 hurricane coverage range

(b) 0.95 – 0.70 = 0.25 hurricane coverage range

(2) Step 2: Calculate the expected crop value of the underlying policy:

Formula: Divide the liability of the underlying policy (in this situation by practice due to the different coverage levels by practice) by the coverage level of the underlying policy, and then by the percentage of price election or percentage of projected price, as applicable of the underlying policy

(a) 71,040 ÷ 0.80 ÷ 1.00 = 88,800 expected crop value

(b) $46,620 ÷ 0.70 ÷ 1.00 = $66,600 expected crop value

(3) Step 3: Calculate the HPA:

Formula: Multiply the expected crop value of the underlying policy by the HIP coverage range and the coverage percentage

(a) $88,800 x 0.15 x 1.00 = $13,320 HPA

(b) $66,600 x 0.0025 x 1.00 = $16,650 HPA

If FCIC determines the county meets the county loss trigger, the indemnity payment would be $29,970.

F. Example for Underlying Policies That Do Not Contain Acres

Insured C has a nursery crop insurance policy in County Z with two BUs:

Unit = 0001-0000 - Field Grown/Roses,
- Coverage level = 70%;Value = $50,000; Share = 1.000;
- Amount of insurance = $50,000 x 0.70 x 1 = $35,000

F. Example for Underlying Policies That Do Not Contain Acres (Continued)

Unit = 0001-0000 - Field Grown/Fruit & Nut Trees,
- Coverage level = 65%; Value = $75,000; Share = 1.000;
- Amount of insurance = $75,000 x 0.65 x 1 = $48,750

Insured C elects HIP-WI endorsement with a coverage level of 80%. The liability for the underlying policy for BU 0001-0000 Field Grown/Roses is $35,000 and for BU 0001-0000 Field Grown/Fruit & Nut Trees is $48,750. The HPA must be calculated separately for each BU.

(1) Step 1: Calculate hurricane coverage range for each coverage level:

Formula: 95 percent minus the maximum coverage from the underlying policy

(a) 0.95 – 0.70 = 0.25 hurricane coverage range

(b) 0.95 – 0.65 = 0.30 hurricane coverage range

(2) Step 2: Calculate the expected crop value of the underlying policy:

Formula: Divide the liability of the underlying policy by the coverage level of the underlying policy (in this situation by BU), and then by the percentage of price election or percentage of projected price, as applicable of the underlying policy

(a) $35,000 ÷ 0.70 ÷ 1.00 = $50,000 expected crop value

(b) $48,750 ÷ 0.65 ÷ 1.00 = $75,000 expected crop value

(3) Step 3: Calculate the HPA:

Formula: Multiply the expected crop value of the underlying policy by the HIP coverage range and the coverage percentage.

(a) $50,000 x 0.25 x 0.80 = $10,000 HPA

(b) $75,000 x 0.30 x 0.80 = $18,000 HPA

If FCIC determines the county meets the county loss trigger, the indemnity payment would be $28,000.