

PRODUCT MANAGEMENT BULLETIN: PM-23-008

DATE February 14, 2023

TO: All Approved Insurance Providers
All Risk Management Agency Field Offices
All Other Interested Parties

FROM: Richard H. Flournoy, Deputy Administrator /s/ John W. Underwood for Deputy
Administrator 2/14/2023

SUBJECT: Hurricane Insurance Protection-Wind Index (HIP-WI) Changes Effective for the 2023
and Succeeding Crop Years for Crops with a HIP-WI Sales Closing Date of
November 1, 2022, or Later

Background

When provided in the actuarial documents, the Hurricane Insurance Protection-Wind Index (HIP-WI) Endorsement is available for both Catastrophic (CAT) and additional coverage for Common Crop Insurance Policy Basic Provisions policies.

The following changes are applicable for the 2023 and succeeding crop years:

- Added an option for coverage for a tropical storm Weather Event;
- Clarified the definition of "County Loss Trigger";
- Added the definitions of "Final Rainfall Amount," "National Oceanic and Atmospheric Administration Climate Prediction Center," "Sustained Surface Wind," and "Weather Event"; and
- Revised Section 9 to add that National Oceanic and Atmospheric Administration interpolated gridded precipitation data will be used to calculate the Final Rainfall Amount.

Action

The following documents will be available by close of business today on the RMA website at www.rma.usda.gov:

- 2023.1 Hurricane Insurance Protection-Wind Index Endorsement (23.1-HIP-WI)
- 2023.1 Hurricane Insurance Protection-Wind Index Insurance Standards Handbook (FCIC-24360)
- 2023.1 Hurricane Data Provisions (23.1-HDP) (to be released at a later date)
- 2023.1 Hurricane Insurance Protection-Wind Index Endorsement FAQs
- 2023.1 Hurricane Insurance Protection-Wind Index Endorsement Fact Sheet

For the 2023 crop year for crops with a HIP-WI sales closing date of November 1, 2022, or later, an insured must elect the Tropical Storm (TS) option on or before April 30, 2023, to be effective. The election must be made on an existing HIP-WI Endorsement. If the insured does not already have a HIP-WI Endorsement, they may elect the HIP-WI Endorsement with TS option. However, a HIP-WI Endorsement without the TS option cannot be elected if the 2023 sales closing date for HIP-WI has already passed. In future crop years, the sales closing date for the TS option will be the HIP-WI sales closing date.

For the 2023 crop year, current HIP-WI endorsements that elect TS may perform a one-time revision to fund designation.

Approved insurance providers must notify impacted policyholders of these changes at least 30 days prior to April 30, 2023.

Interested producers should contact a crop insurance agent for further information. A list of agents can be found on the RMA website at www.rma.usda.gov/InformationTools/Agent-Locator-Page.

DISPOSAL DATE:

December 31, 2023