

PM-21-038

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Date

June 30, 2021

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

Subject

Hurricane Insurance Protection - Wind Index (HIP-WI) Changes Effective for the 2022 and Succeeding Crop Years for Crops with a Contract Change Date of June 30, 2021, or Later

Background

The Federal Crop Insurance Corporation Board of Directors approved the Hurricane Insurance Protection - Wind Index (HIP-WI) Endorsement, on November 15, 2019, for the 2020 crop year. It continues to be available for the 2022 crop year for both Catastrophic (CAT) and additional coverage for Common Crop Insurance Policy Basic Provisions policies, when provided in the actuarial documents, in counties near the Gulf of Mexico or Atlantic Ocean, as well as Hawaii.

The following changes are applicable for the 2022 and succeeding crop years:

- Revision of the definitions of “Adjacent County” and “County Loss Trigger”;
- Added the definition of “County”;
- Clarification of the impact of changing your coverage in subsequent crop years, and the limitations imposed on coverage resulting from said changes;

- Revision to determine eligible acres where a loss is not triggered for your county before you report your acreage for the underlying policy;
- Clarification that any reduction in liability to the underlying crop policy will apply to the endorsement;
- Clarification that only one administrative fee per crop, per county is owed for HIP-WI; and
- Revisions to the methodology for establishing triggered counties in the Hurricane Data Provisions.

Action

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

- 2022 Hurricane Insurance Protection - Wind Index Endorsement (22-HIP-WI)
- 2022 Hurricane Insurance Protection - Wind Index Insurance Standards Handbook(FCIC-24360)
- 2022 Hurricane Data Provisions (22-HDP)

Approved insurance providers must notify policyholders of these changes at least 30 days prior to the cancellation date, as required by the policy.

Interested producers should contact a crop insurance agent for further information. A list of agents can be found on the RMA website at rma.usda.gov/tools-reports/agent-locator.

DISPOSAL DATE:

December 31, 2021