Quality Loss Option

What is the Quality Loss Option (QL)?

The QL is an option you may elect to improve your Actual Production History (APH) for years in which the you suffered a quality loss. An improved APH will allow you to increase your coverage.

How does the QL work?

When you elect the QL, you may choose to replace post-quality adjusted (QA) production to count (PTC) with pre-QA PTC for crop years in your APH database.

Will I be able to use the QL with my current plan of insurance?

The QL is an available option under APH, Popcorn Revenue, Pulse Crop Revenue, Revenue Protection, Revenue Protection with Harvest Price Exclusion, and Yield Protection plans of insurance.

What crop programs are eligible for the QL?

The QL option must be provided in the county actuarial documents for the crops to be eligible. Eligible crops include alfalfa seed, avocados[1], barley, blueberries, buckwheat, canola, corn, cotton, cranberries, dry beans[2], dry peas[3], figs, flax, fresh apricots, fresh freestone peaches, fresh nectarines, grain sorghum, grapefruit[4], grass seed, grapes, millet, mustard, oats, oranges[4], peaches, peanuts, pears[1], plums, popcorn, processing apricots, processing cling peaches, processing freestone peaches, rice, rye, safflower, soybeans, sunflowers, table grapes, triticale, walnuts,

and wheat.

[1]California only.
[2]Excludes contract seed beans.
[3]Excludes contract seed peas.
[4]Texas only.

How will the QL affect my insurance premium?

To the degree that the QL increases your coverage, premiums will increase as well.

Am I restricted on how frequently I elect the QL after first purchasing?

No, the QL is available for you to elect starting with the 2021 crop year.

When can I elect the QL?

You must elect the QL on or before the sales closing date, starting with the 2021 crop year, for all acreage planted for the elected crop.

Starting in 2021, how can I elect the QL for prior years?

Starting in 2021, you may elect the QL for those crop years in your APH database that experienced decreased PTC due to quality discounts. The PTC for these crop years can be replaced with pre-QA PTC if a Notice of Loss (NOL) was filed in that crop year.

Am I eligible to elect the QL?

You are eligible to elect the QL when you insure one of the selected crops and the QL code is provided in the actuarial documents for your county.

Will I need to elect the QL each year?

Once you elect the QL, it is a continuous election in effect from year to year. However, you will need to modify your elections by the production reporting date on a yearly basis. If you cancel the QL prior to the following crop year's sales closing date or if your policy is transferred to another Approved Insurance Provider (AIP), your APH database will revert to your post-QA PTC amounts for all crop years in the APH database.

Can I choose specific years in my APH database to apply the QL?

Yes, the QL may apply to specific crop years within your APH database and is not limited to one year within the database. You must have filed a NOL in the crop year you wish to replace a yield in your APH database.

If my loss did not qualify for an indemnity, but did qualify for quality adjustment, can I now replace my post-QA PTC with pre-QA PTC?

If you filed a NOL, regardless of whether you received an indemnity for that crop year, you are eligible to replace your post-QA PTC in your APH database with pre-QA PTC under the QL.

Does QL provide a benefit when a zero appraisal has been applied due to FDA guidance on crops flooded above the edible portion?

No. QL will not provide benefit if pre-QA PTC is zero.