# Hurricane Insurance Protection - Wind Index Endorsement CY2021

## What is Hurricane Insurance Protection - Wind Index Endorsement?

The Hurricane Insurance Protection – Wind Index (HIP-WI) Endorsement provides coverage for a portion of the deductible, up to 95% of the expected crop value, of the underlying crop insurance policy when the county, or a county adjacent to it, is within the area of sustained hurricane-force winds from a named hurricane as published by the National Hurricane Center (NHC) at the National Oceanic and Atmospheric Administration (NOAA).

This endorsement is attached to the crop policy under the Common Crop Insurance Policy, Basic Provisions (Basic Provisions). The coverage can be combined with the Supplemental Coverage Option (SCO) and the Stacked Income Protection Plan (STAX), when acreage is also insured by a companion policy.

## Where is HIP-WI available and for what crops?

The HIP-WI Endorsement provides coverage for over 70 different crops insured under the Basic Provisions for both CAT and additional coverage policies, when provided in the actuarial documents. It will be available in counties in the vicinity of the Gulf of Mexico and the Atlantic, as well as Hawaii. If HIP-WI is available in the county, it will be available for all crops in that county insured under the Basic Provisions.

Crops include: Wheat, Blueberries, Onions, Canola, Oats, Rice, Avocados, Pecans, Cotton, Cotton Ex Long Staple, Macadamia Nuts, Macadamia Trees, Forage Seeding, Forage Production, Peaches, Sugarcane, Corn, Sweet Corn, Fresh Market Sweet Corn, Processing Beans, Grain Sorghum, Grapes, Apples, Cranberries, Hybrid Corn

Seed, Green Peas, Cabbage, Nursery (FG&C), Nursery Value Select (NVS), Peanuts, Sunflowers, Clary Sage, Hybrid Seed Rice, Soybeans, Peppers, Potatoes, Fresh Market Tomatoes, Tomatoes, Barley, Rye, Fresh Market Beans, Clams, Cucumbers, Sweet Potatoes, Tangerine Trees, Grapefruit, Lemons, Tangelos, Orange Trees, Grapefruit Trees, Lemon Trees, Lime Trees, All Other Citrus Trees, Avocado Trees, Carambola Trees, Mango Trees, Oranges, Flue Cured Tobacco, Fire Cured Tobacco, Burley Tobacco, Maryland Tobacco, Dark Air Tobacco, Cigar Filler Tobacco, Cigar Binder Tobacco, Cigar Wrapper Tobacco, Bananas, Coffee, Papayas, Banana Trees, Coffee Trees, Papaya Trees, Pecan Trees, Mandarins/Tangerines, Sesame, Tangors, Limes, Hemp

## What are the eligibility requirements for HIP-WI?

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

- Have an insurance policy under the Basic Provisions with the same insurance provider;
- Elect HIP-WI on or before the Sales Closing Date (SCD) for the underlying policy;
- Elect a HIP-WI coverage percentage;
- Not have elected the Occurrence Loss Option (OLO) or the Comprehensive Tree Value (CTV) Endorsement for the underlying policy; and
- Comply with all terms and conditions of the HIP-WI Endorsement.

## When do I have to purchase HIP-WI?

By the SCD of the underlying crop policy.

## When will my crops be covered for hurricane damage?

The insurance period for HIP-WI 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:

- The SCD of the underlying policy; or
- The earliest planting date, for each planting period when applicable, for the underlying policy.

The insurance period ends on the:

- End of insurance date, for each planting period when applicable, when provided in the HIP-WI actuarial documents; or
- End of insurance date, for each planting period when applicable, provided in the underlying policy actuarial documents when not provided in the HIP-WI actuarial documents.

## What cause(s) of loss will HIP-WI cover and what triggers an indemnity payment?

The full value of the HIP-WI Endorsement is paid if a county, or adjacent county, is within the area of sustained hurricane-force winds from a named hurricane based on data published by the NHC. The counties where payments occur will be identified in the actuarial documents. It is possible that your individual farm may experience reduced revenue or reduced yield due to hurricane-related causes and you do not receive an indemnity under HIP-WI. You are not required to file a notice of loss.

## How much does HIP-WI cost?

An administrative fee and premium for the crop covered by each HIP-WI Endorsement will be due in addition to any administrative fee(s) and/or premium(s) of the underlying policy. However, the HIP-WI administrative fee may be waived if you qualify as a limited resource farmer, a Beginning Farmer Rancher (BFR), or a Veteran Farmer Rancher (VFR).

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 rate is contained in the actuarial documents. The premium subsidy for HIP-WI is fixed at 65 percent.

## How does HIP-WI coverage work when combined with SCO or STAX?

HIP-WI covers a portion of the deductible above the SCO or STAX layer of insurance, up to 95 percent of the expected crop value, the same as for other crops.

## What will my HIP-WI coverage be based on if I have SCO or STAX acreage that is later enrolled in ARC or PLC? Will my coverage range for HIP-WI be based on the underlying policy or the coverage level including SCO or STAX since I will be ineligible for SCO or STAX indemnity on those acres?

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.

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.

## How will the HIP-WI work with Nursery and NVS?

HIP-WI will cover a portion of the deductible for Nursery and NVS, up to 95 percent of the expected crop value, the same as for other crops.

Under Nursery or NVS, if you increase inventory values above what you reported on the original report (e.g., Plant Inventory Value Report (PIVR) or Nursery Value Report (NVR)) at any point during the crop year by submitting a revised report (e.g., revised PIVR, revised NVR or Peak Inventory Value Report) allowable by the underlying policy, the value of HIP-WI will not increase, but will remain consistent with the coverage established at the beginning of the insurance period according to the original report.

## When will any HIP-WI indemnities be paid?

Sustained hurricane winds are the only cause of loss for HIP-WI and will be solely based on NOAA hurricane wind extents data (refer to the HDP documents). An indemnity is due when the county loss trigger is identified for the insured county, or adjacent county. Only one indemnity payment per insurance period or per planting period, when applicable, per acre is allowed. RMA will identify triggered counties on the actuarial documents.

Losses under HIP-WI will be paid within 30 days after the later of the date:

1. Federal Crop Insurance Corporation (FCIC) releases the list of counties identified as meeting the county loss trigger;
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.

## Do I have to buy HIP-WI for all planting periods that have HIP-WI rates?

The HIP-WI Endorsement provides coverage on a per crop basis. If the actuarial documents provide a rate for a planting period, then that planting period must be covered under the HIP-WI Endorsement.

## If I only have 5 acres planted when a triggering event occurs, am I only paid on the 5 acres planted, even if I plant 25 more acres after the hurricane occurs and triggers the county?

A HIP-WI indemnity will be paid on all eligible acres at the time of the triggering event. If additional acres are planted during the same planting period after an event has occurred, the additional acres will not be eligible for an indemnity payment from the previous triggering event. In this example, only 5 acres were planted when the hurricane occurred, so only those 5 acres would be indemnified. However, if another hurricane triggers the county after the additional 25 acres were planted, then those 25 acres would be indemnified by HIP-WI.

## In the case of 1st and 2nd crop, if the underlying policy indemnity is restored to 100% on the 1st crop, would an existing HIP-WI indemnity also be increased?

Any premium and/or indemnity reduction 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 1st and 2nd crop requirements, if there is a reinstated guarantee on the underlying policy, i.e., the remaining 65% is issued for the 1st crop because there is not a loss on the 2nd crop, the withheld 65% of HIP-WI indemnity will also be issued.

## If the triggering event occurs after billing, will the HIP-WI payment offset billing?

HIP-WI indemnity payments can be offset for premium due after the billing.

## Do I have to file an acreage report for HIP-WI?

You are not required to submit an acreage report for HIP-WI because HIP-WI uses the underlying policy’s acreage report. For crops which do not require an acreage report, the crop’s equivalent of an acreage report will be used.

## Because the HIP-WI Endorsement does not exclude late planted acreage (acreage planted DURING the late planting period), is acreage planted DURING the late planting period eligible for HIP-WI coverage?

Yes, HIP-WI will cover late planted acreage at the late planted guarantee.

## How does the eye of the storm affect tracking of the wind speeds? If the track/eye of the hurricane does not land specifically across the U.S. border (for example the eye of the storm lands just south of the Texas border) will wind speeds be measured by NOAA to meet policy specifications as outlined in the Hurricane Data Provisions?

The trigger counties are based on the hurricane wind field of a named hurricane, not on the location of the storm center (eye). If the hurricane wind field crosses a county boundary, it will trigger for payment — regardless of whether the storm center is in the United States.

## Are counties separated by water still considered adjacent and payable if the other county triggers payment?

In some cases, a triggered county is considered adjacent across a body of water in accordance with the U.S. Census Bureau’s County Adjacency File. This file can be accessed at https://www2.census.gov/geo/docs/reference/county_adjacency.txt.