

MGR-26-003: Guidance for Crop and Livestock Income Protection (CLIP) Cancellation and Interaction with Hurricane Insurance Protection - Wind Index (HIP-WI) for RY 2026

[View PDF](#)

Date

April 24, 2026

To

All Approved Insurance Providers

All Risk Management Agency Field Offices

All Other Interested Parties

From

Patricia Swanson, Administrator /s/ Pat Swanson

Subject

Guidance for Crop and Livestock Income Protection (CLIP) Cancellation and Interaction with Hurricane Insurance Protection - Wind Index (HIP-WI) for RY 2026

BACKGROUND:

Per section 6(b) and 6(c)(2) of the CLIP Policy Provisions, the CLIP policy will be canceled retroactively to the earliest cancellation date for the underlying Revenue Protection (RP) crop policies when an insured fails to meet the requirement to have at least two underlying RP crop policies with each RP crop policy having at least 10 percent of total RP crop liability. Concerns have been expressed that mailing cancellation notices on CLIP to insureds that did not meet the 10 percent liability requirement on the second crop may cause unnecessary confusion for producers during the growing season. One option to avoid this confusion would be for CLIP coverage to just not attach to the insured acres on the underlying RP policy in a year

that they did not meet the 10 percent requirement on the second crop.

Clarification was also requested concerning the low end of the HIP-WI coverage range and if the HIP-WI coverage range would revert to the RP coverage level when the 10 percent liability requirement was not met for CLIP and the insured had elected HIP-WI.

ACTION:

To simplify administration of the CLIP policy for the 2026 crop year, if the insured fails to meet eligibility requirements, AIPs may apply zero premium to CLIP rather than cancelling the policy. The policy will be updated with this change for the 2027 crop year.

In the event CLIP policy requirements were not met, the HIP-WI coverage range will extend to the underlying RP policy coverage level for any commodity for which HIP-WI was also elected. For example, assume an insured with corn and cotton chooses to elect the following coverage: RP at the 70 percent coverage level for both, CLIP at the 85 percent coverage level for both, and HIP-WI only on cotton. The HIP-WI coverage range is 95 to 85 percent with the CLIP policy in effect. If the CLIP policy eligibility is not met, the HIP-WI coverage range for cotton will be 95 to 70 percent.

DISPOSAL DATE:

Until modified or rescinded