Crop and Livestock Income Protection (CLIP)

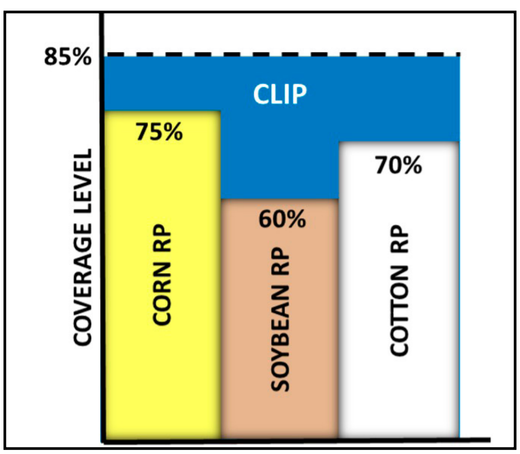
2026 and Subsequent Crop Years

General Information

Crop and Livestock Income Protection (CLIP) provides a form of umbrella revenue coverage with a higher overall coverage level for two or more underlying policies with Revenue Protection coverage (RP policies). CLIP premium savings are the result of diversification of risk across each of the covered commodities. A CLIP indemnity is due when an operation's combined revenue from the covered commodities falls below the insurance guarantee at the CLIP coverage level due to a covered cause of loss. CLIP may not be elected for use with the Catastrophic Risk Protection (CAT) Endorsement.

Below is an illustrative example of an 85% CLIP coverage level with underlying RP policies for corn, soybean, and cotton with coverage levels of 75%, 60%, and 70%, respectively.

CLIP Illustration



Causes of Loss

CLIP provides protection against the causes of loss covered by the underlying RP policies including both natural perils and a change in the harvest price from the projected price (increase or decrease).

Eligible Commodities

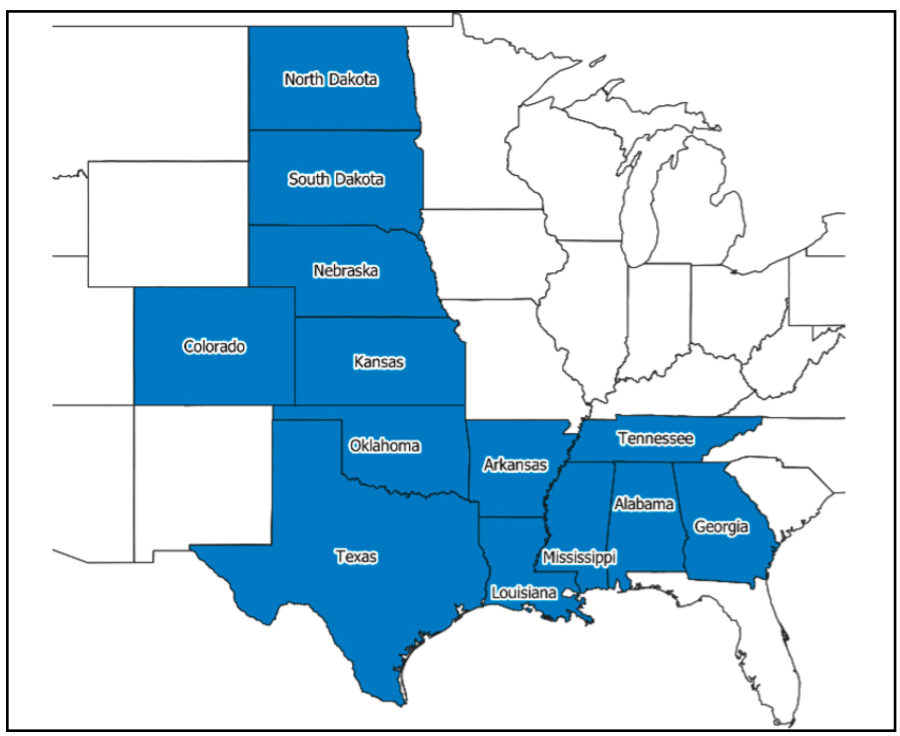
RP policies with a spring sales closing date (SCD) between January 31 and March 15, for the following crops:

- Barley (Spring)
- Canola (Spring)
- Corn
- Cotton
- Dry Beans
- Dry Peas
- Flax
- Grain Sorghum
- Oats (Spring)
- Peanuts
- Popcorn
- Rice
- Soybeans
- Sunflowers
- Weaned Calves
- Wheat (Spring)

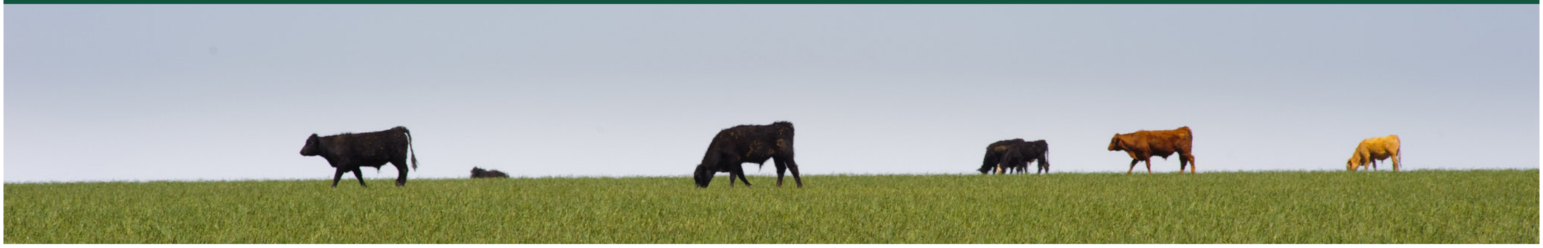
Availability

CLIP is available in select counties in thirteen states, as shown in the map below, and specified in the actuarial documents.

CLIP Coverage Area*



*CLIP may not be available in all counties



Eligibility Requirements

To be eligible for CLIP:

- The insured must have at least two underlying RP policies in force in the same county covering all insurable planted acreage or insurable head that conform to the CLIP coverage limits;
- At least two of the insured's underlying RP policies must each constitute 10% of insurable liability of all commodities insured under CLIP;
- CLIP and the underlying RP policies must be written through the same Approved Insurance Provider (AIP) and agency; and
- The insured must comply with all terms and conditions of the CLIP policy.

Insurance Period

The insurance period for CLIP begins at the same time as the insured's underlying RP policies and ends on the latest calendar date for the end of the insurance period for the insured's underlying RP policies.

Reporting Requirements

CLIP coverage is determined using the accepted reports for the insured's underlying RP policies. Separate acreage/number of head reporting or production reporting for CLIP is not required. Any applicable yield or quality adjustments to the underlying RP policies also apply to CLIP.

Settlement of a Claim

Underlying RP policy loss adjustment procedures, including notice requirements, apply to CLIP. CLIP does not affect timely claims settlement for underlying RP policies. However, any indemnity that may be due under CLIP will not be determined until all production is reported and all claim determinations have been completed for the underlying RP policies.

Administrative Fees and Premium

A separate administrative fee applies for CLIP for each county. CLIP does not require a separate administrative fee for each underlying RP policy commodity.

CLIP premium is calculated based on covered commodities and insurable liability. The premium subsidy for CLIP by coverage level is shown below.

ITEM	PERCENT						
Coverage Level	55	60	65	70	75	80	85
Premium Subsidy	80	80	80	80	80	71	56
Insured's Premium Share	20	20	20	20	20	29	44

Important Dates

The SCD and cancellation date for CLIP are the earliest for the applicable underlying RP policies. For example, if the insured has two commodities for which the insured elects CLIP, one with a February 15 SCD and the other with a February 28 SCD, CLIP coverage for both commodities must be elected by February 15.

Where to Buy Crop Insurance

Contact a crop insurance agent to see how Federal crop insurance can meet the specific needs of your operation. Crop insurance is sold and delivered solely through private crop insurance agents. A list of crop insurance agents is available online at rma.usda.gov/agent-locator.

More Information

Producers can learn more about crop insurance and the modern farm safety net at rma.usda.gov or by contacting their RMA Regional Office.

RMA fact sheets give only a general overview of Federal crop insurance programs, not complete policies. For further information and an evaluation of your risk management needs, contact a crop insurance agent.