

Crop Insurance 101

Who WE ARE

- Risk Management Agency (RMA) administers the programs of the Federal Crop Insurance Corporation (FCIC)
- 3 Divisions within RMA
 - * Product Management
 - * Compliance
 - * Insurance Services

Insurance Services Division

- Insurance Services is responsible for program delivery, local program administration, and support.
- 10 Regions: Raleigh, Valdosta, Jackson, Springfield, St. Paul, Billings, Topeka, OKC, Davis, Spokane
- Jackson Region includes:
 - *Louisiana
 - *Tennessee
 - *Mississippi
 - *Kentucky
 - *Arkansas

2007 Jackson Regional Stats

	<u>Policies</u>	<u>Ins. Acres</u>	<u>Liability</u>
LA	8,815	2,673,790	\$518,869,828
MS	7,915	3,352,550	\$556,585,696
AR	17,028	4,428,719	\$611,349,224
TN	9,185	1,934,779	\$673,878,175
KY	11,799	1,945,926	\$669,448,681
Total	54,742	14,335,784	\$ 3 BILLION

Crops Insured (22): Apple, Barley, Beans, Blueberry, Corn, Cotton, Grain Sorghum, Grapes, Nursery, Oats, Peaches, Peanuts, Pecans, Popcorn, Potato, Rice, Soybeans, Sugarcane, Sweetpotato, Tobacco, Tomato, Wheat

Insurance Delivery

- The Standard Reinsurance Agreement (SRA) outlines the contractual terms between FCIC/RMA and 16 Approved Insurance Providers (AIPs)
- In turn, crop insurance is provided to producers by any of these 16 approved private sector insurance companies. They, through their local agents and loss adjusters, sell and service crop insurance policies

Coverage

- RMA insures many agricultural commodities, as authorized under the Federal Crop Insurance Act
- Basic insurance coverage is offered at the Catastrophic Level (CAT), which is 50% coverage.
- CAT coverage premiums are 100% subsidized
- Coverage can be increased, in most cases, to 75%-85% in 5% increments, with corresponding increases in premium.

New Insurance Products

1. RMA contracts for development of a new product
*Ag. Risk Protection Act of 2000 (ARPA) does not allow FCIC/RMA to conduct research and development of new products

OR

2. Public/Private Sector can develop new products and submit for FCIC Board review under the Federal Crop Insurance Act, section 508 (h). If approved by FCIC, the cost of development can be reimbursed.

Either way, if approved, the product goes into a “Pilot” period in select areas for approximately 3-5 years. If successful, can be made into a permanent program and expanded into other areas.

How to GET MORE INFORMATION

- www.rma.usda.gov

This public website will provide much more information including:

- *Agent Locator
- *Premium Calculator
- *Insurable Crops and Plans of Insurance
- *Pilot programs and Locations
- *Regional Office Location
- *Much More!!