

PASTURE/RANGE/FORAGE

If you have any hay, grass, alfalfa, or pasture land, PRF coverage from Peter and Tim is definitely worth looking into.

Unlike the old APH policy of measuring bales and estimating tonnage, PRF is based on NOAA rainfall data. Simply put, you are insuring a certain amount of rainfall during specific time intervals throughout the year. If your field's grid area receives less moisture than you are insured for during the 2 month time interval, you collect. You are not required to record rainfall amounts or report any claims. All indemnities are automatically triggered after the NOAA data is released.

The PRF sales deadline is **November 15**, so take time now to sit down with Peter or Tim, before harvest gets too busy. We have been selling this policy for years and know how to tailor each plan to cover the acres and rainfall timings you desire.

PRF is one of the few policies we promote, because it's one of the few that works. We can show you quotes upfront and each grid's performance for the past 20 years. This is a gimmick free policy that performs and we have many satisfied clients that can back that up.

OLD CROP STORAGE

If you plan to hold old crop through harvest, you will need to notify us and have an adjuster measure the bin. Even if it is a full bin, we recommend that you get it recorded as old crop storage to avoid confusion later on. If you are on optional units, you will also need permission to commingle production from multiple units and utilize proper bin markings. If old crop measurements are not done, the RMA claims procedures require companies to count all bushels in storage as current year production. It's best to contact us now while we're cleaning out bins - before the combines start to roll.

DIGITAL SIGNATURES

RCIS has a producer portal www.rcis.com where you can digitally sign various documents online and look up old forms that you may need for various reasons throughout the year. Instead of waiting to meet with an adjuster, you can now sign a claim any time of day.

Once a policy is setup, your email address is used to notify you of any documents that need signing. You then login to your www.rcis.com account, review the document, print it out if you like, and then use a special password to digitally sign the document.

The efficiencies gained from digital signatures could greatly reduce our claim team's workload, save you



time during a busy work day, and speed up the entire process for everyone involved.

SILAGE

All corn insured as grain needs a silage appraisal or an approval to leave strips. Even if you are unsure whether to chop or not, call us with notification just in case you do. It is better to have permission and not need it than have a claim rejected for untimely notice.

MARGIN PROTECTION PLAN

With a sales deadline of September 30, you may soon be approached by a sales rep trying to push a policy called Margin Protection Plan. This person may try to use slick '95% coverage' talking points or the classic 'insure your profits' line to entice a signature.

First of all, you won't have individual 95% coverage, but a county average yield, which means it doesn't matter what your fields produce. Secondly, you will have a premium north of \$50 to obtain the options they glowingly praise. You can research this yourself at their own quoting website www.marginprotection.com

Alterior motives exist for selling cheaper plans with watered down coverage. Since the government regulations require each MPP policy be placed with the same company that has your crop insurance, someone may be motivated to talk you into 'affordable' MPP coverage just to turn around and demand all of your crop insurance business.

The MPP policy is continuous. This means you will have to cancel a 2019 plan in September of 2018. However, you have no idea if your 2018 plan has worked until April of 2019. Since you're busy combining soybeans and not cancelling policies you can't analyze next September, you may unwittingly pay for 2 years of MPP.

The biggest problem is a little provision called offsetting indemnities. If your basic crop insurance policy pays a production claim, your MPP claim is reduced that amount. This could potentially eliminate any MPP benefit! Keep in mind, MPP only pays out when there is a county wide loss. This scenario only increases the likelihood of your individual crop insurance paying out, which will in turn negate your MPP payment!

MPP has been expanded to include corn and soybeans (previously just wheat) for 2018, which is why we expect increased sales pressure. All in all, it's just another version of the failed group policies of the past. There were only 69 policies sold in all of MN in 2016, it's first year, and only 48 sold for 2017 – and that's

likely because many of them forgot to cancel in September of 2016. In short terms, don't buy MPP!

SPRAY DRIFT AND 3RD PARTY LOSSES

Being fully aware of the situation with some chemical applications, the crop insurance industry is quickly developing rules to resolve any issues with 3rd party causes of loss and the potential fallout of the choices that may have to be made this fall. If you haven't had a chance to walk your fields yet to inspect for any possible chemical injury, we highly advise you to do so. Pictures and any written documentation will only help.

Any damage caused by you, or someone you hired, is considered within your control. This is called first party damage and is not an insurable cause of loss under the MPC policy. The second party to your policy is the insurance company and everything covered by the contract. This is basically the 'acts of God' or 'acts of nature' coverage that manifests itself in hail, drought, floods, etc. These are insurable events outside of your control. Third party damage is incurred when someone or something outside of the first party's control and beyond the second party's scope of coverage affects your property. These distinctions are very important to understand going forward. Uninsurable losses beyond your control (3rd Party) are what we are going to focus on.

If you have sustained damage caused by a 3rd party, the first thing you need to do is call us to report a Notice of Loss. An adjuster will inspect the damage, help determine the affected acres, and verify chemical damage. The burden of proof then falls on you to prove that it was 3rd party damage, and not first party damage. The claims department is not concerned who sprayed what because, in either case, the insurance company is not liable. However, as we stated, some rules are being developed to ease the tension.

If you can prove 3rd party damage to the insurer and have had the acres identified, you will be required to harvest the field according to these distinctions in order to prove the loss of production. This is important because **you are not required to report any production for the damaged acreage for 2017**. This will protect your APH database from lowered yields resulting from 3rd party drift. Premium will still be payable on all acres, but your 10 year history will not be negatively affected and you will have documentation to support whatever else happens going forward.

Let's say, for example, that Peter has 68 acres of Liberty soybeans. His neighbor planted 150 acres of roundup ready soybeans along with 40 acres of dicamba beans. Approximately 3 weeks after the neighbor sprayed dicamba, the chemical movement becomes quite evident in both Peter's beans and the 150 acres of roundup ready beans. Now, since the neighbor was in control of the Dicamba being sprayed, he is negligent for 1st party damage on his own RR acres and likely has no case to exempt that production, unless his spray records prove otherwise and he can find fault in yet another Dicamba applicator's practices. Since Peter had no control over his neighbor's chemical application, it is considered 3rd party damage. Peter only had 20 acres impacted by the drift, leaving the other 48 acres untouched. At harvest, Peter will need to keep the harvested bushels separate so he knows how many bushels came off the damaged 20 acres and the non-damaged 48 acres. Peter can then elect to exclude the 20 acres and those bushels from his APH, only reporting the 48 acres and the accompanying bushels.

This is a very sensitive topic, and can cause tension between neighbors. Please be mindful and cooperative no matter which side of the road you are on. We are not out to get each other, rather we need to navigate these situations and reach an outcome where we are all better off as farmers. If you are questioning whether to report this or not, thinking it will have a negative impact on you somehow, please call. We can walk you through the scenario and help make you aware of some possible outcomes.

WWW.HAUGENINSAG.NET

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