

“CROP TALK”



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SEPARATION OF PRODUCTION

A joint investigation by the Office of Inspector General (OIG) and the Risk Management Agency (RMA), Special Investigation Staff (SIS) found that crop agents are assisting policyholders with the separation of production between crop units on claims that were filed on their policies. This conduct is prohibited, and in violation of section VI of Appendix I to the Standard Reinsurance Agreement (SRA). A crop agent CANNOT assist the adjuster, or assist the policyholder in any way to provide production by unit for use in completing the MPClaim claim.

What does that mean for you? You, the policyholder, must make sure each ticket is identified by what field the load was harvested from. That could be completed by having the grain elevator place farm names on the scale tickets or the policyholders own writing on every ticket and/or settlement sheet. Crop agents will only be allowed to collect completed production information directly from the policyholder and provide it to the claims adjuster.

NOTICE OF LOSS

The Risk Management Agency (RMA) has identified that agents have been submitting notices of loss for crop policies without prior notification of a loss from the policyholder. In some cases, the policyholder was not aware that a notice of loss was submitted by their crop agent and in many cases the policyholder had not incurred damage to their crop. This practice violates the Federal Crop Insurance Corporation (FCIC) policy provisions and procedure.

It is the *sole responsibility of the POLICYHOLDER to notify the crop agent* of any loss for insurable acreage or prevented planting acreage. It is **NOT** the responsibility of the Crop Agent to turn in crop losses without notification from the policyholder. Here is the timeframe that losses need to be turned in per Section 14 of the Basic Provisions:

“For a planted crop, when there is damage or loss of production, you must give us notice, by unit, within 72 hours of your initial discovery of damage or loss of production (but not later than 15 days after the end of the insurance period, even if you have not harvested the crop).”

“For crops for which Revenue Protection is elected, if there is no damage or loss of production, you must give us notice not later than 45 days after the latest date the harvest price is released for any crop in the unit where there is a revenue loss.”

Please contact us with any questions that you may have about crop claims. We also provide time-sensitive deadlines in the crop calendars that we mail out that can you can refer to for quick reference for end of insurance periods by crop.

Please check with your local FSA office to make sure you have an AD-1026 on file. Failure to have an AD-1026 will jeopardize your crop insurance.

IT'S ALMOST HERE AGAIN – SALES CLOSING DATE

Changes to your spring crop must be made BEFORE MARCH 15TH (this includes cancellations, adding a county, adding/deleting crops and changing coverage levels). If you do not make changes to your current policy, your existing coverage level will “roll over”. Premiums DO NOT “roll over” - they are independently determined each year based on your APH, level of coverage, rate, practice, Base Price and added endorsements.

We expect premiums for 2017 to be similar to 2016 due to comparably low commodity prices.



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NEW REPLANTING RULES

The Crop Insurance Basic Provisions state in Section 9, “A Crop is not insurable if it is damaged AND is practical to replant, but is not replanted.”

They have now added to this definition, “Required to replant through the Late Plant Period (LPP), unless physically impossible.”

The Basic Provisions were amended to require replanting in the Late Planting Period because concerns were raised about the difficulty and inconsistency of administering the “practical replant” provisions of the policy. If a crop needs to be replanted AND it is possible to replant (prior to the end of Late Plant Period), but the crop is NOT replanted, the acres will become uninsurable.

DO YOU WANT TO KEEP THE FARM IN THE FAMILY?

To add additional value to you, our clients, we have entered into a Professional Alliance with Bob Blach, New York Life Insurance Company. Through this affiliation and with the cooperation of estate attorney, Dan Mong of Zisman, Ingraham & Mong, P.C., of Denver, CO, we can offer expertise in wills, trusts and estate conversion techniques to help you “Keep the Farm in the Family”. Individual consultations and free workshops will be available. Please contact our office at 970-522-1681 if you have an interest in reviewing or establishing your estate plan.