

“CROPTALK”

Sonnenberg Agency, LLC bi-annual publication
Spring 2019



**SONNENBERG
AGENCY, LLC
INSURANCE**



Special points of interest:

- Acres insured by the crop insurance program in 2018 are highest in last 6 years (335,227 acres)
- Liability covered by crop insurance policies in 2018 = \$109,855,502 (also highest in last 6 years)
- **SALES CLOSING DATE for spring crops is March 15th**
- Previous additions of “CropTalk” are available on our website @ www.sonnenbergagency.com
- Government/private sector partnership of Crop Insurance ensures sustainability even in times of government shut-down

NEW for 2019: Sugar Beet Policy Change

The Risk Management Agency (RMA) has revised the Sugar Beet Crop Provisions for the 2019 and succeeding crop years. The intent of the change is to update the sugar beet policy to better reflect current agricultural practices. Here is a list of the policy modifications that were made to the Sugar Beet Crop Insurance Provisions:

- Changed the basis of insurance from standardized tons of sugar beets to pounds of raw sugar
- Removed stage guarantees
- Added an early harvest factor to prevent a decline in the producer’s future insurable yield by increasing the yield recognized for acreage harvested early
- 2019 established price for Sugar Beets is \$0.146 / lb. of raw sugar

The change to approved production history (APH) calculations in pounds of raw sugar rather than standardized tons is to be more consistent with the current sugar beet practices and record keeping. **To calculate production going forward we will use: your net paid tons X 2,000 lbs. X your contracts percent of raw sugar = pounds of raw sugar.** Your prior sugar

beet APH history will be converted from standardized tons to pounds of raw sugar. An example of the conversion is: Standardized Tons X 2,000 pounds X 2018 percent sugar factor for the county.

- *Example: 28.7-ton (Approved APH) X 2,000 X 15.6% (Logan Cty Sugar Factor) = 8,954.4 lbs. of raw sugar*

The removal of the stage guarantees is another positive change because it allows you to collect 100% of your sugar beet production guarantee regardless when the damage occurred. The old language said if you had a loss prior to July 1st you had a 1st stage loss which was 60% of your final stage production guarantee. This meant a reduced indemnity for any loss sustained during the 1st stage.

Another great addition to the new sugar beet crop provisions is the early harvest factor. Earlier harvested sugar beets are often lower in weight and sugar content, and that appears as a production loss, lowering your future APH. The early harvest factor will increase production from early harvested acreage by 1% per day for each day harvested prior to full maturity (October 1) as long as 10% of

that unit is early harvested.

- *Example: Harvested 15% of sugar beets in one of your crop insurance units prior to 10/1*
- *100 tons; 25 tons per day for four days prior to 10/1*
- *9/30: 25 tons + 1% = 25.25 tons*
- *9/29: 25 tons + 2% = 25.5 tons*
- *9/28: 25 tons + 3% = 25.75 tons*
- *9/27: 25 tons + 4% = 26 tons*
- *Total Factored Early Harvested Production = 102.5 tons*

When you must harvest your sugar beets early, your APH’s won’t suffer as they did in the past. Be sure to inform us when we are reporting production for your sugar beets if you had to early harvest so we can apply the correct factor to your tonnage on early harvested beets.

We at Sonnenberg Agency, LLC believe the changes to the sugar beet crop provisions simplifies and better aligns with the needs of our customers and making your sugar beet coverage more effective and flexible.

Inside this issue:

Enterprise Units	2
Farm/Ranch Insurance	2
Delayed Claims	2
Timely Reported Claims	3
Hail Insurance	3
Commingled Production	3
Claim Updates via Text Msg	3

Multi-County Enterprise Units (MCEU)

An Enterprise Unit is an option that allows you to combine fields in different legal descriptions to create one bigger unit with one guarantee. This option is a premium-saver because it reduces the chances of payable losses. This doesn't sound ideal, but if managing Crop Insurance expense is a priority, the Enterprise Unit options are something to consider.

Multi-County Enterprise Units are an addition to the Enterprise Unit-family. The MCEU option allows a single Enterprise Unit to span two counties. It does not combine policies, and the separate

APH's for each county are still maintained. If the MCEU requirements are met, the discount is then applied to premium for both counties.

The MCEU qualifications are as follows:

- The two counties must be contiguous
- Fields cannot cross state lines
- One county must qualify for Enterprise Unit on its own
- Must have planted insurable acreage in both counties
- Coverage elections must be identi-

cal (I.E. level of coverage and plan of insurance)

Electing the MCEU option does not automatically guarantee eligibility, this is determined at acreage-reporting. When reporting production, all production from both counties must be reported to determine if a payable loss exists.

If you have interest in Enterprise Unit options, please talk with us before requesting this option. The cost savings needs to be measured against the loss of individual unit guarantees.

Farm/Ranch & Commercial Insurance

"Our clients have the utmost confidence in us because of the history of exceptional customer service and in-depth understanding of the insurance industry."

Maynard Sonnenberg, Founder

Are you interested in a Farm/Ranch Insurance policy or is it time to make a change to your Farm/Ranch or Commercial Insurance policy?

We have contracts with national carriers and an agent who specializes in Farm/Ranch & Commercial Insurance, partner, Travis Davis. Travis is licensed in Colorado

and Nebraska for all property and casualty lines of insurance. Travis has earned the following designations:

- **Farm Specialist Certification**
- **Commercial Lines Coverage Specialist (CLCS)**
- **Specialized Farm Insurance Training**

At your convenience, Travis would welcome the opportunity to visit with you. You can call the office at (970-522-1681) to visit with Travis or email him directly at travis@sonnenbergagency.com. We have written Farm/Ranch and Commercial Insurance since 1999—we are your trusted insurance partner for more than crop insurance.

Delayed Claim Measurement

With certain conditions, it is possible to delay the finalization of a Crop Insurance claim provided the Notice of Loss was submitted timely. These conditions were met in the 2018 crop year as several companies requested permission from the government to delay claim fina-

lization—mostly due to poor weather conditions that delayed harvest in many areas.

For future crop years, if you have asked us to submit a Notice of Loss and then an event like poor weather significantly delays harvest, we can ask the insurance company to request permission

from the government to delay the finalization of your claim for up to 180 days.

This extension to finalize is not automatic and must be requested. The key to requesting this extension is that the original Notice of Loss MUST BE submitted timely.



Timely Reported Claims (Notice of Loss)

Under the Common Crop Insurance Policy, the insured has the responsibility to notify their agent of a potential insured crop loss. This notification initiates the adjustment process—the best way to notify us of a loss is by phone. The initial notification to us must be made:

- Within 72 hours of discovery
- But not later than 15 days after the End of Insurance

Period—which is the earlier of harvest, destruction of crop, date listed in Crop Provisions for End of Insurance.

Losses that are “Revenue Only” must be submitted within 45 days of the Harvest Price Announcement. “Revenue Only” occurs when a decline in price is the only cause of loss.

Technically, Notices of Loss submitted more than 60

days after the End of Insurance Period must be rejected. This does mean losses have to be finalized within 60-days, the 60 day limit is in reference to the submission of a Notice of Loss.

Lastly, timely reported claims must include a covered Cause of Loss. Covered Causes of Loss are naturally-occurring perils + Decline in Price (for Revenue policies). For example: seed quality or

mis-application of chemicals are not naturally-occurring.

With improving technology, adjusters are now verifying the reported cause of loss with real-time weather reports and in some cases, drones. These tools combined with training and the good ole fashioned “eye-ball test” have given the insurance companies plenty of ways to verify causes of loss.



Is extra Hail Insurance a good investment—YES!

One of the primary causes of loss in our area is hail. We don't get significantly more hail than other places, but over the history of our agency, hail has been one peril that we have been able to insure against with affordable extra coverage. If you have never added extra hail coverage to your Crop Insurance portfolio, maybe this is

the year to consider it...

Recent low commodity prices and market instability have made financial lenders nervous and extra Hail Insurance is a cost-effective way to increase coverage to satisfy lending requirements. If you have questions, we welcome the chance to explain Hail Insurance in more de-

tail. All of our multi-peril Crop Insurance companies offer Hail Insurance, so we have several options to evaluate to find you the best rate.

DON'T Commingle Production

In accordance with Crop Provisions, the insured is responsible for providing separate production records for each unit. Failure to keep production records separate by unit will result in units being combined and yields being assigned. This can, and does, mean less money

in a claim and in some cases, no payable loss at all.

If you have questions about this, please contact us. Bottom-line: commingling production = less claim money and loss of unit structure. Thus, DON'T commingle production.

Claim Updates via Text Msg

Would you like general updates regarding your crop insurance claim texted or emailed to you?

We are starting a new program to send out claim updates and are hoping a few of you reading this newsletter will participate. We already send out text message Push Notifications, so this

new program will just utilize technology we already have in place to keep you updated.

If you would like to participate, please call the office (970-522-1681) and speak to Jared to make sure we have an accurate cell phone number and your current cell phone carrier.





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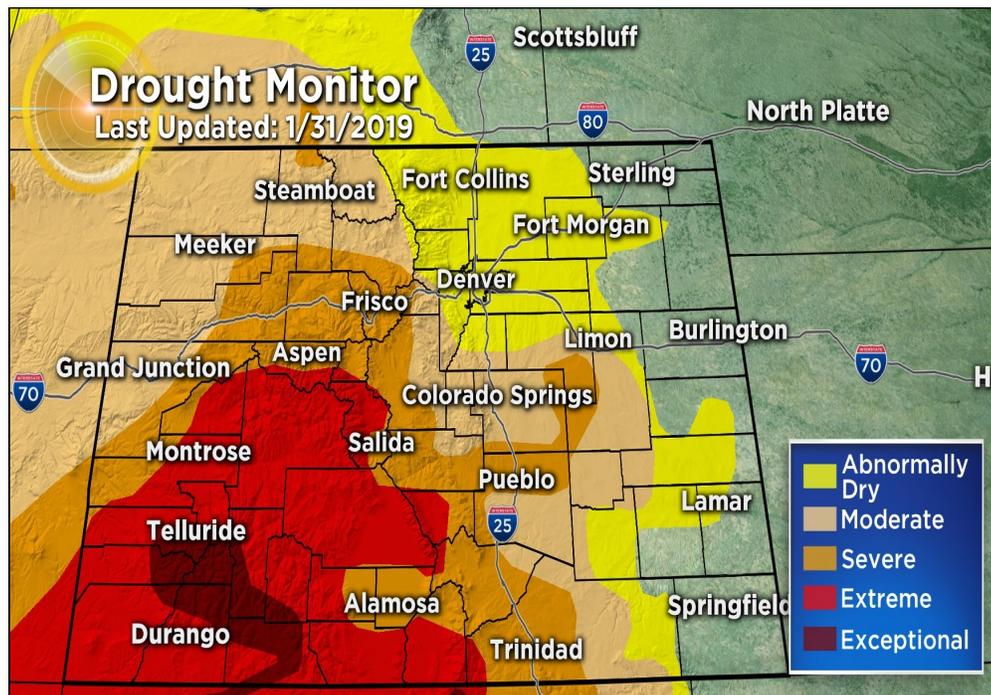
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