

USDA Announces Top Up Payments for Producers with Prevented Planting Claims

September 26, 2019 Kristine A. Tidgren

On September 26, 2019, the <u>USDA announced</u> that producers participating in the federal crop insurance program who had a 2019 prevented planting indemnity because of flooding or excess moisture will receive an automatic "top-up" payment on their indemnity. Approved Insurance Providers (AIPs) will begin issuing these payments in mid-October. These top-up payments are made possible by the Additional Supplemental Appropriations for Disaster Relief Act of 2019.



The top-up payment for producers with "Yield Protection and Revenue Protection with Harvest Price Exclusion" will be **10 percent**, while the payment for producers with "Revenue Protection Harvest Price Option" will be **15 percent**. These top-up payments supplement the typical prevented planting payment of 55 percent of the original guarantee for corn or 60 percent of the original guarantee for soybeans. For an additional premium, some producers have increased their prevented planting coverage to 60 percent of the original coverage for corn and 65 percent of the original coverage for soybeans. The top-up payments will be automatically made to all producers with a 2019 prevented planting indemnity. No sign up is required.

All 14 AIPs have agreed to deliver top-up payments to producers:

- · ACE Property and Casualty (Rain and Hail) Insurance Company
- · American Agri-Business Insurance Company
- · American Agricultural Insurance Company
- CGB Insurance Company
- · Church Mutual Insurance Company
- · Country Mutual Insurance Company
- · Farmers Mutual Hail Insurance Company
- · Great American Insurance Company
- · Hudson Insurance Company
- NAU Country Insurance Company
- · Producers Agricultural Insurance Company
- · Rural Community Insurance Company

- · Stratford Insurance Company
- XL Reinsurance America Inc.

Any producer who receives a disaster payment (such as a top-up payment) is required to purchase crop insurance for the next two available crop years. USDA has posted a helpful <u>FAQ</u> to answer questions regarding this program.

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