

Drought Information 2012

To Our Valued Customers:

As harvest approaches and the potential for MPCl claims seem inevitable with the unprecedented drought of 2012, we wanted to send out a few reminders about the claims process and the necessary documentation needed to verify any loss. We hope you will find this information useful and it will help answer some of the questions you may have as we enter into fall.



When must I give notification about a potential production loss?

Notification of a potential loss is to be given by the insured within 72 hours of the initial discovery of the loss, but no later than 15 days after the end of the insurance period. For corn and beans the end of the insurance period is the earlier of :

1) harvest of the crop 2) destruction of the crop or 3) the calendar date for the end of the insurance period for these two crops in Nebraska is December 10th. With the harvest looking to be an early one this year, **15 days after the crop is harvested would be the applicable end of the insurance period and the time by which any and all claims must be reported.**

Will I have a revenue loss? (Revenue Policies Only)

A revenue loss occurs when the fall price is lower than the spring price. This year the spring price was \$5.68 for corn. With the current price substantially higher, it looks very doubtful there will be any revenue losses in 2012. You will still be paid the higher of the spring price or the fall price on your guaranteed bushels.

What will the harvest price be?

The harvest price is the October average of December futures for corn on the Chicago Board of Trade.

I plan to chop, hay, disk, or abandon my crop. What do I need to do FIRST?

In a loss situation, this acreage must be appraised by an adjuster. Most of you have done a good job of notifying us and have been instructed to leave adequate strips. In time, the adjuster will appraise these strips, as it gets closer to maturity. The size and location of these check strips are at the discretion of the adjuster but generally need to be 10 feet wide by the length of the field and have one strip for the first 10 acres in a field and one strip for every 40 acres thereafter. These strips should be more than 20 feet from the edge of the field.

What other acreage must be appraised in a potential loss situation?

Along with acreage to be chopped, hayed, disked, or abandoned there is other acreage that needs to be appraised. This includes but is not limited to acreage that will be harvested and stored in such a manner that production cannot be measured. Essentially if you plan to do anything other than harvest the crop for grain, an appraisal is needed and consent from the insurance provider must be given prior to destruction of the crop

Is grain quality covered?

Yes, corn that has been damaged by lack of moisture, hail, wind, flooding, disease, insects, etc. may have quality issues. Quality is covered under the policy. Grain must be graded to determine damage percentages.

What types of production records do I need?

It is very important to keep accurate production records **SEPARATED BY UNIT** to prove APH and Claims. If you will be co-mingling grain from 2011 with 2012 grain, an adjuster must measure the bin prior to adding any new crop production. Grain bins must be marked between units. Other types of production records that can be used are grain cart scale information (whether printed or recorded in a ledger), load records, elevator settlement sheets, and bin measurements. Combine yield monitor records can also be used to help in this process, but **DO NOT SOLELY RELY ON THEM** as this type of record can be determined to be unacceptable in a loss situation. To protect yourself, it wouldn't hurt to create a wagon load summary sheet in addition to your yield monitor records.

In the event production must be fed prior to a claim being worked, the insured is responsible for maintaining a formal, contemporaneous, written record system of fed production and to have those records available at the time the claim is prepared. Acceptable records of fed production must include the following: 1) the amount of grain fed each day, 2) bin id from which the grain was taken if applicable, 3) number and kind of livestock, 4) estimated average weight of livestock per head and location or pen number, 5) the unit number from which the fed production was taken, and 6) whether fed production was from previous years production or fed directly from the field or truck. This will be a very important piece of the puzzle as claims are worked. **Document, Document, Document!!!!**

What can I do to expedite the claim process?

Be organized. Submit your claim in a timely manner. Keep detailed production records separated by unit. Have verification of yield histories as claims over \$200,000 are subject to a three year APH review and claims of \$500,000 may be audited by RMA.

Summary: It is very important to get your claims reported in a timely manner, and if an appraisal is needed, make sure your strips that you have left to be appraised are not destroyed until OK'd by the adjuster. Keep detailed production records separated by unit. Hopefully this will help any potential claim go smoothly for everyone!. **Please communicate with the adjuster or one of our agents if have any questions at all.**

2012 Wheat...

If you think you have a wheat loss and you have not yet reported it to us, please contact us as soon as possible! There are very strict guidelines for notification and submission of claims being submitted timely. Any loss submitted late will not be eligible for a claim!! If you are in this situation please call us as soon as possible.

If you already contacted us to set up a claim and you would like to know the status of that claim, please call us at 308-762-5200.

2013 Wheat...

Due to the drought, we have fielded a number of calls inquiring about potential Prevented Planting claims...There are a number of factors to consider if you think Prevented Planting may be an option for you on 2013 wheat.

*Prevented Planting must be prevalent and widespread in the area.

*Documentation must be provided documenting there is insufficient soil moisture to germinate seed and progress the crop toward maturity.

*Final moisture determination will not be made until 10/15—the final plant date.

*PP payments is only 60% of your GUARANTEE, not your APH.

These are just a few of the details to remember if you think you may be in a PP situation. In most cases, we feel it will be in your best interest to plant your 2013 wheat and letting it run its course. This is especially true if you intend to have the Revenue Protection on your policy, which we do advise.

Please call if you would like to discuss these options further.

Have a safe harvest season!!

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