



# CROP INSURANCE UPDATE JANUARY 2025



## Hail Rate Changes

Hail & Wind events have been prevalent over the past few years. Rates charged for insurance have increased, sometimes dramatically, as in the home, farm and machinery market. These events have not spared the crop insurance industry.

The most popular type of insurance to protect crops against hail and wind for the last 20 years has been the "Production Plan". It was initially offered as a loss leader for a company to gain multi-peril crop insurance customers. Because of its success, all companies adopted the plan. However, premiums charged for this type of coverage have forever been understated. Production Plan became an issue at the State Departments of Insurance over issues of rating and handling to the point where companies are now required to charge premiums to reflect sound insurance rates.

The rating for the 115% and 120% levels (percent of your approved yield) were historically the best buy, carrying the lowest rate. In 2025 companies have come to the realization that these levels of coverage were losing money in a big way. We had previously guided people toward that level because of the favorable rating.

Several companies won't even offer those levels of coverage in 2025. Those that do have raised the cost of the 120% coverage plan by 30% to 40%. The good news is that the 110% level reflected little to no increase in rate. This will effectively make the 110% level the optimum buy in most cases. It will also keep any increase in cost per acre to a bare minimum, in most areas less than 7%. Deductibles of 5% or 10% can lower your cost by 30% or 50% if you are looking for ways to reduce your crop insurance bill.

We will be reviewing the impact at our Spring Update meetings in February, but would like to meet with you each to review these changes. Contact our office with any questions, and set up a time to review your coverage today!

## 2025 Spring Meeting

Our annual spring update meetings will be held February 19th. Our meal will be served by Country Catering. We will be in contact by postcard to get you set up with a meeting time.

We're currently attending industry update meetings with our companies to learn of any new options and changes in the crop insurance program. Increases in both crop-hail rates and increased subsidies on specific coverages will be a hot topic. We will be looking into all options and will be prepared to answer any questions you may have.

## Agency Highlights

We're pleased to announce over 95% of our claims have been completed. Those that remain have been contacted and some have deferred until after the new year or have put off the process until time allows them to gather necessary information. Once a claim is completed with a signature from the producer, we can print the check the next day. Our agency was the first agency in the state of Nebraska allowed to do so by the largest writer of crop insurance in the nation.

Our unique ability to use mapping to separate dryland yields on pivot corners has made the process of determining dryland yields very accurate, especially in a dry year where most dryland corners are eligible for substantial loss payments.

## IMPORTANT DATES

### SPRING MEETINGS

**Wednesday, February 19th  
11:30 AM & 5:30 PM**

**FSA OFFICE - ARC / PLC  
SIGN UP DEADLINE - April 15th**



## Changes in Your Operation?

Each year a few producers add new land to their farming operation. This would be land farmed for the first time, not just a new crop on land in your current operation.

It's important to let your agent know early of any land to be added to the operation in the coming year. There are many rules that apply to added land and early notification will allow the agent to gather the information needed to obtain the best insurance coverage available.

Other items to pay attention to are changes in ownership, marital status, or formation of an LLC or other new entity. For corporations and partnerships any person with more than a 10% interest must be listed. Please notify us prior to the March 15th deadline if any of these changes apply to your operation.

Farming land in a new county for the first time must be added prior to the March 15th sign-up deadline. Crop share changes can be done as soon as those agreements are in affect, but no later than acreage reporting time. When in doubt, give our office a call. We love hearing from you!



## Increased Subsidy

One "add on" product that is getting some attention from crop insurance vendors is getting an increase in subsidy, new for the 2025 crop year. This coverage is referred to as "ECO" (Enhanced Coverage Option). When presented and combined with another add-on known as "SCO" (Supplemental Coverage Option) it can be represented as a way to cover 95% of your approved yield. Almost too good to be true!

There is a catch! Both ECO and SCO plans base the claim payouts on the county's average yields & harvest price. Hail can wipe out crops on your farm, but have very little impact on how these plans will reimburse you.

The subsidy on the ECO plan increased from around 44% to 65% this year. From a pure speculative standpoint, it will likely pay back more than you pay for premium over time. However, we don't see it as a risk management tool you can depend on.

We have historical simulators that show how these plans would respond to historical county yields compared to your own farm yields. For irrigated crops these plans only responded in years of extreme price drop from spring to fall. These simulators show a break even result over the last 10 years, thanks to 2023's steep reduction in price from spring to fall. Dryland shows a stronger return in most cases due to the variability in yield caused by drought years. The plans both require you to insure all crops, irrigated and non-irrigated within the county you choose to insure. ECO and SCO have a March 15th deadline.

We can review these results with you at any time. We'll also review overall results of these plans at our update meetings in February.

## Planting Intentions

We welcome information as to your planting intentions for 2025. This data is very helpful in a number of ways. By knowing the crops planted to each field, we'll be able to give you an accurate quote on total insurance costs. It will also alert us to any potential added land, new crops, and yield information we may need to set up before the March 15th deadline.

This planting intention information can be moved to our mapping system and allow us to customize and correct errors on fields before you report those acres to the FSA. We'll be able to print helpful mapping reports, color coded per crop, as an aid in relaying planting information to custom floater operators, lenders, employees and the FSA.

These are not intended to replace the maps prepared by the FSA office. Our intention is to have them completed with the acres already calculated and set by the FSA. For those of you who provide planting data with GPS mapping systems, we'll be able to correct any potential reporting errors, gather planting dates, and prepare maps that you can take to your FSA acre certification appointment.

Ideally the colored maps should reduce the number of errors by showing the separate crop colors for anyone with access. Our local FSA office is fully on board with this procedure!

Stop in or call us with your 2025 planting intentions and we'll tell you more about this procedure.