



# CROP INSURANCE FOR ORGANIC OPERATIONS ENDORSEMENTS AND AGENT CONSIDERATIONS WITH JOSHUA MANSKE



Location:  
Algona, Iowa



Licensed to sell crop insurance in:  
Iowa, soon to be Minnesota

Joshua Manske holds a unique perspective as a new crop insurance agent. He is finishing his second year selling in north central Iowa, and has also worked for several years as a financial advisor.

Crop insurance always piqued Joshua's interest, so when the opportunity arose to have a few clients, he took advantage of it. His customer base is conventional corn and beans, but he is connected with numerous organic producers as well.

“There are plenty of farmers who will tell you that if it wasn't for federal crop insurance, they wouldn't be in business. Being a newer crop insurance agent, I feel a big responsibility to make sure that every step of the way, it's done right. It's really vital.”

## Endorsements for Multi-Peril Crop Insurance

Also known as options, endorsements can be added to a federal Multi-Peril Crop Insurance (MPCI) policy for additional coverage, usually for a small cost per acre. Examples include additional prevent plant coverage, yield exclusion, yield adjustment, and contract price. Endorsements available for organic crop insurance are generally the same for conventional crop insurance, and need to be decided on by the sales closing date. For crops such as corn and soybeans, the sales closing date is March 15.

**Q:** Does a producer need to know what endorsements to consider, or will their agent walk them through it?

**A:** Probably a little bit of both. It would probably be smart for the farmer to have an idea of what those certain endorsements do, but it's absolutely up to the agent to be able to explain what each one of those endorsements adds to the policy, and why it's something that would be advantageous to have.

If acres cannot be planted, all MPCI policies will cover a percentage of the original coverage guarantee (see coverage level, next page). That percentage is currently 55 percent for corn and 60 percent for soybeans. However, purchasing a prevent plant endorsement would increase coverage levels by 5 percent, to 60 percent for corn and 65 percent for soybeans.

Prices for this endorsement vary by county. One note: this endorsement is not available for catastrophic (CAT) coverage.

“ If [a farmer] has a field they were unable to plant, they need to report that to their agent, and the agent would file a claim in the county. From there, the insurance adjuster would go out to the property and inspect things. ”



## Thinking about coverage level

Joshua says there are a number of things farmers can expect to discuss with an agent when putting together a policy, including coverage level. Coverage level refers to the percentage of a producer's actual production history (APH). In most cases, MPCl policies offer coverage levels from 50 percent to 85 percent, in 5 percent increments.

The higher the coverage level, the higher the premium cost that the farmer will need to pay. Producers should expect to discuss what makes the most sense for their operation. While some may appreciate having a high level of protection, others may prefer to stick with the lower price.

“ For example, I've worked with some individuals who insure 80 percent of the APH and use those premium dollars that we saved to buy a private hail policy, for example ”

Joshua says an important note is to find an agent who is willing to sit down with you and crunch the numbers, for coverage level and other elements of the policy.

## Agent role in filing a claim

Understanding the role of the agent is helpful in knowing how crop insurance works, especially in the claims and indemnities process. The agent is the main connector between the farmer and the federal crop insurance program, Joshua noted.

In the event of a loss, the agent files a claim, and then a crop adjuster will be sent out to the producer's farm for an inspection. Adjusters are hired by the parent crop insurance company, known as an approved insurance provider (AIP). The adjuster is intentionally kept separate from the agent to prevent a conflict of interest. By federal law, the agent also isn't allowed to be at the farm when the adjuster is present. Adjusters change every few years, so a farmer wouldn't work with the same adjuster for multiple years.

“ My role is to help farmers obtain the coverage best suited to their risk management needs. If needed, I submit the claim. Then, the insurance company sends out the adjuster, and the adjuster works with the farmer. ”

### Q: Why do you think crop insurance is important?

A: My philosophy is, no other considerations matter unless you get the protection element correct. Telling me what seed you're going to plant, and how you're going to plant it, that is wonderful. And, those are really important details. But, if you have a derecho come through, you have a drought, you have a massive hail event, if we don't get the protection element right, all of those other things do not matter. That's my philosophy. Let's tailor the insurance to you and make it work.



“You need to have an agent who is willing to sit down with you, go over your operation, and make sure that you understand and are comfortable with what we're doing.”



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Department of  
Agriculture National Institute  
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*This material is based upon work supported by the U.S. Department of Agriculture-National Institute of Food and Agriculture under award number 2018-70027-28586*



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