CROP INSURANCE CYCLE

CROP INSURANCE 101

1

Before planting, farmers work with insurance agents to tailor insurance protection to fit their unique needs.

2

Agents help farmers fill out paperwork and file needed production records to secure crop coverage from insurers.

3

Private-sector companies enter into contracts with farmers to provide protection at rates set by the government.

4

Farmers pay premiums from their own pockets – collectively **$3.5 billion to $4 billion a year** – for the risk management tool.

5

If disaster strikes before the crop is harvested, farmers file claims as they would with any other insurance product.

6

Claims adjusters, who work for insurers, meet with farmers and verify losses.

7

Upon loss verification, insurers cut indemnity checks, minus policy deductibles, **within 30 days.**

8

Because indemnities arrive in days or weeks, not months or years, farmers have the capital needed to pay back loans and plant again the next season.