CROP INSURANCE BASICS

CROP INSURANCE 101

After the 1980s farm crisis, Congress turned to crop insurance to help farmers handle risks without breaking the bank.

Investments made to the public-private partnership since have transformed crop insurance from a little used program to an indispensable risk management tool.

The 2014 Farm Bill made crop insurance a cornerstone of farm policy. The 2018 Farm Bill ensured it remained affordable, widely available and economically viable.

Now, farmers buy insurance and private companies underwrite policies so taxpayers aren't on the hook for the entirety of disaster assistance.

Private companies sell and service **1.1 million policies that protect more than 490 million acres and more than $173 billion** worth of food, fiber, and fuel.

Policies are **available on more than 130 commodities** – including fruits and vegetables – and to farmers of all sizes in all states.

Farmers help fund their own safety net, **collectively spending $3.5 billion to $4 billion a year for coverage**. They also shoulder a portion of losses before receiving aid.

Private claims adjusters verify losses following disaster and speed assistance – **usually within 30 days** – to affected farmers.

The government sets premium rates, discounts premiums for farmers and pays some losses to keep coverage affordable, available and economically viable.