

Risk Insights

Provided by SCS Agency Inc

How Recordkeeping and Reporting Affect Your Crop Insurance Coverage

As with any investment, it is counterproductive to pay for crop insurance and not take measures to protect your coverage. The best way to get the coverage you need and deserve out of your crop insurance policy is to practice accurate and consistent recordkeeping. Documenting your good farming practices as well as accurately reporting acreage and damages can prevent risks of falling into coverage gaps, paying too much premium or recovering less when filing a claim.

Acreage Reporting

The annual acreage report you submit to your insurance agent is the basis for determining your coverage. It shows the type of crops you plant, the amount of unplanted land, where the crops are located, what date crops were planted and the cultural practices you follow. But you may not know how much you have at stake in that report.

If you do not turn in an acreage report to SCS Agency Inc on time, you will not be covered. Keep in mind that after the acreage reporting date, you may not revise or change this report in any way. Mark the required acreage reporting date on your calendar every year, and make sure yours is finalized before this deadline.

Failing to report acreage is not the only risk—if you report too much, your premium will be unnecessarily high. Too low, and you will recover less when you file a claim. This is your responsibility, so take it upon yourself to double-check the numbers and ensure crop insurance and Farm Service Agency (FSA) reports match up.

After you file your acreage report, make a copy and keep it on file in your facility. This will allow you to track any errors, sort out discrepancies or solve any disputes more quickly and easily.

Good Farming Practices

Losses due to negligence or failure to follow good farming practices are never covered by crop insurance policies, which is why it is always important to keep records of your good faith effort to produce at the level of your historic yield.

In your detailed records, you should include descriptions of how and what you have done to produce and protect your crop, complete with the date and time you took each action. These records should be organized according to insurable unit. Examples of things to include in this log are receipts from pesticide purchases or descriptions of measures taken to prevent excessive heat or frost damage. You should also prove your good faith effort to stay on top of weather and disease



trends that may affect your crop.

Most crop insurance policies loosely define negligence as the failure to farm using practices that a reasonable and careful person would use in a similar situation. This vague definition means your records should be extremely detailed to ensure you get the coverage you need when you file a claim.

Reporting Damage

In addition to proper recordkeeping, it is also your responsibility to report crop damage in a timely manner—typically within 72 hours of discovery. Failure to do so may result in denial of your claim. If you have questions about reporting dates or recordkeeping practices, contact SCS Agency Inc at (516) 466-6007.