



# HURRICANE INSURANCE PROTECTION - WIND INDEX

## OVERVIEW

**Hurricane Insurance Protection – Wind Index (HIP-WI)** Endorsement covers a portion of the deductible of the underlying crop insurance policy when the county, or a county \*adjacent to it, is within the area of sustained hurricane-force winds from a named hurricane that is published by the National Hurricane Center (NHC) at the National Oceanic and Atmospheric Administration (NOAA). The coverage provided by HIP-WI can be combined with the Supplemental Coverage Option (SCO) and the Stacked Income Protection Plan (STAX) when acreage is also insured by a companion policy. It is based on a wind index and is not specific for excess precipitation/flood.

### Availability

- The HIP-WI Endorsement provides coverage for 70 different crops insured under the Common Crop Insurance Policy (CCIP), Basic Provisions for both Catastrophic (CAT) and additional coverage policies when provided in the actuarial documents. It is available in counties in the vicinity of the Gulf of Mexico and the Atlantic, as well as Hawaii.
- NHC data is used by RMA to determine which counties are eligible for a HIP WI payment. This includes any county, or adjacent county, where hurricane winds occur, based on a comparison of hurricane paths and hurricane-related indemnities reported to RMA.
- HIP-WI is compatible with PEAK, but not inclusive of inventory included in the PEAK endorsement for Nursery.
- Occurrence Loss Option (OLO) is not compatible with HIP-WI considering Nursery. A producer may only have one or the other.

### Coverage

- Coverage Percentage: A factor elected between 1 and 100 percent in whole percent increments, used to determine the HIP amount.
- Hurricane Coverage Range: The difference between 95 percent (maximum percent of the crop value to be insured) and the higher of the coverage level of your underlying MPCl policy, or the upper end of your SCO coverage range (if SCO coverage applies), or your STAX coverage range (if STAX coverage applies), if applicable, expressed as a whole percentage.
- Insurance period generally starts the later of the applicable Sales Closing Date or Earliest Planting Date of the crop and ends on the earliest of the end of insurance date or termination date (if there is no end of insurance date for the crop).

### Waiting Period

- The initial year HIP-WI is elected, coverage will not begin until 14 days after the sales closing date. If the underlying crop policy also requires a waiting period, the wait periods will run concurrently. For subsequent years, if you increase your HIP-WI coverage, the increase will not take effect until 14 days after the sales closing date.
- If a loss event occurs within the 14-day waiting period, HIP-WI coverage will be based on the coverage percentage and coverage range from the previous insured year.

### Impact of Agriculture Risk Coverage (ARC) Election

- If the underlying policy includes SCO, the HIP amount will not increase if the insured elects the ARC program on some or all the acres insured under SCO.

#### SALES CLOSING

Same as the underlying  
MPCl crop policy

#### PREMIUM SUBSIDY

**65%**

*HIP-WI can be purchased  
in conjunction with a CAT  
policy, and the premium  
subsidy is unaffected.*

#### COVERAGE PERCENTAGE

**1% - 100%**

*(In whole percent increments)*

## Losses and Claims

- Insureds are not required to file a Notice of Loss for HIP-WI and no loss adjustment is needed.
- The full value of the HIP-WI Endorsement is paid if a county, or adjacent county, is within the area of sustained hurricane-force winds from a named hurricane based on data published by the NHC. The counties where payments occur will be identified in the actuarial documents.
- It is possible that your individual farm may experience reduced revenue or reduced yield due to hurricane-related causes and you do not receive an indemnity under HIP-WI.
- Only one payment is made per crop/type/practice/year, regardless of the number of times a county loss trigger occurs during the insurance period.

## Scope of Compliance Review

- Review of underlying MPCI policy Application
- Review of underlying MPCI policy Acreage Report
- Review of HIP-WI policy documentation

## By the Numbers

**Expected crop value:** \$100

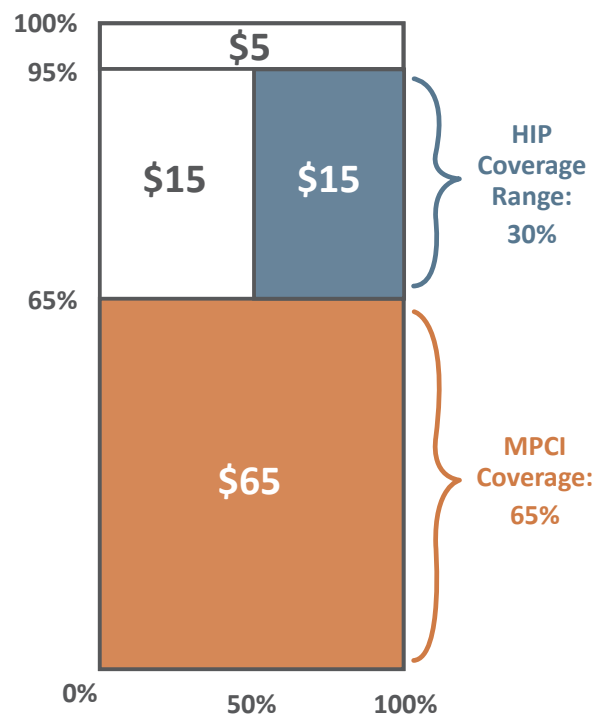
**MPCI Coverage Level:** 65%

**Liability =** \$65

**Deductible =** \$35

**Maximum coverage allowed:** 95%

- Up to \$30 of the deductible may be covered by HIP (95% of the expected crop value).
- A grower may choose to cover from 1% to 100% of coverage range.
- The example to right shows a coverage percentage election of 50%. This cuts HIP coverage in half from \$30 to \$15 and also cuts premium in half.



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