

## **CropPro/GuideOne Crop Hail Named Peril Policy Cancellations Information for Growers and Insurance Producers**

### **CropPro/GuideOne Cancellations**

On May 10, 2018, the Nebraska Department of Insurance (Department) became aware of a pending cancellation of a large number of crop hail named peril (crop hail) policies issued to Nebraska growers by CropPro, a managing general agent of GuideOne Mutual Insurance Company. The reason given for the possible cancellation was the failure of CropPro to secure reinsurance. On May 11, CropPro began to issue notices of cancellation on many, but not all, crop hail policies issued in Nebraska. This cancellation notice did not apply to federally reinsured multi-peril crop insurance (MPCI) that was sold in conjunction with the private crop hail policies. Since the issuance of the cancellation notices, the Department became aware of two pieces of misinformation provided to growers and insurance producers:

- First, emails from CropPro to insurance producers indicate that the Nebraska Department of Insurance required CropPro to cancel policies. **This statement is false.** The decision to cancel the policies was a decision made by CropPro.
- Second, emails from CropPro to insurance producers indicate grower losses will not be paid. **This statement is false.** GuideOne, as the insurer who issued the policy, will be responsible for any covered losses, subject to the provisions of the policy, that occur while the policy is in force. This includes policies that were not cancelled or replaced, as well as covered losses occurring while cancelled policies were still in force (between the policy's effective date and the effective date of the cancellation).

### **RMA Bulletin**

On Friday, May 28, 2018, the United States Department of Agriculture Risk Management Agency (RMA), issued a bulletin in response to the market disruption caused by CropPro's decision to cancel a large number of crop hail policies in Nebraska. The bulletin allows growers to transfer their MPCI coverage back to the approved insurance provider who insured the MPCI policy in 2017. The window for transfers is 15 business days from May 28. The bulletin can be found on the RMA's website at <https://www.rma.usda.gov/bulletins/managers/2018/mgr-18-005.pdf>.

### **Talk with your Insurance Agent**

Each individual grower is unique and this situation involving misinformation, cancellations, and transfers is unusual and confusing. Nebraska growers affected by CropPro are encouraged to reach out and contact their insurance producers (agents) to determine their insurance needs and options for the 2018 growing season.