

Quick Guide to



FARM INSURANCE

Farm insurance is an important component of any farming operation, and it can offer protection from liability charges and property damage, as well as insurance against crop failures. It is valuable to understand insurance options when developing your farm business.



Types of Farm Insurance Available

Some insurance agencies offer farm packages, which can simplify options by combining personal, farm, business, property, and liability insurance under one policy. A single policy can then cover personal residences, personal health, vehicles, farm buildings, equipment, machinery, and liability insurance for medical expenses, defense costs, and property damage to others. Within a farm package, policies can be customized to fit personal needs.

Producers can also opt to purchase crop insurance, which is developed and funded by the US Department of Agriculture's Risk Management Agency, but sold through local insurance agents. Several crop insurance options exist, including those that protect against natural disasters, yield loss, income loss, whole-farm loss, and crop-specific loss. Consult with your farm insurance agent to determine whether crop insurance is appropriate for your operation.

What Major Buyers Generally Require for Coverage

Distribution companies and food service companies require producers to have liability insurance coverage as protection in case of food safety issues. The food management company Sodexo requires all producers selling to their purchasers to have liability insurance covering \$5 million per occurrence and to be certified in Good Agricultural Practices. Costa Fruit & Produce, a regional distributor based in Boston, MA, requires that producers maintain Commercial General Liability insurance covering \$1 million for general aggregate and \$1 million per occurrence, Commercial Automobile Liability covering \$1 million per accident, and Excess/Umbrella Liability covering between \$2-5 million.

PROTECT YOUR OPERATION FROM:

- | | |
|--------------------------|-------------------------------|
| <i>Natural disasters</i> | <i>Crop-specific loss</i> |
| <i>Yield loss</i> | <i>Equipment loss</i> |
| <i>Income loss</i> | <i>Property damage</i> |
| <i>Whole-farm loss</i> | <i>Food safety litigation</i> |

and more...



Potential Sources of Farm Insurance



Farm Family Insurance offers a farm package for producers across New England. They work with small, medium, and large farms across the region, and they are closely affiliated with the Farm Bureaus in many of the states in which they operate.

www.farmfamily.com



Downey Insurance Group has offices in Massachusetts, New Hampshire, and Vermont, and they offer farm insurance across the region.

www.downeyinsurance.com



Acadia Insurance provides farm insurance policies to farms across the Northeast. Acadia currently has a relationship with the New England Apple Council.

www.acadiainsurance.com

For More Information on Farm Insurance and Risk Protection

New England Small Farm Institute's Guide to Common Questions About Farming Risks

www.smallfarm.org/main/for_new_farmers/reckon_with_risk/

Insurance Coverage Options for Fresh Produce Growers, NC State University Cooperative Extension

www4.ncsu.edu/~rmjesul/Food_Safety_Risk/ag-710%20final%20printed.pdf



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