Insurance 101: Basics to INFO SHEET
Analyze Your Coverage

This Info Sheet provides an overview of how to ensure your coverage is appropriate for your operation, your risk is mitigated, and your costs are minimized.

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Having appropriate insurance coverage is critical for a successful farm operation. Out of convenience, many farmers simply adopt the same broker as their neighbor or friend without "shopping around".

It's important to have the right kind of coverage for your particular operation, and that you consider your costs: the premiums you pay as well as when you have an unfortunate loss.

1. When to Review Your Coverage

• You added or disposed of property, vehicles, or equipment.
• You modified your human resources (for example, started working with a labor contractor, switched staff from 1099 to W2, etc.).
• You changed any aspect of your operation (for example, changed a major crop, became involved with a new venture, etc.).

2. What to Consider for General Coverage

• Are each of your assets and resources adequately protected?
• Have all assets that have been disposed of been removed from your policy?
• Are your limits of coverage adequate? What financial loss can you afford if something is not covered or limits are too low?
• Depending on your business structure, are your personal assets protected? If not, do you have or need "umbrella" coverage for both business and personal assets?
• Are you eligible for crop insurance? If so, do you need it?
• How much are you paying currently? Are you paying too much for the coverage you need?

3. What to Consider for Workers Compensation

If you have at least one employee, even part-time or temporary, and/or family, then workers compensation (workers comp) insurance is required.
These tips will make your farm more desirable to insurance carriers and your premiums likely lower:

- Post all the required notices.
- Document your Injury & Illness Prevention Program.
- Be compliant with all Heat Illness Prevention regulations.
- Have a First Aid Policy and use it.
- Document your employee training, safety inspections, safety meetings, and related employee communications.
- Ensure your workers go to medical providers in your insurance carrier's Medical Provider Network.
- Report all workers comp injuries immediately.
- If reasonable, provide light duty work for injured employees to minimize the amount of disability and to speed up recovery.

4. What to Look for in a Broker

Your insurance broker should be a trusted advisor. He or she ideally should:

- Be knowledgeable of the unique needs of farmers, including the considerations above.
- Have a good understanding of your operation, and visit your farm at least annually.
- Periodically compare premiums (costs) across insurance carriers and provide choices.
- Have relationships with many insurance carriers to find the right fit – especially helpful to access affordable workers comp coverage.
- Provide required postings for workers comp regulations, and models for your Injury & Illness Prevention Program.
- Offer quality service:
  - Be available and helpful.
  - Advocate for you with insurance carriers when you have a claim to maximize your financial recovery.

Are you an insurance broker that specializes in CA farmers? Check out how to Become A Partner.

4. Finding An Insurance Broker

To find an insurance broker in your region, refer to the FarmsReach Source Directory, which includes agricultural insurance brokers and agents recommended by our member farmers in CA.

Was this Info Sheet helpful to you? Do you have suggestions for how we could improve it? We want to hear from you!
Contact Eva Antczak at evaa@farmsreach.com.