

Uninsured Unavoidable Fire or Third Party Damage



Historically, if an insured's acreage suffered from an Unavoidable Uninsured Fire (UUF) or Third Party Damage (such as Dicamba drift from a neighbor's farm), the insured was forced to add the resultant reduced production to their APH database, thus decreasing their insurance coverage in subsequent years through no fault of their own.

Beginning in 2018, growers will instead have the option to exclude acreage damaged by a UUF or Third Party from their APH, thereby protecting them from this reduction in coverage. This means that insureds will no longer be penalized for damage which was uninsurable and out of their control.

In order to take advantage of this option, the insured must provide notice to their crop insurance agent once a UUF or Third Party Damage occurs. An adjuster will then inspect the field(s) and identify the damaged acreage. The insured will be required to keep this production separate, and has until the Production Reporting Date to make the decision to exclude the production from their APH database.

It is very important that the insured remember to provide notice, so their agent will know how many acres, and how much of the corresponding production, to exclude as damaged.

What is UUF or Third Party Damage?

Unavoidable Uninsured Fire: An Unavoidable Uninsured Fire (UUF) is a fire caused by an uninsured cause of loss due to actions outside the control of the insured and which is unavoidable. For example, fires caused by drivers throwing a lit cigarette out of a car window are clearly caused by third parties and are unavoidable; fires caused by an insured who sets a fire to burn brush which spreads and burns their crop was clearly caused by the insured and was avoidable. There are many variables that may impact whether a fire is avoidable and it is not possible to make a blanket determination of whether the cause of the fire is unavoidable. The insured must prove to the AIP that the fire was caused by actions outside the control of the insured and that such fire was unavoidable.

Third Party Damage: Third Party Damage refers to situations in which the actions of a third party, outside of the control of the insured, result in losses for the insured, such as when a neighbor negligently applies chemicals and the resulting spray drift damages the insured's crop. The insured must be able to document that the loss was due to the actions of a third party outside the control of the insured.

All information regarding UUF/Third-Party Damage is from the 2018 Crop Insurance Handbook in paragraph 1236 and 1310.

This summary is for general illustration purposes only. Contact your ARMtech agent to obtain information specific to your operation. Always consult with your agent and the relevant documentation, such as the Crop Insurance Handbook, before making a crop insurance decision.