Farm Insurance

There are two main types of insurance available specifically to farmers: liability insurance and crop insurance. This factsheet will explore both as well as other types that are commonly used by farmers.

Fact Sheet Overview

Liability Insurance

Liability insurance is required for all farmers selling their farm products at any outlet including farmers' markets, farmers that make value-added products, and farmers that hire employees. Liability insurance is important as it protects farmers from being sued due to potential human injury or property damage.

Liability insurance can be covered under a homeowner policy if the farming activity is a "secondary" operation earning less than $5,000 per year (this figure should be verified with your insurance agent). Other options may include farm liability/

farm owner policy and supplemental comprehensive coverage and/or product liability insurance. Farm owner's policy is designed to protect the farmer from accidents that happen on the farm property. Comprehensive coverage policy protects business activities that occur on the farm, like selling farm products, for example.

Farm Owner's Insurance

Like a homeowner's policy, most general farm insurance plans cover property damages and comprehensive personal liability coverage for claims against the farm. This insurance is only available through private insurance brokers and it is suggested that you shop around as prices vary widely from vendor to vendor.

Supplemental Comprehensive Coverage and/or Product Liability Insurance

If you have the public coming to your farm, you may want to consider increasing your farm's comprehensive personal liability insurance in case someone gets hurt on your property. In 2019 NYS passed the Safety in Agritourism Act that limits a farm owner's liability for visitor injuries, but only if the owner follows very strict guidelines.

If you sell products for human consumption, you run the risk of people getting sick from your products. Make sure your general comprehensive policy covers product risks or purchase product liability insurance.

Some fruit and vegetable producers find their existing insurers are now requiring that the farm hold a certificate of FSMA training. Should that happen, here is a source for training.

Workers Compensation Insurance

Employers are required to carry workers compensation insurance for employees if cash wages exceeded $1,200 in the preceding calendar year. Coverage must be obtained effective April 1st of the year immediately following the year where the farm had $1,200 of payroll. If a farm has one or more unpaid interns or apprentices for the growing season, worker's compensation insurance must be provided for these workers too. Insurance can be purchased from the New York State Insurance Fund, private insurers, or an employer can form/join a self-insurance group if they meet various requirements and post bond.

State law also requires that employees be covered by a disability benefit if they are disabled off the job. Most worker's compensation insurance will also include this.

Family members (spouse or children) and farm laborers are exempt from this requirement if the farm is not incorporated. If the farm is held as a corporation or LLC then the family member exemption does not apply because no one is related to a business entity.

Note: Worker's compensation insurance also applies to unpaid interns.

Health Insurance

Farm employers are not required to carry health insurance for their employees if they have 50 or fewer employees. However, health insurance for farmers and farm families who do not have off-farm jobs can be very costly. Farming is a high-risk occupation and families put themselves at risk when they do not carry or cannot afford health insurance coverage.

Insurance Plan Options

Gladle & Associates	Provide health insurance for farm families through the Dairymen's Health Insurance Alliance Group Plan. You do not have to be a dairy farmer to join. Toll free: 800-479-8153

NY State of Health	The New York State of Health Marketplace can help individuals and sole proprietors shop for and enroll in health insurance. You may also qualify to receive assistance to help pay for insurance offered through the Marketplace.
Affordable Care Act	All U.S. citizens are eligible for healthcare coverage through the Health Insurance Marketplace

Crop Insurance and Risk Management

Crop insurance is available for specific crops to protect against weather-related and other common causes of loss. Federally subsidized policies are created by the USDA Risk Management Agency, but purchased from a crop insurance company. And through the New York Crop Insurance Education Program. The minimal level of crop insurance is Catastrophic Risk Protection (CAT) which is activated once you have sustained at least a 50% loss in yield. CAT provides protection for at least 50% of yield at a rate of 55% of the market price and is paid through the federal government.

Federal disaster programs can also protect against significant crop losses, if beginning farmers sign up annually by the applicable deadline. Disaster programs are administered by county USDA Farm Service Agencies. While many crops are covered under insurance, for those that are not, the Farm Service Agency's Non-insured Assistance Program (NAP) may help. NAP must be applied for before planting.

Adjusted Gross Revenue-Lite (AGR-Lite) Insurance: This insurance option protects your projected income for a year on the farm. Most crops, animals, and animal products are covered under this insurance program. In order to be eligible for AGR-Lite, you must meet the following: you must file farm income taxes, be a U.S. citizen or legal resident, have less than $1 million in gross income, have your IRS tax forms from the past 5 filing periods (years), purchase this insurance by mid-March each year.

Insurance Companies that Serve Farms

- Erie Insurance
- Dryden Mutual Insurance Company
- Farm Family
- Finger Lakes Fire and Casualty
- NY Farm Bureau/ Nationwide
- Safety Group 486 Workers' Compensation Insurance (Associated with NY Farm Bureau)
- Washington County Cooperative Insurance Company

*This listing of insurance companies is not intended to be complete, and listing does not imply endorsement by Cornell

Cooperative Extension. Check with folks located in the area near where you farm to find insurance agents and underwriters who specialize in farm policies.