FIELD-LEVEL CROP INSURANCE QUICK CARD: THE SHIFT FROM COUNTY AVERAGE TO FIELD BY FIELD

Program Foundation (October 29, 2026 Announcement): Aon plc and SAGE (AI-native agricultural risk intelligence) launched a precision crop insurance program pricing risk at the individual field level rather than county averages, with AgriCap as preferred insurance partner. Designed to *complement federal crop insurance (which covers ~90% of U.S. corn and soybean acreage)*, not replace it. Commercial launch targets corn and soybean growers across 15 states for the 2027 crop year ahead of spring 2027 sign-up (reviewable at `sage.ag`).

1. STRUCTURAL COMPARISON: COUNTY-AVERAGE VS. FIELD-LEVEL INSURANCE

Operating Dimension	County-Average Model (Federal Baseline)	Field-Level Precision Model (Aon / SAGE / AgriCap)
Unit of Risk	Entire county treated as a single homogeneous risk profile.	Individual field boundary evaluated on specific land characteristics.
Data Engine	Historical county yield loss tables and administrative averages.	AI models combining billions of data points across soil, water, weather, and management.
Cross-Subsidy Effect	Low-risk growers pay for high-risk neighbors; tough ground gets quiet discount.	Removes county average cross-subsidy; prices reflect actual individual exposure.
Broker Conversation	Rate sheet lookup, coverage percentage selection, and signature at renewal.	Strategic land planning: identifying risk drivers, resilience payback, and enrollment sequence.
Resilience Incentives	Investments in drainage or soil structure do not affect insurance premium.	Resilience work made visible and underwritable, paying back in yield protection + premium.
Coverage Structure	Base federal crop insurance covering nearly 90% of corn and soybean acreage.	Precision supplemental layer sitting directly alongside federal coverage.

2. WHO WINS AND WHO LOSES WHEN THE CROSS-SUBSIDY DISAPPEARS

The Overpaying Grower (Low-Risk / Resilient Fields) WINNER

Growers whose fields feature superior natural drainage, stable soil structure, or proactive conservation investments have historically overpaid relative to their own risk. Precision pricing returns this capital by lowering premiums to match real ground conditions.

"An opportunity to reward farmers' investments in resilience through better crop insurance options." — Robert Bonnie, former USDA Under Secretary & SAGE co-founder

The Tough-Ground Grower (High-Exposure Fields) ACTION REQUIRED

Fields prone to frequent ponding or severe weather exposure previously received an unpriced county discount. While precision rates move toward true risk, seeing exposure clearly creates an actionable roadmap for targeted field improvements.

Testing "whether insurance could better recognize farmers who build resilience on their land." — Tina Owens, RALIC Founder

3. PROVEN GROUND PROOF: THE MICHIGAN RALIC PILOT

Pilot Footprint:	Four Michigan counties encompassing over **1,000,000 agricultural acres** (roughly **12% of Michigan farmland**).
Sponsorship:	Developed by the Resilience in Agricultural Lending and Insurance Coalition (RALIC); funded in part by the Michigan Department of Agriculture and Rural Development (MDARD).
Core Mission:	Empirically proving that AI-driven field-level models can underwrite and reward farm-level resilience practices at commercial scale.

FIELD-LEVEL CROP INSURANCE QUICK CARD: WHAT THE GROWER MUST NOW PRODUCE

4. THE FOUR FIELD-LEVEL DATA PILLARS (SAGE MODEL INPUTS)

Data Pillar	Core Physical & Operational Attributes	Underwriting Significance & Risk Impact
1. Soil Profile	Soil texture, composition, organic matter, natural drainage classification, compaction, and topsoil depth across field zones.	Determines baseline drought tolerance, moisture capacity, and inherent vulnerability to root saturation or yield stress.
2. Water Behavior	Hydrologic flow pathways, localized ponding tendency, slope runoff, elevation gradients, and field tiling/drainage infrastructure.	Differentiates ground that drains within hours from adjacent tracts that drown out under heavy precipitation events.
3. Weather Exposure	High-resolution microclimate exposure, localized wind patterns, hail corridors, frost pockets, and historical precipitation extremes.	Isolates site-specific weather threats from broader regional county weather station summaries.
4. Human Interaction	Management practices, tillage approach, cover crops, rotation history, tile maintenance, input management, and documented capital improvements.	Validates grower stewardship and provides the quantitative basis to reward active risk-reduction practices.

5. RECORDS READINESS: MOVING FROM SHOEBOX TO READY RECORDS

Field-level pricing cuts both ways: growers with organized data capture preferred rates first, while disorganized records create underwriting friction.

Record Category	The "Shoebox" Exposure (High Friction / Unpriced Work)	The "Ready Record" Standard (Preferred Underwriting)
Field Boundaries & Acreage	Verbal acre counts; whole-farm aggregated reporting; unmapped tracts.	Precise boundary shapefiles / CLU maps isolating distinct soil and drainage zones.
Farming Practices & History	Unwritten operational routines; informal spray/tillage recollections.	Logged field-by-field rotation logs, tillage records, and cover cropping verification.
Water Infrastructure	Unmapped subsurface tile lines; anecdotal drainage performance.	As-built tile maps, outlet condition logs, ditch maintenance records, and flow notes.
Lender & AgTech Integration	Paper receipts in boxes; disjointed farm service invoices.	Structured digital records from ag lenders or farm management software platforms.

6. THE DOUBLE-PAYBACK PRINCIPLE & BROKER ACTION WINDOW

The Double-Payback Formula:
Resilience investments in land pay back across two independent financial balance sheets:

- **Payback 1 (Agronomic):** Direct yield protection during extreme weather events (drought buffer or flood drainage).
- **Payback 2 (Insurance):** Direct reduction in field-level risk scores that translates into lower insurance premium costs.

"When we make resilience visible, it can be underwritten, which means we can syndicate capital behind it." — Jonathan Sherrill, SVP, Aon Agriculture Resilience Center

The Winter 2026–2027 Broker Imperative:
Do not wait for the spring 2027 sales deadline. Transitioning clients requires a structured winter timeline:

- **Phase 1 (Nov–Dec 2026):** Triage client books; identify operations with digital farm records or progressive ag lenders.
- **Phase 2 (Jan–Feb 2027):** Conduct field-by-field data intake; separate overpaying ground from tough-ground exposures.
- **Phase 3 (Spring 2027):** Review modeled field scores at `sage.ag` and structure supplemental layer alongside federal coverage.

Regulatory & Coverage Boundary: Precision field pricing through Aon, SAGE, and AgriCap complements federal crop insurance—it does not replace standard multi-peril coverage. Federal crop insurance continues to protect baseline farm revenue across ~90% of acreage.