

Crop Insurance Plan Comparison

The products and product topics summarized in this outline are not all-encompassing and do not substitute for the policy provisions. See the policy provisions and/or contact your company for a complete description of available coverages and their terms and conditions.

NOTE: Beginning with the 2011 crop year, the Crop Revenue Coverage (CRC), Income Protection (IP), Indexed Income Protection (IIP), and Revenue Assurance (RA) plans of insurance have been discontinued. Additionally, Actual Production History (APH) coverage is no longer offered for barley (includes malting type), canola and rapeseed, corn, cotton, grain sorghum, rice, soybeans, sunflowers, and wheat. Instead, a producer may choose to insure these crops utilizing either Yield Protection coverage or Revenue Protection coverage.

Yield Protection (YP) (Plan 01)

YP provides protection against a loss in yield due to unavoidable, naturally occurring events. For most crops, that includes adverse weather, fire, insects, plant disease, wildlife, earthquake, volcanic eruption, and failure of the irrigation water supply due to a naturally occurring event. Like the APH plan of insurance, YP guarantees a production yield based on the individual producer's APH. Unlike the APH plan of insurance, a price for YP is established according to the crop's applicable commodity board of trade/exchange as defined in the Commodity Exchange Price Provisions (CEPP). The projected price is used to determine the yield protection guarantee, premium, any replant payment or prevented planting payment, and to value the production to count. The coverage and exclusions of YP are similar to those for the APH plan of insurance. An indemnity is due when the value of the production to count is less than the yield protection guarantee. Crops covered under this plan include barley (includes malting type), canola/rapeseed, corn, cotton, grain sorghum, rice, soybeans, sunflowers, and wheat.

Revenue Protection (RP) (Plan 02)

Revenue protection provides protection against a loss of revenue caused by price **increase or decrease**, low yields or a combination of both (for corn silage and rapeseed, protection is only provided for production losses). This coverage guarantees an amount based on the individual producer's APH and the greater of the projected price or harvest price. Both the projected price and harvest price are established according to the crop's applicable commodity board of trade/exchange as defined in the Commodity Exchange Price Provisions (CEPP). While the revenue protection guarantee may increase, the premium will not. The projected price is used to calculate the premium and replant payment or prevented planting payment. An indemnity is due when the calculated revenue (production to count x harvest price) is less than the revenue protection guarantee for the crop acreage. Crops covered under this plan include barley (includes malting type), canola/rapeseed, corn, cotton, grain sorghum, rice, soybeans, sunflowers, and wheat. (Please note the "Maximum Price Movement" for rapeseed and corn silage on the following page.)

RP with the Harvest Price Exclusion (RP HPE) (Plan 03)

RP HPE is similar to RP, however RP HPE coverage provides protection against loss of revenue caused by price **decrease**, low yields or a combination of both. Unlike RP, the revenue protection guarantee for RP HPE is based on the projected price only and it does not increase based on a harvest price. Crops covered under this plan include barley (includes malting type), canola/rapeseed, corn, cotton, grain sorghum, rice, soybeans, sunflowers, and wheat.

Group Risk Plan (GRP) (Plan 04)

GRP coverage is based on the experience of the county rather than individual farms, so while maintaining the insured's actual production history is encouraged, it is not required for this program. GRP indemnifies the insured in the event the payment yield falls below the insured's trigger yield. The Federal Crop Insurance Corporation (FCIC) will issue the payment yield in the calendar year following the crop year insured. Since this plan is based on county yields and not individual yields, the insured may have a low yield on their farm and not receive payment under GRP.

Group Risk Income Protection (GRIP) (Plan 06)

Like GRP, GRIP is based on the experience of the county rather than individual farms, so while maintaining the insured's actual production history is encouraged, it is not required for this program. A GRIP policy includes coverage against potential loss of revenue resulting from a significant reduction in the county yield or commodity price of a specific crop. When the county yield estimates are released, the county revenues will be calculated. An indemnity is due under GRIP when the county revenue published by FCIC is less than the trigger revenue. Since this plan is based on county revenue and not individual revenue, the insured may have a loss in revenue on their farm and not receive payment under GRIP. The Harvest Revenue Option (HRO) Endorsement is available for GRIP (see below).

GRIP with the Harvest Revenue Option (GRIP HRO) (Plan 05)

GRIP HRO is GRIP but with an added Harvest Revenue Option. For additional premium, this option offers "upside" harvest price protection by valuing lost bushels at the harvest price in addition to the coverage offered under GRIP. GRIP HRO will pay a loss when the county revenue is less than the HRO trigger revenue which is calculated using the higher of the projected price or harvest price.

Actual Production History (APH) (Plan 90)

APH is the oldest insurance product listed on this comparison. The APH plan of insurance provides protection against a loss in yield due to nearly all natural disasters. For most crops, that includes drought, excess moisture, cold and frost, wind, flood and unavoidable damage from insects and disease. Like YP, the APH plan of insurance guarantees a yield based on the individual producer's actual production history. Unlike YP, the available price elections are established by the Risk Management Agency. An indemnity is due when the value of the production to count is less than the liability. Of the small grain crops, only oats, rye, flax, and buckwheat remain covered under the APH plan of insurance for the 2011 crop year.

Crop Insurance Plan Comparison

	YP	RP	RP HPE	GRP	GRIP	GRIP HRO	APH
Plan Code	01	02	03	04	06	05	90
Coverage	individual yield	individual revenue	individual revenue	area yield	area revenue	area revenue	individual yield
Insures Against	production loss	revenue loss due to increase or decrease in price, low yield, or combination of these	revenue loss due to decrease in price, low yield, or combination of these	county-wide production loss	county-wide revenue loss	county-wide revenue loss	production loss
Administrative Fee	\$30 \$300 CAT	\$30 no CAT available	\$30 no CAT available	\$30 \$300 CAT	\$30 no CAT available	\$30 no CAT available	\$30 \$300 CAT
Available Unit Structure	basic, optional, enterprise, ¹ whole-farm	basic, optional, enterprise, ¹ whole-farm	basic, optional, enterprise, ¹ whole-farm	one unit per county	one unit per county	one unit per county	basic, optional, ¹ enterprise, ¹ whole-farm
Applicable Price(s)/Price Election(s)	percentage elected by insured of projected price defined by CEPP	projected price and harvest price defined by CEPP	projected price and harvest price defined by CEPP	45% (CAT), or 60%-100% of maximum dollar amount of protection based on expected price	60%-100% of maximum dollar amount of protection based on expected price	60%-100% of maximum dollar amount of protection based on higher of expected and harvest price	percentage elected by insured of price election determined by the Risk Management Agency
Maximum Price Movement	not applicable	harvest price not to exceed projected price x 2.00-(except for corn silage and rapeseed for which the harvest price = projected price)	harvest price not to exceed projected price x 2.00 (except for corn silage and rapeseed for which the harvest price = projected price)	not applicable	downward: no limit upward: harvest price limited to 200% of expected price (per Special Provisions)	downward: no limit upward: harvest price limited to 200% of expected price (per Special Provisions)	not applicable
Coverage Level Percent Available	50%, 55%, 60%, 65%, 70%, 75%, ¹ 80%, ¹ 85%	50%, 55%, 60%, 65%, 70%, 75%, ¹ 80%, ¹ 85%	50%, 55%, 60%, 65%, 70%, 75%, ¹ 80%, ¹ 85%	65% (CAT), 70%, 75%, 80%, 85%, 90%	70%, 75%, 80%, 85%, 90%	70%, 75%, 80%, 85%, 90%	50%, 55%, 60%, 65%, 70%, 75%, ¹ 80%, ¹ 85%
APH	required	required	required	not required	not required	not required	required
Acreage Report	required	required	required	required	required	required	required
Written Agreement	available	Available, but cannot establish revenue protection when coverage for crop is not provided in the state	Available, but cannot establish revenue protection when coverage for crop is not provided in the state	available	available	available	available
Guarantee	yield protection guarantee = APH approved yield x coverage level x projected price	revenue protection guarantee = APH approved yield x coverage level x greater of projected price or harvest price	revenue protection guarantee = APH approved yield x coverage level x projected price	policy protection = dollar amount of protection per acre x net acres	policy protection = dollar amount of protection per acre x net acres	policy protection = dollar amount of protection per acre x net acres x HRO policy protection adjustment factor	production guarantee = APH approved yield x coverage level
Rating	continuous individual yield rated	continuous individual yield rated	continuous individual yield rated	area yield rated	area yield rated	area yield rated	continuous individual yield rated
Premium	(1) rate x liability x applicable adjustment percentage factor(s) (2) result of 1 x subsidy (3) result of 1 - 2	(1) rate x liability x applicable adjustment percentage factor(s) (2) result of 1 x subsidy (3) result of 1 - 2	(1) rate x liability x applicable adjustment percentage factor(s) (2) result of 1 x subsidy (3) result of 1 - 2	(policy protection x rate x 0.01) - subsidy	(policy protection x rate x 0.01) - subsidy	(policy protection x rate x 0.01) - subsidy	(1) rate x liability x applicable factor(s) (2) result of 1 x subsidy (3) result of 1 - 2

¹ See the County Actuarial information to determine availability.

Crop Insurance Plan Comparison

	YP	RP	RP HPE	GRP	GRIP	GRIP HRO	APH
Subsidy Amount	CAT=1.00; basic & optional units @ 50% coverage level=.67; 55-60%=.64; 65-70%=.59; 75%=.55; 80%=.48; 85%=.38; for enterprise units @ 50-70% coverage level=.80; 75%=.77; 80%=.68; 85%=.53; * whole-farm unit	basic & optional units @ 50% coverage level=.67; 55-60%=.64; 65-70%=.59; 75%=.55; 80%=.48; 85%=.38; for enterprise units @ 50-70% coverage level=.80; 75%=.77; 80%=.68; 85%=.53; whole-farm units @ all coverage levels=.80	basic & optional units @ 50% coverage level=.67; 55-60%=.64; 65-70%=.59; 75%=.55; 80%=.48; 85%=.38; for enterprise units @ 50-70% coverage level=.80; 75%=.77; 80%=.68; 85%=.53; whole-farm units @ all coverage levels=.80	CAT=1.00; @ 70-75% coverage level=.59; 80-85%=.55; 90%=.51	@ 70% coverage level=.59; 75-80%=.55; 85%=.49; 90%=.44	@ 70% coverage level=.59; 75-80%=.55; 85%=.49; 90%=.44	CAT=1.00, basic & optional units @ 50% coverage level=.67; 55-60%=.64; 65-70%=.59; 75%=.55; 80%=.48; 85%=.38; for enterprise units @ 50-70% coverage level=.80; 75%=.77; 80%=.68; 85%=.53; * whole-farm unit
Discount for Good Experience	limited availability	not applicable	not applicable	not applicable	not applicable	not applicable	limited availability
High-Risk Land	eligible for coverage	eligible for coverage	eligible for coverage	eligible for coverage	eligible for coverage	eligible for coverage	eligible for coverage
High-Risk Land Exclusion	available	available	available	not available	not available	not available	available
Hail and Fire Exclusion	available; however, restricted for a whole-farm unit	available; however, restricted for a whole-farm unit	available; however, restricted for a whole-farm unit	not available	not available	not available	available; however, restricted for a whole- farm unit
Replanting Requirements	applicable	applicable	applicable	not applicable	not applicable	not applicable	applicable
Replanting Payments	available	available	available	not available	not available	not available	available
Late Planting Provisions	applicable	applicable	applicable	not applicable	not applicable	not applicable	applicable
Prevented Planting Provisions	applicable	applicable	applicable	not applicable	not applicable	not applicable	applicable
Notice of Loss	required	required	required	not required	not required	not required	required
Loss Adjustment Procedure Required	yes	yes	yes	no	no	no	yes
Indemnity If	the production to count x projected price is less than the yield protection guarantee x insured acres	the production to count x harvest price is less than the revenue protection guarantee x insured acres	the production to count x harvest price is less than the revenue protection guarantee x insured acres	the payment yield is less than the trigger yield (expected county yield x coverage level)	the county revenue is less than the trigger revenue (expected county yield x expected price x coverage level)	the county revenue is less than the HRO trigger revenue (expected county yield x the greater of expected or harvest price x coverage level)	the production to count x price election is less than the value of the production guarantee x insured acres

* Currently there are no crops with whole-farm units, so subsidy factors are not published.