



United States Department of Agriculture  
Risk Management Agency

February 2009

## 2009 COMMODITY INSURANCE FACT SHEET

# Corn

Illinois Indiana Michigan Ohio

### Crop Insured

The crop insured will be all corn grown in the county on insurable acreage, for which premium rates are provided, in which you have a share, and planted for harvest as grain (silage is only insurable by written agreement in counties that do not have an established silage insurance program). The revenue plans of insurance (CRC, IP and RA) insure corn for grain only. Corn insured includes yellow dent or white corn, including mixed yellow and white, waxy or high-lysine corn. Other corn, such as high-amylose, high oil, high-protein, flint, flour, Indian, or blue corn, or a variety genetically adapted to provide forage for wildlife, or any open pollinated corn is not insurable unless the special provisions or a written agreement provides for such insurance. Contact a crop insurance agent for further explanation.

### Causes of Loss

Adverse weather conditions<sup>1</sup>  
Failure of irrigation water supply<sup>2</sup>  
Fire<sup>3</sup>  
Insects<sup>4</sup>  
Plant disease<sup>4</sup>  
Wildlife

<sup>1</sup>Including hail, frost, freeze, drought, and excess precipitation.

<sup>2</sup>If caused by an insured cause of loss.

<sup>3</sup>If due to natural causes.

<sup>4</sup>But not damage due to insufficient or improper application of pest or disease control measures.

### Insurance Period

Insurance coverage begins on the later of the date we accept your application or the date when the corn is planted, and will end at the earliest of: (1) Total destruction of the crop, (2) harvest of the unit, (3) final adjustment of a loss, (4) abandonment of the crop, or December 10, 2009 for grain and December 30, 2009 for silage.

### Reporting Requirements

You must give a report of all your corn acreage in the county by the acreage reporting date.

### Important Dates

Sales Closing.....March 15  
Final Planting .....Varies by county  
Acreage Report.....July 15  
Cancellation.....March 15

### Definitions

**APH Yield** — Actual production history (APH) yield used to determine the production guarantee. The APH yield is based on up to 10 years of actual and/or assigned yields.

**Unit** — The insurable acreage used to determine the APH yield, the production guarantee, and any indemnity (loss payment).

**Production Guarantee** — Number of bushels or tons guaranteed per unit. Multiply your APH yield per acre  $\times$  the coverage level percentage you select  $\times$  the number of acres in the unit.

**High Risk Land (HRL)** — Land designated on a map in the actuarial documents with a high risk rate classification, requiring a higher premium rate due to higher risk.

**HRL Exclusion Option** — An agreement to exclude from crop insurance coverage all high risk land by crop and county, as signed on our form by the sales closing date. Catastrophic coverage is still available when this option is in effect.

### Coverage Levels and Premium Subsidies

The corn policy guarantees a certain amount of production, depending on the level of coverage selected. Crop insurance premiums are subsidized as shown below. For example, if you select the 75-percent coverage level, the premium subsidy is 55 percent and your premium share is 45 percent of the base premium.

Item	Percent							
Coverage Level	50	55	60	65	70	75	80	85
Premium Subsidy	67	64	64	59	59	55	48	38
Your Share	33	36	36	41	41	45	52	62

The total cost for CAT coverage will be an administrative fee of \$300 per crop per county, regardless of the acreage. All other coverage levels require a \$30.00 administrative fee.

## Price Elections

Price at which you are compensated per bushel or ton in the event of a loss, based on the percentage of established price you have selected. Price election percentage choices for this crop year are 55 percent to 100 percent of the prices shown below.

### Established Prices:

\$4.00 per bushel grain  
\$30.00 per ton silage (Michigan only)

\*No additional price set.

## Insurance Units

**Basic Unit:** A basic unit includes all of your insurable corn acreage in the county by share arrangement. Premiums are reduced 10 percent for a basic unit.

**Optional Unit:** If a basic unit consists of two or more sections of land, and certain record keeping requirements are met, you may apply for optional units by section. The 10-percent premium discount will not apply.

**Enterprise Unit:** Generally, all the insured crop acreage in a county. Premium discounts apply.

**Whole Farm Unit:** Generally all the insured crops in the county that are covered by the insurance plan. Premium discounts apply.

## Plans of Insurance

**Actual Production History (APH)** — Production guarantee based on individual yield history. Optional and basic units are available.

**Crop Revenue Coverage (CRC)** — APH plus price protection with option, basic, and enterprise units.

**Group Risk Plan (GRP)** — Insures against widespread loss of production based on county average yields. No individual loss protection available.

**Group Risk Income Protection (GRIP)** — Combines GRP with price protection to insure against widespread loss of revenue due to a combination of low yields and/or low prices. No individual protection available.

**Income Protection (IP)** — APH plus price protection with enterprise units only (pilot in 6 counties).

**Revenue Assurance (RA)** — APH plus price protection with optional, basic, enterprise, and whole farm units.

## Endorsement

**Pilot Biotechnology Endorsement (BE)** The BE provides a premium rate reduction if at least 75 percent of the acres in each unit of non-irrigated corn for grain is planted to a qualifying hybrid. This endorsement is available under buy-up coverage levels for the APH, CRC, and RA plans of insurance only.

## Replant Provisions

A replanting payment is available if we determine it is practical to replant on a unit and our appraisal does not exceed 90 percent of your guarantee, and you replant at least 20 acres or 20 percent of the unit. The replanting payment will be the lesser of 20 percent of the bushel guarantee or 8 bushels times your price election, multiplied by your share. Replant payments are **not available** on the catastrophic risk protection endorsement.

## Late and Prevented Planting

These provisions provide protection on eligible acreage that is planted late or that cannot be planted by the final planting date or within the 25-day late-planting period. Please consult your crop insurance provider for further details.

## Loss Example

**APH Example:** A loss occurs when the bushels of corn produced for the unit fall below the production guarantee as a result of damage from a covered cause of loss. This example assumes a 100 bushels per acre APH yield, 65-percent coverage level, 100 percent of the established price, basic unit coverage, and no biotech yield endorsement.

100	Bushels APH yield
x .65	Coverage level
65	Bushels per acre guarantee
x 100	Acres
6,500	Bushels unit guarantee
- 1,200	Bushels production
5,300	Bushels loss
x \$4.00	Price election
\$21,200	Unit indemnity
x .667	Share
<b>\$14,140</b>	<b>Final indemnity</b>

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