USDA RMA

United States Department of Agriculture
Risk Management Agency

March 2011

2011 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). 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.

Causes of Loss

Adverse weather conditions[1]
Failure of irrigation water supply[2]
Fire[3]
Insects[4]
Plant disease[4]
Wildlife

[1]Including hail, frost, freeze, drought, and excess precipitation.
[2]If caused by an insured cause of loss.
[3]If due to natural causes.
[4]But not damage due to insufficient or improper application of pest or disease control measures.

Coverage Options

Yield Protection: Insurance coverage only providing protection against a production loss.
Revenue Protection: Insurance coverage providing protection against loss of revenue due to a production loss, price decline or increase or a combination of both.
Revenue Protection with Harvest Price Exclusion: Insurance coverage providing protection only against loss of revenue due to a production loss, price decline or a combination of both.
GRP, GRIP and GRIP—Harvest Revenue Option: Group Risk Plan and Group Risk Income Protection plans of insurance may also be available in your county. Ask your insurance agent for more details.

Production Guarantees

Yield Protection guarantee: determined by multiplying the production guarantee by the projected price. The harvest price is not used.
Revenue Protection guarantee: determined by multiplying the production guarantee (per acre) by the greater of the projected price or the harvest price.
Revenue Protection with Harvest Price Exclusion guarantee: determined by multiplying production guarantee (per acre) by the projected price.

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 for grain and December 30 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

Approved Yield — Actual production history (APH) yield used to determine the production guarantee. The database may contain up to 10 years of actual and/or assigned yields.
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.

Projected and Harvest Price

Beginning in 2011, the **projected price** for yield and revenue protection in all four states will be based on the Chicago Board of Trade (CBOT) December Futures Contract average daily settlement price from Feb. 1—Feb. 28. Producers who have revenue protection also have a **harvest price** that protects producers when prices are above the projected price at harvest. In a down market the harvest price is used for both the revenue protection and the revenue protection with harvest price exclusion. The **harvest price** is based on the CBOT average daily settlement price from Oct. 1—Oct. 31 for December Futures Contracts. Producers may track the settlement process during the discovery period on the RMA Web site at http://www.rma.usda.gov, and see how prices are determined in the **Commodity Exchange Price Provisions (CEPP)**.

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.

Endorsement

Pilot Biotechnology Endorsement (BE) The BE provides a premium rate reduction if at least 75 percent of the acres in each unit of corn for grain is planted to a qualifying hybrid. Please consult your crop insurance provider for further details.

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.

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