

# Premium Calculation Example (PECAN REVENUE)

October 9, 1997

For Catastrophic Insurance Coverage: No premium calculations are necessary.  
For Additional Coverage: Complete all steps.

## FOR EACH CROP

- |    |  |          |  |    |          |
|----|--|----------|--|----|----------|
| 1. | Producer Individual Dollar Amount times net acres.   | (Assume) | (\$669 x 100 acres)                    | 1. | \$66,900 |
| 2. | Enter the amount of protection (Answer 1 times selected Coverage Level).   |          | (\$66,900 x 65%)                       | 2. | \$43,485 |
| 3. | Enter the Base Premium Rate for the selected Coverage Level (Base Premium Rate in the cell that intersects with the Dollar Span and the Coverage Level). |          |  | 3. | 10.1%    |
| 4. | Base Premium (Multiply answer 2 by answer 3).  |          | (\$43,485 x 10.1%)<br>(\$43.92 / acre) | 4. | \$4,392  |

## PRODUCER PREMIUM

- |    |  |  |                                      |    |         |
|----|--|--|--------------------------------------|----|---------|
| 5. | Estimated Producer Premium (Multiply Answer 4 by the appropriate factor for the selected coverage level in the Producer Premium Percentage Table T1.10). |  | (\$4,392 x .562)<br>(\$24.68 / acre) | 5. | \$2,468 |
|----|--|--|--------------------------------------|----|---------|