Premium Calculation
INCOME PROTECTION
Effective for the 1999 and Succeeding Crop Years

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

FOR EACH CROP

1. Multiply the producer IP or Indexed IP Approved Yield, times Projected Price, times net acres, times any adjustment for late planting, prevented planting, or Liability Adjustment Factor.

   1. ☐

2. Enter the amount of protection (Answer 1 times selected Coverage Level).

   2. ☐

3. Enter the Base Premium Rate for the selected Coverage Level. For all IP except Indexed IP this is the Base Premium Rate in the cell where the IP Approved Yield for the selected Coverage Level intersects with the County Average Yield, times any applicable Option Factor(s). For Indexed IP this is the Base Premium Rate in the cell where the Indexed IP Approved Yield intersects with the selected Coverage Level, times any applicable Option Factor(s).

   3. ☐

4. Base Premium (Multiply answer 2 times answer 3).

   4. ☐

SUBSIDY

5. Enter (Answer 1 times 50 percent Coverage Level).

   5. ☐

6. Enter the Base Premium Rate for the 50 percent Coverage Level. For all IP except Indexed IP this is the Base Premium Rate in the cell where the IP Approved Yield for the 50 percent Coverage Level intersects with the County Average Yield, times any applicable Option Factor(s). For Indexed IP this is the Base Premium Rate in the cell where the Indexed IP Approved Yield intersects with the 50 percent Coverage Level, times any applicable Option Factor(s).

   6. ☐

7. Base Premium to calculate subsidy (Multiply answer 5 times answer 6).

   7. ☐

8. Subsidy (Multiply Answer 7 times .55 if the selected coverage level in Answer 1 is less than 65 percent, or .75 if the selected coverage level is 65 percent or greater.)

   8. ☐

PRODUCER PREMIUM

9. Estimated Producer Premium (Subtract Answer 8 from Answer 4).

   9. ☐

THIS WORKSHEET IS INTENDED TO ASSIST IN ESTIMATING PRODUCER PREMIUM ONLY.
Date: 11/27/98