

## Davis Regional Office — Davis, CA

Revised December 2015

# Tropical Trees - Bananas

## Hawaii

### Crop Insured

Banana trees are insurable if:

- A premium rate is provided by the actuarial documents in which you have a share;
- Grown to produce a crop intended to be sold for human consumption;
- Insurance company inspects and approves the orchard; and
- You provide evidence of at least 4 consecutive crop years of experience growing the crop, excluding year set out.

Tree age will be determined on December 31 according to the following table:

Year	Months After Set Out
1	≤ 12
2	13 - 24
3	25 - 36
4	37+

### Counties Available

Tropical fruits are insurable in Hawaii, Kauai, Honolulu, and Maui counties.

### Causes of Loss

You are protected against the following:

- Adverse weather conditions;
- Destruction of trees, if authorized by the insurance provider to contain the spread of disease;
- Disease, but not damage due to insufficient or improper application of control measures;
- Earthquake;
- Fire, unless weeds and undergrowth are not controlled;
- Insects or plant disease, but not damage due to insufficient or improper application of control measures;
- Tsunami;

- Volcanic eruption; or
- Wildlife, unless recommended wildlife control measures have not been taken.

### Insurance Period

Insurance begins January 1 for carryover policies and 30 days after we receive your application for new policies, but no earlier than January 1. The insurance period ends with the earliest occurrence of one of the following:

- December 31; or
- When we determine the total destruction of the insured trees on the unit.

### Important Dates

Sales Closing/Cancellation.....December 31, 2015  
Acreage Reporting.....February 15, 2016  
Premium Billing.....August 15, 2016  
Termination.....December 31, 2016

### Coverage Levels and Premium Subsidies

Coverage levels range from 50 to 75 percent of your approved yield. Crop insurance premiums are subsidized as shown in the following table. For example, if you choose the 65-percent coverage level, your premium share would be 41 percent of the base premium.

Item	Percent					
	50	55	60	65	70	75
Coverage Level	50	55	60	65	70	75
Premium Subsidy	67	64	64	59	59	55
Your Premium Share	33	36	36	41	41	45

Catastrophic Risk Protection (CAT) coverage is fixed at 50 percent of your approved yield and 55 percent of the price election. CAT is 100 percent subsidized with no premium cost to you. There is, however, an administrative fee of \$300 per crop per county, regardless of the acreage.

## Price Election

Value used to calculate your premium and indemnity.

Growth Stage Year 1.....\$15.22 per tree  
 Growth Stage Year 2.....\$22.42 per tree

## Loss Example

Assume 500 banana trees, 75-percent coverage, a reference price of \$22.42 per tree for growth stage year 2, and 300 trees dead after a hurricane.

500	Total insured trees
<u>x \$22.42</u>	Tree reference price at stage 2
\$11,210	Value of insured trees
300	Total dead trees
<u>x \$22.42</u>	Tree reference price at stage 2
\$6,726	Value of dead trees
6,726	Value of dead trees
<u>÷ 11,210</u>	Value of insured trees
60	Percent Damage
1.0	
<u>- 0.75</u>	Coverage level
25	Percent Deductible
60	Percent of Established Price
<u>- 25</u>	Percent Deductible
35	Percent Loss
\$11,210	Value of insured trees
<u>x 35</u>	Percent Loss
<b>\$3,924</b>	<b>Indemnity</b>

Price used above is for example only. Contact a crop insurance agent for current information.

## Where to Buy Crop Insurance

All multi-peril crop insurance, including CAT policies, are available from private insurance agents. A list of crop insurance agents is available at all USDA service centers and on the RMA website at: [www.rma.usda.gov/tools/agent.html](http://www.rma.usda.gov/tools/agent.html).

## Contact Us

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