

Premium Calculation

INCOME PROTECTION

Effective for the 2001 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. Multiply Answer 4 times the appropriate subsidy percent as follows: 5.

Coverage Level	Subsidy Percent
50	67
55	64
60	64
65	59
70	59
75	55
80	48
85	38

PRODUCER PREMIUM

6. Estimated Producer Premium (Subtract Answer 5 from Answer 4). 6.