# Corn ARPI

## Iowa, Minnesota, and Wisconsin

### Crop Insured

All corn is insurable if:

- Grown in the county on insurable acreage;
- Premium rates are provided;
- You have a share; and
- Planted for harvest as grain, seed, or silage as shown in the Special Provisions for each county.

Insurable corn includes:

- Yellow dent or white corn;
- Mixed yellow and white, high amylase, waxy or high-lysine corn;
- High-oil corn blends containing mixtures of at least 90 percent high yielding yellow dent female plants with high-oil male pollinator plants; or
- Commercial varieties of high-protein hybrids.

Uninsurable corn includes:

- High-amylose;
- High oil or high-protein (except as allowed above);
- Flint;
- Flour;
- Indian;
- Blue corn;
- A variety genetically adapted to provide forage for wildlife; or
- Any open pollinated corn.

Seed corn is insurable under ARPI in counties that have a Hybrid Corn Seed program. Contact a crop insurance agent for further explanation.

### Counties Available

See actuarial documents at [http://webapp.rma.usda.gov/apps/actuarialinformationbrowser2015/CropCriteria.aspx](http://webapp.rma.usda.gov/apps/actuarialinformationbrowser2015/CropCriteria.aspx) for insurable counties. Written Agreements are not available under Area Risk Protection Insurance (ARPI) plans. Contact an insurance agent for more details.

### Causes of Loss

ARPI provides protection against loss of revenue or against loss of yield in a county resulting from natural causes of loss that cause the final county yield or the final county revenue to be less than the trigger yield or the trigger revenue.

### Important Dates

| | |
|---|---|
| Sales Closing | March 15, 2015 |
| Final Planting (grain/seed) | June 25, 2015 |
| Final Planting (silage) | June 30, 2015 |
| Acreage Reporting | July 15, 2015 |
| Premium Billing | August 15, 2015 |
| Production Reporting | February 15, 2016 |

### Insurance Period

Insurance coverage begins on the later of one of the following:

- Date we accept your application; or
- The date the corn is planted.

### General Explanation of ARPI

ARPI is designed as a risk management tool to insure against widespread loss of production of the insured crop in a county.

The ARPI policy replaces the Group Risk Plan (GRP) and Group Risk Income Protection (GRIP) plan policies that were available in the past. ARPI is similar to GRP/GRIP in that it has less paperwork and generally lower premium cost than multiple peril crop insurance (MPCI). The policy was developed on the basis that when an entire county's crop yield is low, most farmers in that county would also have low yields.

Unlike GRP/GRIP, ARPI allows you to select a different coverage level of insurance for each insurable crop type and practice. Under the ARPI Area Yield Protection (AYP) plan, you can also select the Catastrophic Risk Protection (CAT) level of insurance for one type and practice, and select an additional (buy-up) level of coverage for a different type and practice. A separate administrative fee is charged for CAT and buy-up coverage.

**ARPI Limitations:**

- Because ARPI is an area plan, you may have a low yield or low revenue on the acreage you have insured and still not receive a payment.
- Lenders may not accept ARPI coverage as collateral.

## Definitions

**Expected County Yield** - The yield contained in the actuarial documents on which your coverage for the crop year is based. This yield is determined using historical National Agricultural Statistics Service (NASS) county average yields, as adjusted by Federal Crop Insurance Corporation (FCIC).
**Expected County Revenue** - The expected county yield multiplied by the projected price.
**Final County Yield** - The yield, established in accordance with section 15 of the policy, based on the best available data for the insurable crop and used to determine whether an indemnity is due under the Area Yield Protection plan.
**Final County Revenue** - The revenue determined by multiplying the final county yield by the harvest price. This is used to determine any indemnity due for the area revenue plans.
**Harvest Price** - The price of corn determined in the fall in accordance with the Commodity Exchange Price Provisions (CEPP).
**Projected Price** - The price of corn determined in the spring in accordance with the CEPP. The projected price is used to establish your insurance coverage.
**Trigger Yield** - The result of multiplying the expected county yield times your coverage level. This is used to determine any indemnity due under the area yield protection plan.
**Trigger Revenue** - The revenue amount calculated by multiplying the expected county yield times the projected price or harvest price (depending on which area revenue plan you have selected) times your coverage level. This is used to determine if an indemnity is due.

## Coverage Levels and Premium Subsidies

ARPI plans may be insured at the coverage levels shown in the following table. Crop insurance premiums are subsidized as shown. For example, if you select the 85-percent coverage level, your trigger yield or trigger revenue is 85 percent of the expected county yield or expected county revenue. The premium subsidy is 55 percent, and your premium share is 45 percent of the base premium. Under the Area Yield Protection plan, CAT coverage is available at 65 percent of the yield coverage and 45 percent of the price coverage. The total cost for CAT coverage is an administrative fee of $300 per crop per county, regardless of the acreage. Administrative fees, in addition to premium costs, for coverage levels above CAT are $30 per crop per county.

## Insurance Plans

| Item | Percent | | | | | |
|---|---|---|---|---|---|---|
| Coverage Level | CAT | 70 | 75 | 80 | 85 | 90 |
| Premium Subsidy | 100 | 59 | 59 | 55 | 55 | 51 |
| Your Premium Share | 0 | 41 | 41 | 45 | 45 | 49 |

**Area Yield Protection** - Protection against loss of yield due to a county level production loss. No individual loss protection is available.
**Area Revenue Protection** - Protection against loss of revenue due to a county level production loss, price decline, or combination of both, and includes upside harvest price protection. No individual loss protection is available.
**Area Revenue Protection with Harvest Price Exclusion** - Provides protection against loss of revenue due to a county level production loss, price decline, or a combination of both. No individual loss protection is available.

## Loss Example (Grain)

**Area Yield Protection Example:** A loss occurs when the final county yield for the county falls below your trigger yield. This example assumes a 160.0 bushels per acre expected county yield, 85-percent coverage level, and $704.00 protection per acre (using 110 percent protection factor). Projected price estimated to be $4.00 per bushel and harvest price estimated to be $3.50 per bushel. The actual prices will be announced in March and November respectively.

| | |
|---|---|
| 160.0 | Bushel per acre expected county yield |
| x 0.85 | Coverage level selected |
| 136.0 | Bushel per acre trigger yield |
| - 120.0 | Bushel per acre final county yield |
| 16.0 | Bushel per acre deficiency |
| | (16.0 ÷ (trigger yield - (expected county yield x loss limit factor)) = 0.149 payment factor) |
| $104.90 | Gross indemnity (0.149 x $704.00 protection) |

| | |
|---|---|
| - $4.50 | Producer premium/acre (varies by county) |
| **$104.40** | **Net indemnity per acre** |

**Area Revenue Protection Example:** A loss occurs when the final county revenue falls below your trigger revenue. See yield example for other variables used for the county.

| | |
|---|---|
| $640.00 | Expected County Revenue (160.0 x $4.00) |
| | |
| $544.00 | Trigger Revenue (136.0 bu. x $4.00/bu.) |
| - $420.00 | Final County Revenue (120.0 bu. x $3.50) |
| $124.00 | Dollars per acre deficiency ($87.70 ÷ (trigger revenue - (expected county revenue x loss limit factor)) = 0.205 payment factor) |
| $131.20 | Gross indemnity (0.205 x $640.00) |
| - $17.00 | Producer premium/ac. (varies by county) |
| **$114.20** | **Net indemnity per acre** |

Figures shown on a per acre basis; guarantees and losses paid are on a county basis. See policy provisions.

## 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 www3.rma.usda.gov/apps/agents/.

## Contact Us

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