



CROP INSURANCE

COVERAGE COMPARISON GUIDE

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The NCIS Crop Insurance Plan Comparison is a popular NCIS product designed for use as a quick reference for crop insurance personnel, crop insurance agents, and producers. The comparison is a thorough, yet compact, list of major crop insurance plans of coverage available on a national or almost national basis. Please note the products and product topics summarized in this chart are NOT all-encompassing and DO NOT substitute for policy provisions. Please refer to the policy provisions and/or contact your company for a complete description of the available coverages, terms and conditions.

	Yield Protection	Revenue Protection	RP with Harvest Price Exclusion	Area Yield Protection	Area Revenue Protection	Area Revenue Protection with Harvest Price Exclusion	Actual Production History	Stacking Income Protection Plan	Supplemental Coverage Option
	YP - 01	RP - 02	RP-HPE - 03	AYP - 04	ARP - 05	ARP-HPE - 06	APH - 90	STAX - 35/36	SCO - 31/32/33
	<p>YP provides protection against a loss in yield due to unavoidable, naturally occurring events. For most crops, that includes adverse weather, fire, insects, plant disease, wildlife, earthquake, volcanic eruption, and failure of the irrigation and water supply due to a naturally occurring event. Like the APH (Actual Production History) plan of insurance, YP guarantees a production yield based on the individual producer's APH. Unlike the APH plan of insurance, a price for YP is established according to the crop's applicable commodity board of trade/exchange as defined in the Commodity Exchange Price Provisions (CEPP). The projected price is used to determine the yield protection guarantee, premium, any replant payment or prevented planting payment, and to value the production to count. The coverage and exclusions of YP are similar to those for the APH plan of insurance. An indemnity is due when the value of the production to count is less than the yield protection guarantee. The main crops covered under this plan include barley (includes malting type), canola/rapeseed, corn, cotton, rice, soybeans, sunflowers, and wheat.</p>	<p>Revenue protection provides protection against a loss of revenue caused by price increase or decrease, low yields or a combination of both (for corn silage and rapeseed, protection is only provided for production losses). This coverage guarantees an amount based on the individual producer's APH and the greater of the projected price or harvest price. Both the projected price and harvest price are established according to the crop's applicable commodity board of trade/exchange as defined in the Commodity Exchange Price Provisions (CEPP). While the revenue protection guarantee may increase, the premium will not. The projected price is used to calculate the premium and replant payment or prevented planting payment. An indemnity is due when the calculated revenue (production to count x harvest price) is less than the revenue protection guarantee for the crop acreage. Crops covered under this plan include barley (includes malting type), canola/rapeseed, corn, cotton, grain sorghum, rice, soybeans, sunflowers, and wheat. (Please note the "Maximum Price Movement" for rapeseed and corn silage on the reverse side of this document.)</p>	<p>RP HPE is similar to RP, however RP HPE coverage provides protection against loss of revenue caused by price decrease, low yields or a combination of both. Unlike RP, the revenue protection guarantee for RP HPE is based on the projected price only and it does not increase based on a harvest price. Crops covered under this plan include barley (includes malting type), canola/rapeseed, corn, cotton, grain sorghum, rice, soybeans, sunflowers, and wheat.</p>	<p>AYP coverage is based on the experience of the county rather than individual farms. Maintaining the insured's actual production history is now mandatory and may be used by RMA as a data source to establish and maintain the area programs. AYP indemnifies the insured in the event the final county yield falls below the insured's trigger yield. The Federal Crop Insurance Corporation (FCIC) will issue the final county yield in the calendar year following the crop year insured. Since this plan is based on county yields and not individual yields, the insured may have a low yield on their farm and not receive payment under AYP.</p>	<p>Like the other area plans, ARP is based on the experience of the county rather than individual farms. Coverage is provided against loss of revenue due to a county level production loss, a price decline, or a combination of both. Upside harvest price protection is included which increases the policy protection at the end of the insurance period if the harvest price is greater than the projected price and if there is a production loss. ARP will pay a loss when the final county revenue is less than the trigger revenue which is calculated using the higher of the projected price or harvest price.</p>	<p>Like AYP, ARP-HPE is based on the experience of the county rather than individual farms. Maintaining the insured's actual production history is now mandatory and may be used by RMA as a data source to establish and maintain the area programs. An ARP-HPE policy provides protection against loss of revenue due to a county level production loss, price decline, or a combination of both. This plan only uses the projected price and does not provide upside harvest price protection. An indemnity is due under ARP-HPE when the final county revenues published by FCIC are less than the trigger revenue. Since this plan is based on county revenue and not individual revenue, the insured may have a loss in revenue on their farm and not receive payment under ARP-HPE.</p>	<p>APH is the oldest insurance product listed on this comparison. The APH plan of insurance provides protection against a loss in yield due to nearly all natural disasters. For most crops, that includes drought, excess moisture, cold and frost, wind, flood and unavoidable damage from insects and disease. Like YP, the APH plan of insurance guarantees a yield based on the individual producer's actual production history. Unlike YP, the available price elections are established by the Risk Management Agency. An indemnity is due when the value of the production to count is less than the liability. Of the small grain crops, only oats, rye, flax, and buckwheat remain covered under the APH plan of insurance for the current crop year.</p>	<p>The Stacked Income Protection Plan (STAX) is a new product for upland cotton introduced in the 2014 Farm Bill, which went into effect beginning in 2015. STAX provides protection against natural causes of loss that cause county revenue to fall below a county loss trigger. STAX indemnities are not based on individual experience. Indemnity is triggered if the actual county income falls below the area loss trigger selected by the policyholder. The indemnity amount will be up to 20% of the expected county income; additional coverage will be needed in cases of deeper loss.</p>	<p>The Supplemental Coverage Option (SCO) is a new endorsement introduced in the 2014 Farm Bill, which went into effect beginning in 2015. SCO protects against widespread loss of yield or revenue in a county by providing coverage for a portion of the deductible of the underlying YP, RP, or RP-HPE crop insurance policy. An indemnity is due if the county yield/revenue (depending on the base policy) falls below 86% of the expected yield/revenue. SCO will continue to apply until the county yield/revenue falls below the coverage level of the underlying policy.</p>

CROP INSURANCE PLAN COMPARISON



Plan / Plan Code	YP 01	RP 02	RP-HPE 03	AYP 04	ARP 05	ARP-HPE 06	APH 90	STAX 35/36	SCO 31/32/33
Coverage	individual yield	individual revenue	individual revenue	area yield	area revenue	area revenue	individual yield	area revenue	area yield or revenue
Insures Against	production loss	revenue loss due to increase or decrease in price, low yield, or combination of these	revenue loss due to decrease in price, low yield, or combination of these	county-wide production loss	county-wide revenue loss	county-wide revenue loss	production loss	county-wide revenue loss	county-wide loss of production or revenue (per underlying policy)
Administrative Fee	\$30 \$300 CAT	\$30 no CAT available	\$30 no CAT available	\$30 \$300 CAT	\$30 no CAT available	\$30 no CAT available	\$30 \$300 CAT	\$30	\$30
Available Unit Structure	basic, optional, enterprise, ¹ whole-farm	basic, optional, enterprise, ¹ whole-farm	basic, optional, enterprise, ¹ whole-farm	n/a	n/a	n/a	basic, optional, ¹ enterprise, ¹ whole-farm	n/a	n/a
Applicable Price(s)/Price Election(s)	percentage elected by insured of projected price defined by CEPP	projected price and harvest price defined by CEPP	projected price and harvest price defined by CEPP	45% (CAT), or projected price defined by CEPP	projected and harvest price defined by CEPP	projected price defined by CEPP	percentage elected by insured of price election determined by the Risk Management Agency	projected price and harvest price defined by CEPP	projected price and harvest price defined by CEPP
Maximum Price Movement	not applicable	harvest price not to exceed projected price x 2.00 - (except for corn silage and rapeseed for which the harvest price = projected price)	harvest price not to exceed projected price x 2.00 - (except for corn silage and rapeseed for which the harvest price = projected price)	not applicable	harvest price not to exceed projected price x 2.00	harvest price not to exceed projected price x 2.00	not applicable	not applicable	not applicable
Coverage Level Percent Available	50%, 55%, 60%, 65%, 70%, 75%, ¹ 80%, ¹ 85%	50%, 55%, 60%, 65%, 70%, 75%, ¹ 80%, ¹ 85%	50%, 55%, 60%, 65%, 70%, 75%, ¹ 80%, ¹ 85%	65% (CAT), 70%, 75%, 80%, 85%, 90%	70%, 75%, 80%, 85%, 90%	70%, 75%, 80%, 85%, 90%	50%, 55%, 60%, 65%, 70%, 75%, ¹ 80%, ¹ 85%	75%, 80%, 85%, 90% (does not overlap with MPCL policy)	86% (bridges gap between MPCL and deductible)
APH Acreage Report	required	required	required	required	required	required	required	not required	required
Written Agreement	available	available, but cannot establish revenue protection when coverage for crop is not provided in the state	available, but cannot establish revenue protection when coverage for crop is not provided in the state	not available	not available	not available	available	available	not available
Guarantee	yield protection guarantee = APH approved yield x coverage level x projected price	revenue protection guarantee = APH approved yield x coverage level x greater of projected price or harvest price	revenue protection guarantee = APH approved yield x coverage level x greater of projected price or harvest price	policy protection = dollar amount of insurance per acre x acres x share	policy protection = dollar amount of insurance per acre x acres x share	policy protection = dollar amount of insurance per acre x acres x share	production guarantee = APH approved yield x coverage level	(expected area yield x (projected price or higher of projected price and harvest price) x acres x share x coverage range x protection factor)	(underlying liability / mpcl coverage level) x (area loss trigger - mpcl coverage level)
Rating	continuous individual yield rated	continuous individual yield rated	continuous individual yield rated	area yield rated	area yield rated	area yield rated	continuous individual yield rated	area revenue rated	depends on base policy liability
Premium	(1) rate x liability x applicable adjustment percentage factor(s) (2) result of 1 x subsidy (3) result of 1-2	(1) rate x liability x applicable adjustment percentage factor(s) (2) result of 1 x subsidy (3) result of 1-2	(1) rate x liability x applicable adjustment percentage factor(s) (2) result of 1 x subsidy (3) result of 1-2	(policy protection x rate) - subsidy	(policy protection x rate) - subsidy	(policy protection x rate) - subsidy	(1) rate x liability x applicable adjustment percentage factor(s) (2) result of 1 x subsidy (3) result of 1-2	(expected area revenue x acres x share x coverage range x protection factor x premium rate) x (1 - subsidy rate)	(guarantee x premium rate) x (1 - subsidy rate)
Subsidy Amount	CAT=1.00; basic & optional units @ 50% coverage level=.67; 55-60%=.64; 65-70%=.59; 75%=.55; 80%=.48; 85%=.38; for enterprise units @ 50-70% coverage level=.80; 75%=.77; 80%=.68; 85%=.53	basic & optional units @ 50% coverage level=.67; 55-60%=.64; 65-70%=.59; 75%=.55; 80%=.48; 85%=.38; for enterprise units @ 50-70% coverage level=.80; 80%=.71; 85%=.56	basic & optional units @ 50% coverage level=.67; 55-60%=.64; 65-70%=.59; 75%=.55; 80%=.48; 85%=.38; for enterprise units @ 50-70% coverage level=.80; 80%=.71; 85%=.56	CAT=1.00; @ 70-75% coverage level=.59; 80-85%=.55; 90%=.51	@ 70% coverage level=.59; 75-80%=.55; 85%=.49; 90%=.44	@ 70% coverage level=.59; 75-80%=.55; 85%=.49; 90%=.44	CAT=1.00; basic & optional units @ 50% coverage level=.67; 55-60%=.64; 65-70%=.59; 75%=.55; 80%=.48; 85%=.38; for enterprise units @ 50-70% coverage level=.80; 75%=.77; 80%=.68; 85%=.53	80%	65%
High-Risk Land	eligible for coverage	eligible for coverage	eligible for coverage	insurable as long as the acreage meets all other requirements	insurable as long as the acreage meets all other requirements	insurable as long as the acreage meets all other requirements	eligible for coverage	eligible for coverage	eligible for coverage
High-Risk Land Exclusion	available	available	available	not available	not available	not available	available	available	available
Hail and Fire Exclusion	available; however, restricted for a whole-farm unit	available; however, restricted for a whole-farm unit	available; however, restricted for a whole-farm unit	not available	not available	not available	available; however, restricted for a whole-farm unit	not available	not available
Replanting Requirements	applicable	applicable	applicable	not applicable	not applicable	not applicable	applicable	not applicable	not applicable
Replanting Payments	available	available	available	not available	not available	not available	available	not applicable	not applicable
Late Planting Provisions	applicable	applicable	applicable	not applicable	not applicable	not applicable	applicable	not applicable	applicable
Prevented Planting Provisions	applicable	applicable	applicable	not applicable	not applicable	not applicable	applicable	not applicable	not applicable
Notice of Loss	required	required	required	not required	not required	not required	required	not required	not required
Loss Adjustment Procedure Required	yes	yes	yes	no	no	no	yes	no	no
Indemnity If	the production to count x projected price is less than the yield protection guarantee x insured acres	the production to count x harvest price is less than the revenue protection guarantee x insured acres	the production to count x harvest price is less than the revenue protection guarantee x insured acres	the final county yield is less than the trigger yield (expected county yield x coverage level)	the final county revenue is less than the trigger revenue (expected county yield x the greater of projected or harvest price x coverage level)	the final county revenue is less than the trigger revenue (expected county yield x projected price x coverage level)	the production to count x price election is less than the value of the production guarantee x insured acres	the final county revenue is less than the trigger revenue	the final county revenue/yield is less than the trigger revenue/yield