

## New 2009 Crop Revenue (CRC) Protection Features (corn & soybeans):

- A. Increased the insurable price limit changes
  - 1. Up limits are 2X the base price (i.e. \$5.40 base spring covered up to fall harvest price of \$10.80)
  - 2. No down price limit (from spring base to fall harvest price).
- B. Up to 80% premium subsidy if (a) all of your acreage of a crop is eligible for at least 2 separate basic or optional ins. units and (b) at least 50 acres of the crop are in the combined single county wide enterprise unit.
- C. An enterprise unit **increases your risk exposures, as you are self insuring spotty or shallow losses on what could be individual farm ins. units, until a loss(s) is severe enough to trigger on the consolidated enterprise unit**
- D. CRC consolidated “enterprise unit” premium may cost similar to or less than MPCY yield coverage protection

### NEW 2009 CRC Enterprise Insurance Unit Premium Subsidy

<b>2009 CRC Federal Premium Subsidy Options</b>									
Level of Coverage%:	50/100	55	60	65	70	75	80	85	
Standard Sub. Rate:	0.67	0.64	0.64	0.59	0.59	0.55	0.48	0.38	
Farmers Share of Prem:	33%	36%	36%	41%	41%	45%	52%	62%	
<b>New Enterprise Unit*:</b>	<b>.80</b>	<b>.80</b>	<b>.80</b>	<b>.80</b>	<b>.80</b>	<b>0.77</b>	<b>0.68</b>	<b>0.53</b>	
Farmers Share of Prem:	<b>0.20</b>	<b>0.20</b>	<b>0.20</b>	<b>0.20</b>	<b>0.20</b>	<b>0.23</b>	<b>0.32</b>	<b>0.47</b>	
<b>New Whole Farm Unit**:</b>	na	na	na	.80	.80	.80	0.71	0.66	
Farmers Share of Prem:	na	na	na	20%	20%	20%	29%	34%	
* Enterprise Unit: Available only for CRC & RA, must be eligible for two or more - basic/optional units, contain 50 or more total acres of the crop, and all acreage - of the producers crop in the county combined into one unit.									
** Whole farm: When all acres insured under CRC Enterprise units for multiple crops - in the county are combined into one unit.									
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**Illustration of CRC Premium Cost Impact of different insurance unit structures @70% Cov. Lvl.**

**CRC Premium Discounts for Enterprise Units**

( Enterprise Unit: Available only for CRC and RA, must be eligible for two or more basic/optional units and all acreage of the crop in the county combined into one unit)

	Optional by FSA FSN	Basic by Crop Share	Enterprise 50-299 A. of insured crop	Enterprise 300-549 A. of insured crop	Enterprise >549 A. of insured crop
<b>Assumed Base Premium/A.:</b> (before Federal or state subsidy)	\$100	\$100	\$100	\$100	\$100
<b>Premium factor for kind of unit:</b>	1.00	0.90	0.90	0.90	0.90
<b>Enterprise unit acreage factor *:</b>			<u>0.88</u>	<u>0.82</u>	<u>0.76</u>
<b>Subtotal</b>	\$100	\$90	<u>0.792</u> \$79	<u>0.738</u> \$74	<u>0.684</u> \$68
<b>Federal Subsidy:</b>	<u>0.59</u>	<u>0.59</u>	<u>0.80</u>	<u>0.80</u>	<u>0.80</u>
<b>Total Net Producer Cost/A.</b>	<b>\$41.00</b>	<b>\$36.90</b>	<b>\$15.84</b>	<b>\$14.76</b>	<b>\$13.68</b>

\* Enterprise unit acreage factors: 50-299=.88; 300-549=.82; >549=.76

**Producer's Protection/Risk Impact of Unit Consolidation**

1. Combining insurance units results in producer self insuring losses by optional units (usually FSA FSN) and - basic units (by crop ownership sharing with different persons) which will likely reduce frequency and - amount of crop insurance indemnity paid, in years with spotty or shallow losses.
2. No reductions in indemnities should occur when severe and widespread disasters occur that would have - caused indemnities on all basic and optional units.

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**Contact a crop insurance agent to get details and personalized side-by-side coverage and premium quotes on the various insurance plans. Enrollment/policy change deadline for most spring crops is 3/16/09.**