



United States Department of Agriculture  
Risk Management Agency

November 2009

## 2010 COMMODITY INSURANCE FACT SHEET

# Canola

## Alabama, Georgia

### Crop Insured

The crop insured will be all canola and rapeseed in the county, for which a premium rate is provided by the actuarial table,—

- in which you have a share;
- that is planted for harvest as seed; and
- that is not, unless allowed by special provisions or by written agreement, (1) interplanted with another crop; or (2) planted into an established grass or legume.

### Counties Available

Please contact your insurance agent for a listing of eligible counties.

### Causes of Loss

Adverse weather conditions  
 Earthquake  
 Failure of irrigation water supply<sup>1</sup>  
 Fire  
 Insects<sup>2</sup>  
 Plant disease<sup>3</sup>  
 Volcanic eruption  
 Wildlife

<sup>1</sup>If caused by an insured peril during the insurance period. <sup>2</sup>But not damage due to insufficient or improper application of pest control measures. <sup>3</sup>But not damage due to insufficient or improper application of disease control measures.

### Insurance Period

Coverage begins when the crop is planted on or before the final planting date and ends at the earliest of: (1) total destruction of the crop, (2) combining or thrashing for seed, (3) final adjustment of the loss, or (4) October 31.

### Reporting Requirements

**Acreage Report**— An acreage report is due to your insurance agent by the acreage reporting date to include all acreage (insurable and uninsurable) in the county in which you have a share.

**Notice of Loss**—(1) Protect the crop from further damage by providing sufficient care; (2) notify your agent within 72 hours of your initial discovery of damage (but not later than 15 days after the end of the insurance period); and (3) leave representative samples intact for each field of the damaged unit. See your insurance agent for detailed requirements.

### Important Dates

	Alabama	Georgia
Sales Closing .....	August 31	Sept. 30
Final Planting .....	Nov. 15	Nov. 15
Acreage Report .....	Dec. 15	Dec. 15
Premium Billing .....	July 1	July 1
Cancellation/Termination .....	August 31	Sept. 30

### Definitions

**Cancellation Date**—The calendar date specified in the crop provisions on which coverage for the crop will automatically renew unless canceled in writing by either you or us or terminated in accordance with the policy terms.

**Production Guarantee**—The number of pounds guaranteed, determined by multiplying your approved actual production history (APH) (based on your records ) times the coverage level you elect.

**Price Election**— The value unit of measure for the purpose of determining premiums and indemnity under the policy (see your insurance agent for additional pricing information).

## Coverage Levels and Premium Subsidies

Coverage level options range from 50 to 75 percent of your approved average production history (APH) yield. As an example, an approved yield of 2,000 pounds per acre results in a guarantee of 1,000 pounds per acre at the 50-percent coverage level. Crop insurance premiums are subsidized as shown in the following table. For example, if you select the 65-percent coverage level, your premium share would be 41 percent of the base premium.

Item	Percent					
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 (CAT) coverage is fixed at 50-percent of your average 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.

## Loss Example

This example assumes a 10-acre unit of canola, 65-percent coverage, a 100-percent price election of \$0.1562 per pound, a 2,000 pound per acre approved APH yield, and 4,500 pounds of production to count.

2,000	Pounds per acre approved APH yield
<u>x .65</u>	Coverage level
1,300	Pounds per acre guarantee
<u>x 10</u>	Acres
13,000	Pounds unit guarantee
<u>- 4,500</u>	Pounds produced
8,500	Pounds loss
<u>x .1562</u>	Price election
<b>\$ 1,328</b>	<b>Indemnity per 10-acre unit</b>

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