

# Sugar Beet Crop Insurance

## Protect Your Investment When Disaster Strikes!

Sugar beet crop insurance is the most cost effective production management decision you can make. Crop insurance indemnifies a grower when an insurable loss occurs during the insurance period.

### Description of Coverage Provided

- Replanting coverage covers a portion of the cost to replant insured acreage\*
- Prevented planting coverage pays an indemnity when you're unable to plant the crop due to an insured cause. \*
- Production guarantee coverage pay's an indemnity when the crop yield or value is reduced because of an insured cause.

Please note that Prevented planting coverage is only available in Imperial, Lassen, Modoc, Shasta and Siskiyou Counties of California; \* Limitations apply

### Covered Causes of Loss

Adverse weather      Fire\*                      Plant Disease\*                      Wildlife\*  
 Insect Infestation\*      Earthquake      Volcanic eruption                      Failure of Irrigation water supply\*

\* Limitations apply

### Excluded Causes of Loss

Quarantine                      Boycott.                      Failure to follow crop rotation requirements.

Please note; coverage will only attach to acres grown under a written contract with a sugar beet processor!

### 2009 Sugar Beet Crop Insurance Time Line of Events

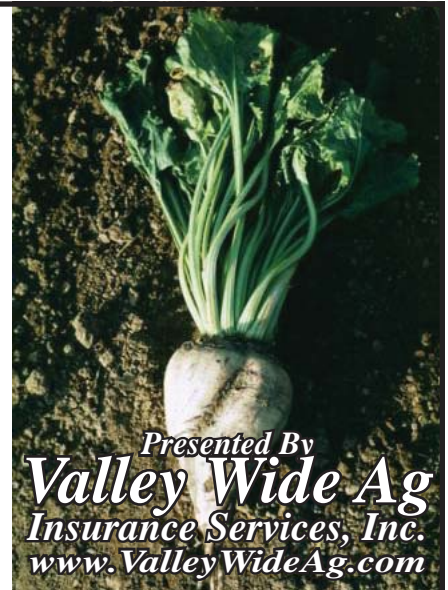
Event	Due	Notes
Policy purchase and renewal	August 31	Application and Renewal completed Annually
Production Reporting	Varies By Planting Period	Report or update all prior production history
Acreage Reporting	Varies By Planting Period	Report insurable and uninsurable acreage
Insurance Period	Varies By Planting Period	
Premium Due	Varies By County	

### Selecting Coverage & Policy Options

Your policies liability and loss inception point are determined by your Coverage Level, Actual Production History (APH) and Unit Structure. Each insured may select one coverage level per county. The APH is based on the number of years of actual production history supplied. Unit structure determines how insurable acreage is grouped for loss settlement. Basic unit structure is grouped by cash leased and crop share. Any acreage under a crop share agreement is grouped into a separate basic unit by share holder. If optional units are elected large basic units are sub divided into smaller optional units by section, township, range and farming practice (Organic & Transitional or Conventional).

### Guide of Crop Insurance Coverage Options

Policy Type	CAT	Buy Up
Coverage Levels	CAT (50% at 55% price)	50%, 55%, 60%, 65%, 70% , 75%
Unit Structure	Basic	Basic or Optional
Policy Options	OC, OT and YA	BU, HFE, OC, OT, OU, and YA



Presented By  
**Valley Wide Ag**  
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## Description of Coverage Options

- **Basic Unit Discount (BU)** - 10% discount for not electing optional units.
- **Hail & Fire Exclusion (HFE)** - Premium discount for excluding hail and fire as an insured causes of loss.
- **Organic (OC / OT)** - Provides coverage on organic acreage and transitional organic acreage.
- **Optional Unit Structure (OU)** - Allows Buy Up policy holders to subdivide basic units into optional units.
- **Prevented Planting +5% (PF)** - Increases prevented planting coverage by 5%
- **Prevented Planting +10% (PT)** - Increases prevented planting coverage by 10%
- **Yield Adjustment (YA)** - Allows insureds to substitute 60 percent of the applicable T-Yield for actual yields that are less than 60 percent of the applicable T-Yield to mitigate the effect of a catastrophic year.

## Example of Sugar Beet Crop Actual Production History (Based on Imperial County California)

Summary of Actual Production History					
Year	Harvested Tons Per Acre	Actual Raw Sugar %	Standard Sugar %	Sugar Adjustment	Standardized Tons
1	41.2 Ton	16.0%	16.2%	.988	40.7 Ton
2	36.5 Ton	15.5%	16.2%	.957	34.9 Ton
3	45.0 Ton	16.2%	16.2%	1	45.0 Ton
4	45.5 Ton	16.8%	16.2%	1.037	47.2 Ton
5	47.0 Ton	16.2%	16.2%	1	47.0 Ton
6	32.1 Ton	14.9%	16.2%	.920	29.5 Ton
7	47.5 Ton	16.9%	16.2%	1.043	49.5 Ton
<b>Average</b>					<b>42.0 Ton</b>

## Coverage & Loss Example (70% Coverage Level with Optional Units)

Item	Description	How It's Calculated	Insured Acreage By Legal Description		
Unit Structure	Optional Units	Insured acreage is grouped by legal description	36-12N-16S	35-12N-16S	11-12N-16S
Production Coverage	Loss Inception Point	APH x Coverage Level x Insured Acres; Minus	<b>2,940 Ton</b> 42.0 Ton x 70% x 100 Acres	<b>0</b> Acres Prevented From Planting	<b>1,764 Ton</b> 42.0 Ton x 70% x 60.0 Acres
	Payment Example	Guarantee Minus Sugar Adjusted Tons Times Insurance Price.	<b>\$36,738</b> 2,940 - 1,998 Sugar Adjusted Tons x \$39.00	<b>\$0</b> Acres Prevented From Planting	<b>\$0</b> No Loss Sugar Adjusted Tons Exceed Guarantee
Replant Coverage	Payment Example	Acres Replanted x 1.0 Ton x Insurance Price Acres Replanted x 1.0 Ton x Insurance Price	<b>\$0</b> No Acres Replanted	<b>\$0</b> No Acres Replanted	<b>\$2,340</b> 60.0 x 1.0 x \$39.00
		APH x coverage level x 45% x Prevented Acres x Insurance Price.	<b>\$0</b> No Acres Prevented	<b>\$20,592</b> 42.0 ton x 70% x 45% x 40.0 Acres x \$39.00	<b>\$0</b> No Acres Prevented
<b>Total Payments Due To Insured</b>			<b>\$59,670</b>		

\*Losses are settled on a unit basis, in this example each unit was based on legal section or section equivalent.

This handout contains generalized descriptions of available insurance coverage and is not intended as an offer to issue the described insurance. Issuance of any policy of insurance described in this handout is subject to satisfying underwriting criteria filed with the insurance department of the applicable jurisdiction. The coverage offered is subject to the terms, conditions and exclusions stated in the actual policy as issued and may vary from the general coverage descriptions in this brochure.