

Our family insuring yours



Umbrella Named Peril Policy

Basics of "UP"

Definition	UP provides protection for multiple year yield losses based on a two year enterprise unit. UP triggers payments if losses exceed 10% (90% coverage) of the two year enterprise unit approved APH, subject to a maximum annual loss of 25% (75% annual stop loss).
Policy Terms	Growers must have an active MPCl, APH, CRC, RA, RA/HPO policy with Aggro National and be in compliance with all requirements to qualify for the UP Policy. UP insures yield losses only, but does provide upward price protection to a maximum of 200% of the base price. (ie: \$4 corn base price would provide protection up to a \$8 harvest price)
Not Insurable	Prevented planting acres are not insurable under UP. Replant payments are not available under UP. Acres classified as high risk ground are not insurable.
Annual Losses	90% coverage (10% deductible) of the two year approved APH enterprise unit is the indemnity payment trigger yield subject to a 75% annual stop loss. Annual losses exceeding 25% are not covered under UP, but could be covered under an MPCl policy.
Enterprise Unit	Enterprise unit is defined as the sum of all insurable corn acres in the county in which you have a share on the date coverage begins. Policy holder must have at least two basic units, and/or two optional units with insurable planted acres on each unit to qualify for the UP policy. There is a minimum acreage requirement of 250 initially planted acres per county. Policy Holders are not required to have enterprise units in their Federally reinsured MPCl policy.
Base Price	The base price for UP is set on March 1st of year one for both years based on the CBOT February average price for the December futures corn contract of the second year. The base price will be used to set the premium rate at the time the producer signs the two year contract for both years.
Harvest Price	The harvest price is defined as the October average price of the nearby December corn futures contract from the second (final) year of the contract. All qualified loss bushels are indemnified at the harvest price. Example #1 if the base price is \$5 and the harvest price is \$6, the loss will be settled at \$6.) Example #2 if the base price is \$5 and the harvest price is \$4, the loss will be settled at \$4.)
Acreage Variance	Acreage variances in enterprise units over the two year contract will result in the larger enterprise unit being capped at 120% of the smaller enterprise unit. If one of the annual enterprise units exceeds the other by more than 120% then the indemnity bushels and premiums are prorated on the larger unit. The prorating is based on the capped annual APH divided by the actual annual enterprise APH on the larger enterprise unit. This policy is rated for two years and two equal draws of exposure. Dramatic changes in acres from one year to the next would have the affect of adverse selection.
NOTE	UP is only available in counties where a rate is provided for corn grown for grain in the following states: ILLINOIS, INDIANA, IOWA, MICHIGAN, MINNESOTA, NEBRASKA, OHIO, SOUTH DAKOTA and WISCONSIN. Check with your agent for availability in your county(ies).