

# Insurance Plan For Grapes Example

## Example: French Hybrid

Average Insurable Yield = 50,000 kgs.

Selected Coverage Level = 80%

Unit Price = \$2.10 per kilogram

Premium Rate = 9.10%

Harvested Yield = 30,000 kgs.

## Production Guarantee

= 50,000 kgs. X 80%

= 40,000 kgs.

## Premium Cost

\$ Coverage = 40,000 kgs x \$2.10/kg  
= \$84,000

Total Premium Cost = \$84,000 x 9.10%  
= \$7,644

Producer Cost = \$7,644 x 40%  
= \$3,057.60

## Claim Example

Yield Deficit = 40,000 kgs - 30,000 kgs.  
= 10,000 kgs.

Claim Amount = 10,000 kgs x \$2.10/ kg  
= \$21,000