

# Potato Insurance Example

## Example:

Average insurable yield = 154 cwt/ac

Selected coverage level = 80%

Unit price = \$ 12.00

Premium rate = 12.15%

Area seeded = 1 acre

Harvested yield = 100 cwt

## Production Guarantee

= 154 cwt/ac x 80% x 1 acre

= 123.20 cwt

## Premium Cost

\$ Coverage = 123.20 cwt x \$12.00/cwt  
= \$1,478.40

Total Premium Cost = \$1,478.40 x 12.15%  
= \$179.63/acre

Producer Cost = \$179.63 x 40%  
= \$71.85 per acre

## Claim Example

Yield Deficit = 154 cwt – 100 cwt  
= 54 cwt

Claim Amount = 54 x \$12.00/cwt  
= \$648.00/acre

