

Raspberry Insurance Example

Example

Average Insurable Yield = 1843
(pints per acre)

Selected Coverage Level = 80%

Unit Price = \$1.75/pint

Premium Rate = 14.75%

Harvested Yield = 800 pints

Production Guarantee

$1843 \text{ pts/ac} \times 80\% = 1474 \text{ pints}$

Premium Cost

\$ Coverage = $1474 \text{ pts/ac} \times \1.75
= \$2,579.50 per acre

Total Premium Cost = $\$2579.50 \times 14.75\%$
= \$380.48 per acre

Producer Cost = $\$380.48 \times 40\%$
= \$152.19 per acre

Claim Example

Yield Deficit = $1474 \text{ pts} - 800 \text{ pts.}$
= 674 pts.

Claim Amount = $674 \text{ pts} \times \$1.75$
= \$1,179.50