

# Winter Grain Insurance Example

## Example: Feed Wheat

Average insurable yield = 4133  
(kilograms per hectare)

Selected coverage level = 80%

Unit price = \$250/tonne

Premium rate = 10.40%

Harvested yield = 1500 kgs

## Production Guarantee

1 hectare insured is guaranteed to  
produce 3306 kilograms:

$4133 \text{ kg/ha} \times 80\% = 3306.40 \text{ kg/ha}$

## Premium Cost

\$ Coverage =  $3306.40 \text{ kg/ha} \times \$0.250$   
= \$826.60 per hectare

Total Premium Cost =  $\$826.60 \times 10.40\%$   
= \$85.97

Producer Cost =  $\$85.97 \times 40\%$   
= \$34.39 per hectare

## Claim Example

Yield Deficit =  $3306 \text{ kgs} - 1500 \text{ kgs}$   
= 1806 kgs

Claim Amount =  $1806 \text{ kgs} \times \$0.250$   
= \$451.50 per hectare.