

# Sugarcane GRP

A crop insurance program  
commissioned by

Louisiana Farm Bureau Federation

American Sugar Cane League

and developed by

Crop Insurance Systems, Inc.

Government

Insurance  
Companies

Farmer







CIS  
2005

# Risk

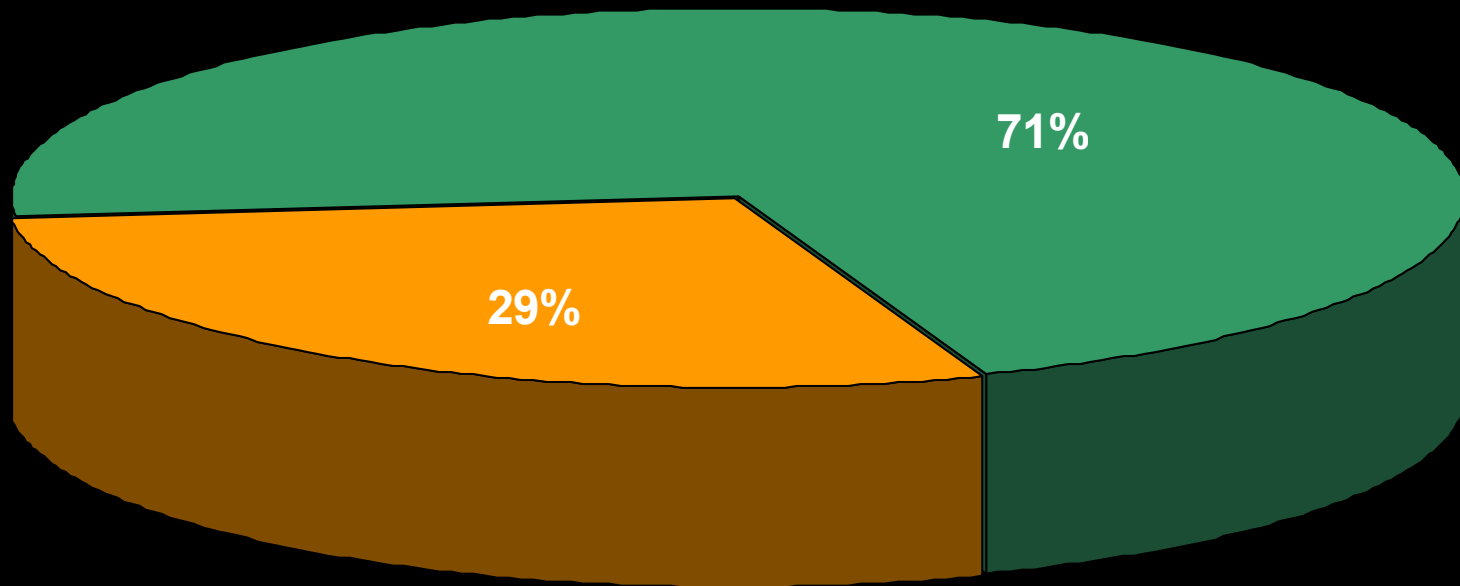




Louisiana Farm Bureau  
and  
American Sugar Cane League

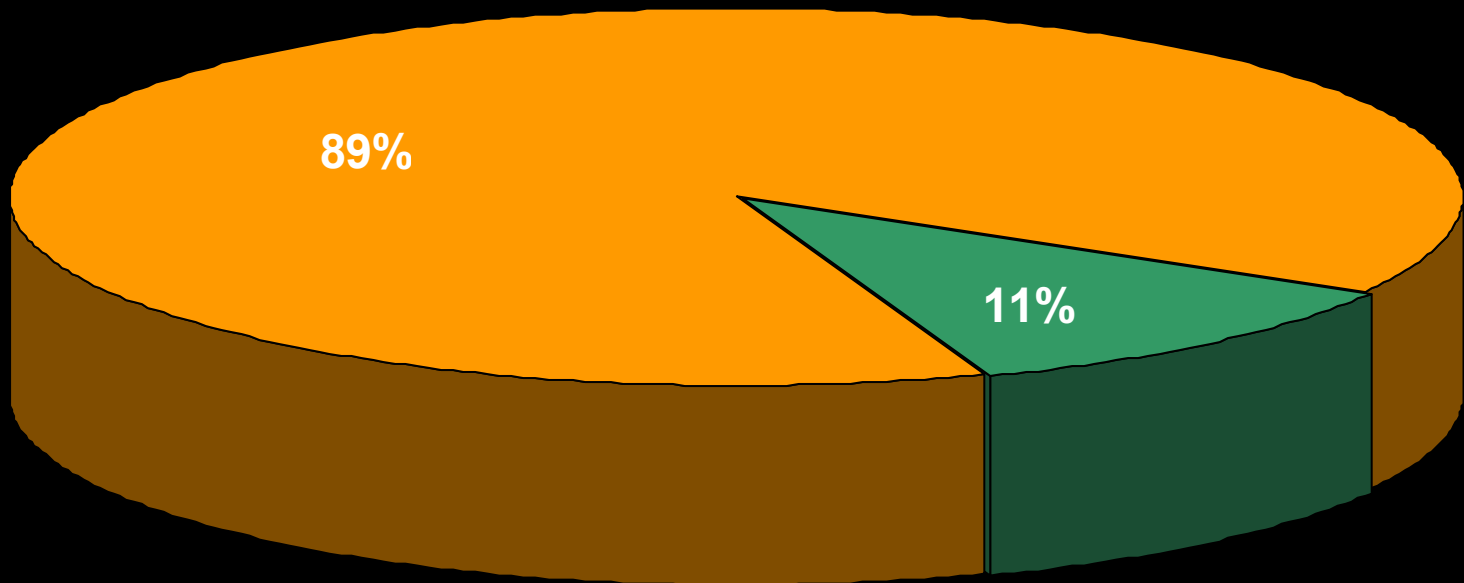


# Amount of Crop Insured



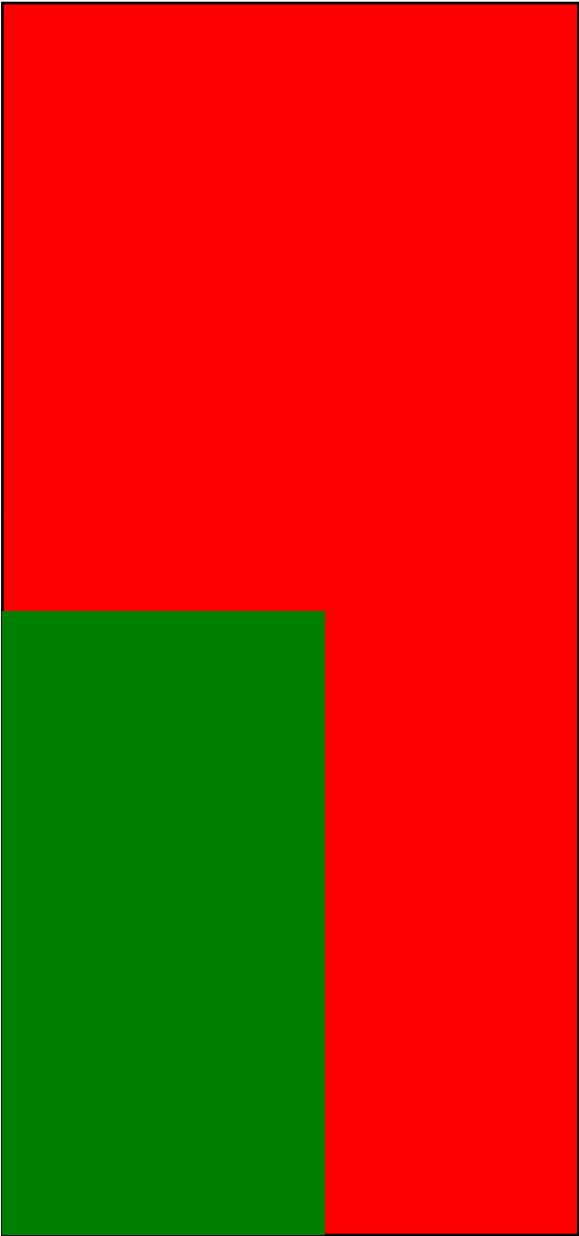
■ Uninsured ■ Insured

# Insurance Participation



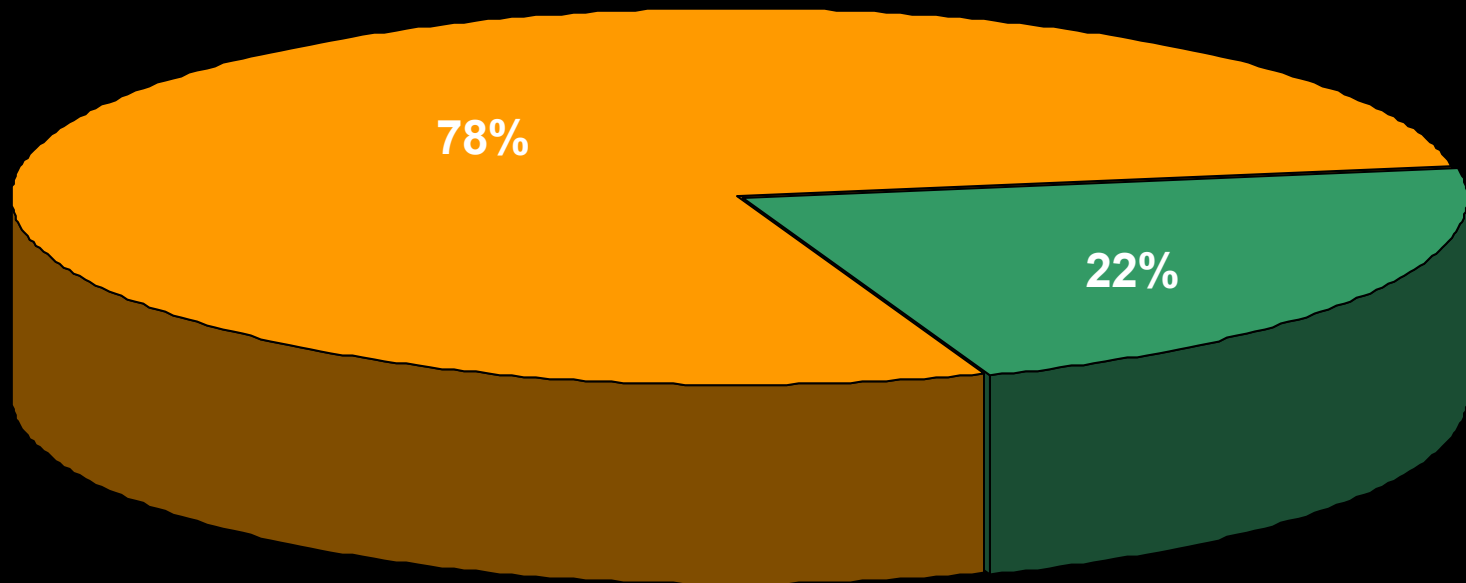
■ CAT ■ Buy-Up

# Catastrophic Insurance Policy Risk Profile

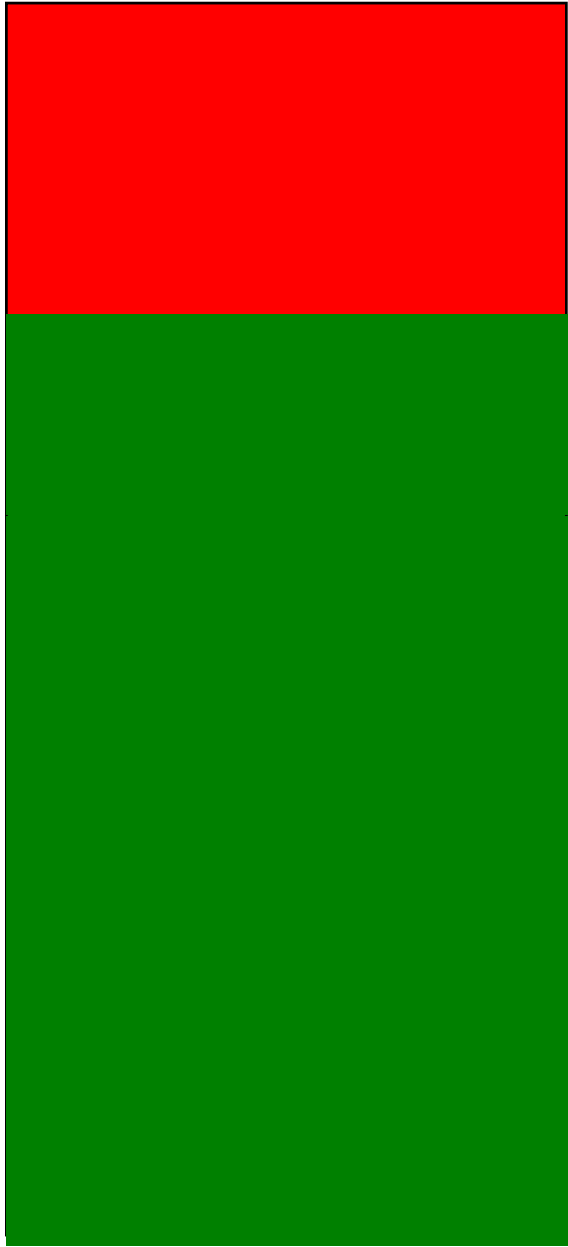


 Insured Production

# Value of Crop Insured

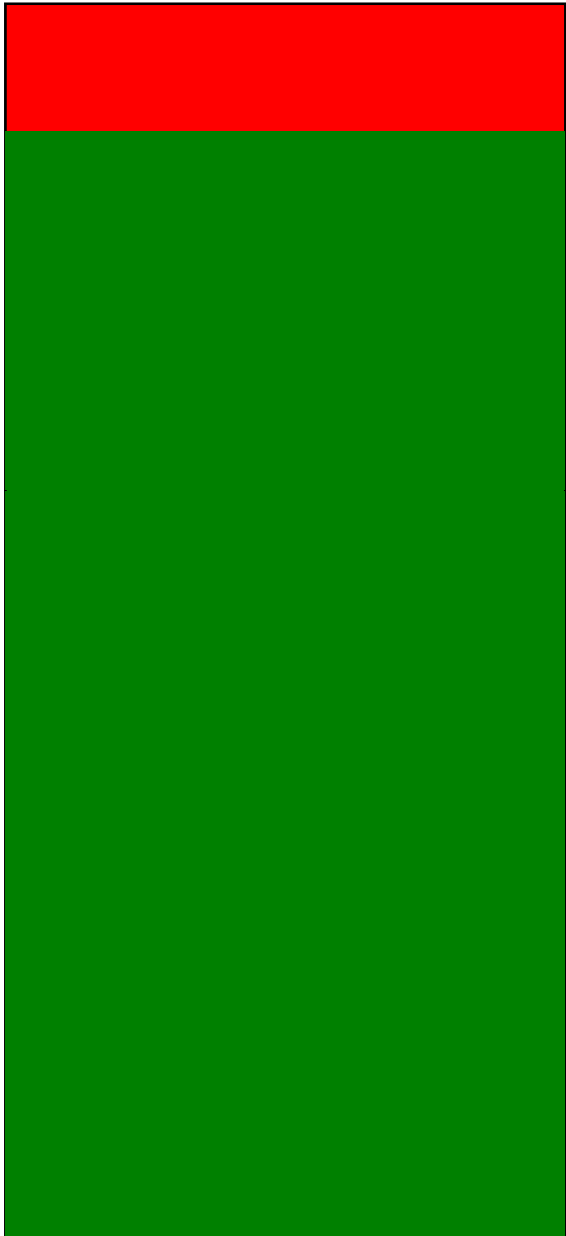


■ Uninsured ■ Insured









# Group Risk Plan

- **Alternative Plan**
  - departure from traditional crop insurance
  - less paperwork
    - No annual yield reports
    - No proof of loss
    - No loss adjustment

# GRP Program Highlights

- Catastrophic Insurance Plan
- Loss payments based parish production
- Do not have to prove individual loss



# Parish yield insurance program





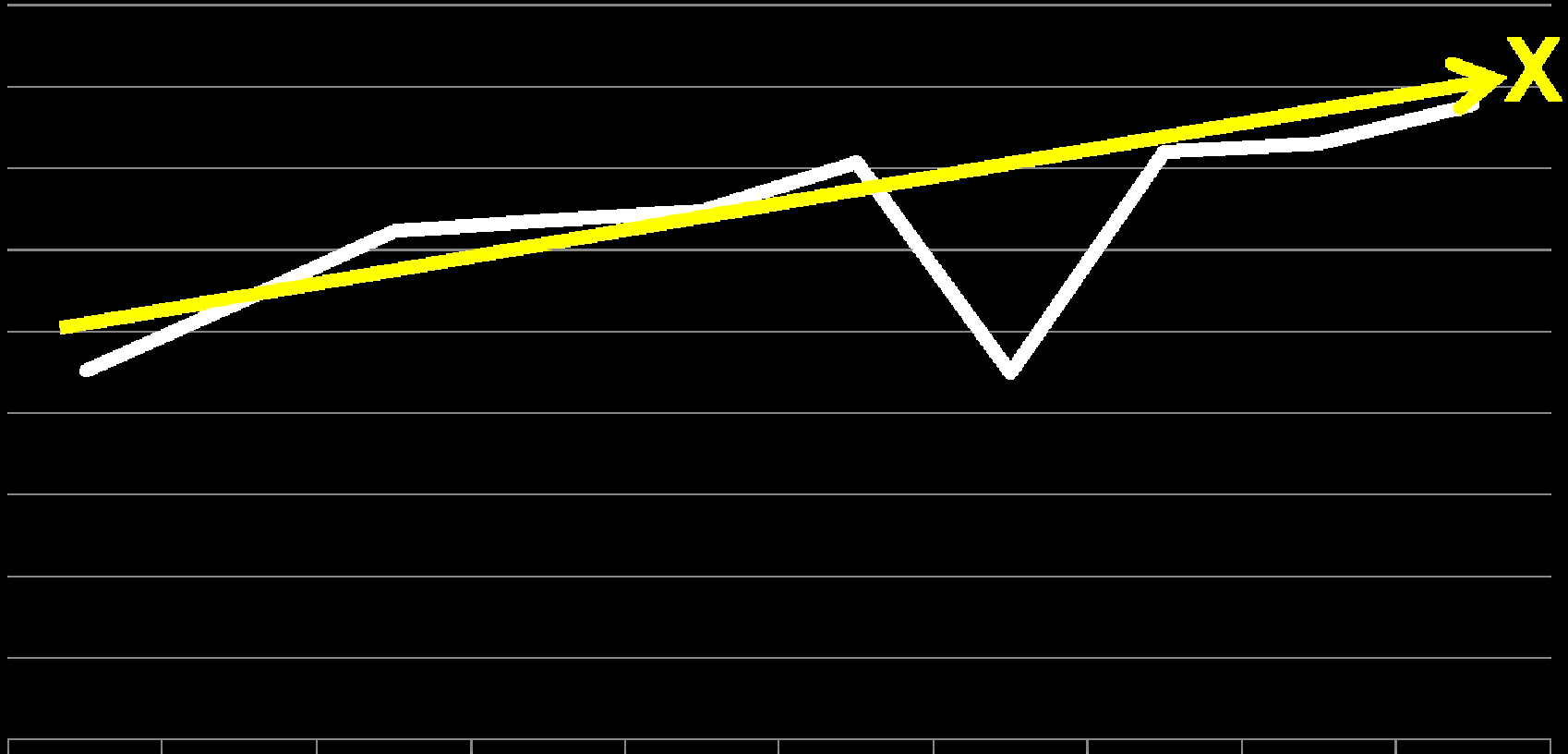
# Group Risk Plan

NASS data establishes parish yield

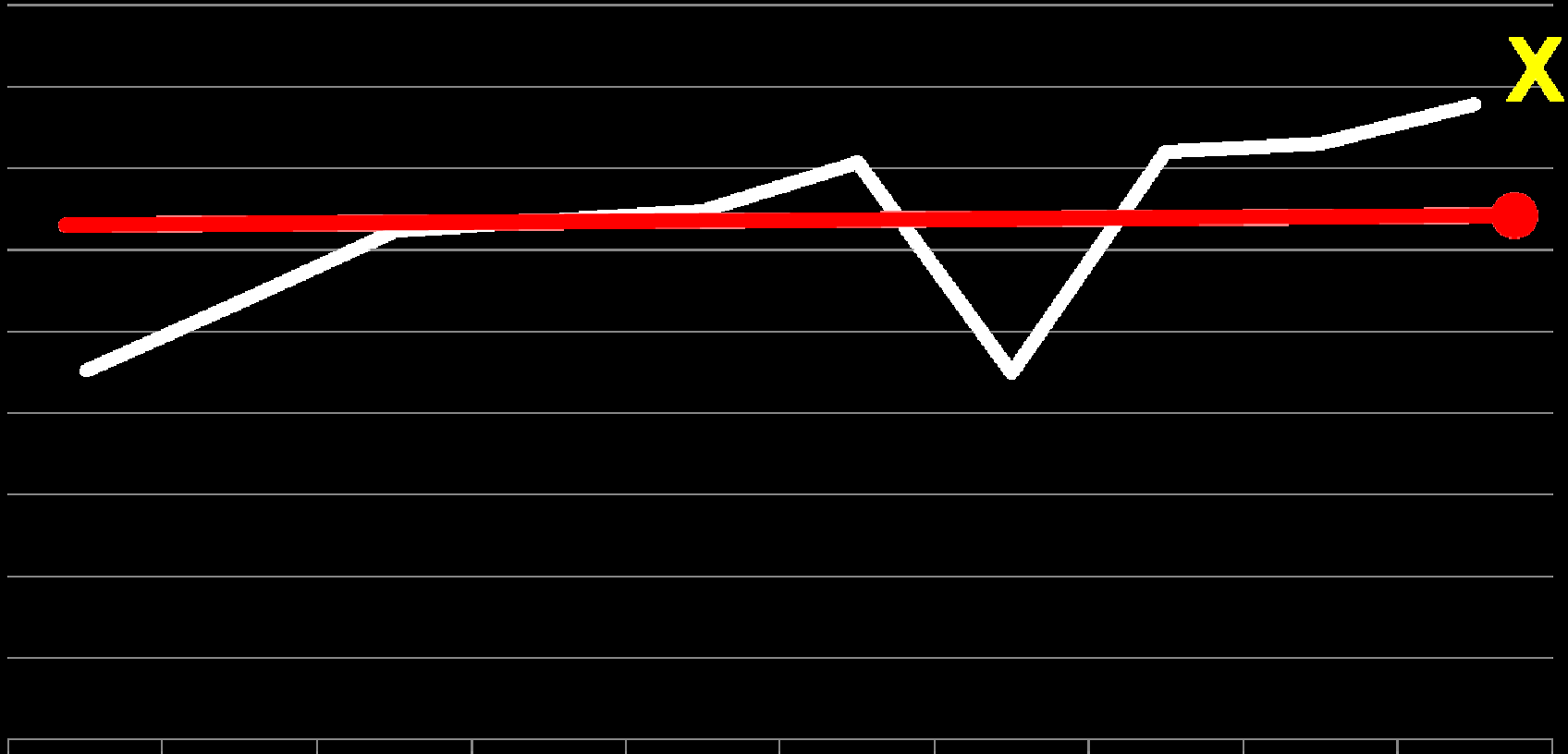
Trend historical production figures

Project the Parish Expected Yield

# The Expected Yield



# The Average Yield



# Coverage Levels

<b>Group Risk Plan</b>	<b>APH</b>
	<b>50%</b>
<b>70%</b>	<b>55%</b>
<b>75%</b>	<b>60%</b>
<b>80%</b>	<b>65%</b>
<b>85%</b>	<b>70%</b>
<b>90%</b>	<b>75%</b>

# Amount of Insurance Protection

**Coverage level X Expected Yield X Price X 1.5**

Coverage Level is selected by insured

Expected Yield is projected from NASS yields

Price for sugar is the APH price

1.5 multiplier is to reduce basis risk

# GRP Basis Risk

Farmer

**Crop Loss**

GRP Insurance



# Insurable Amounts

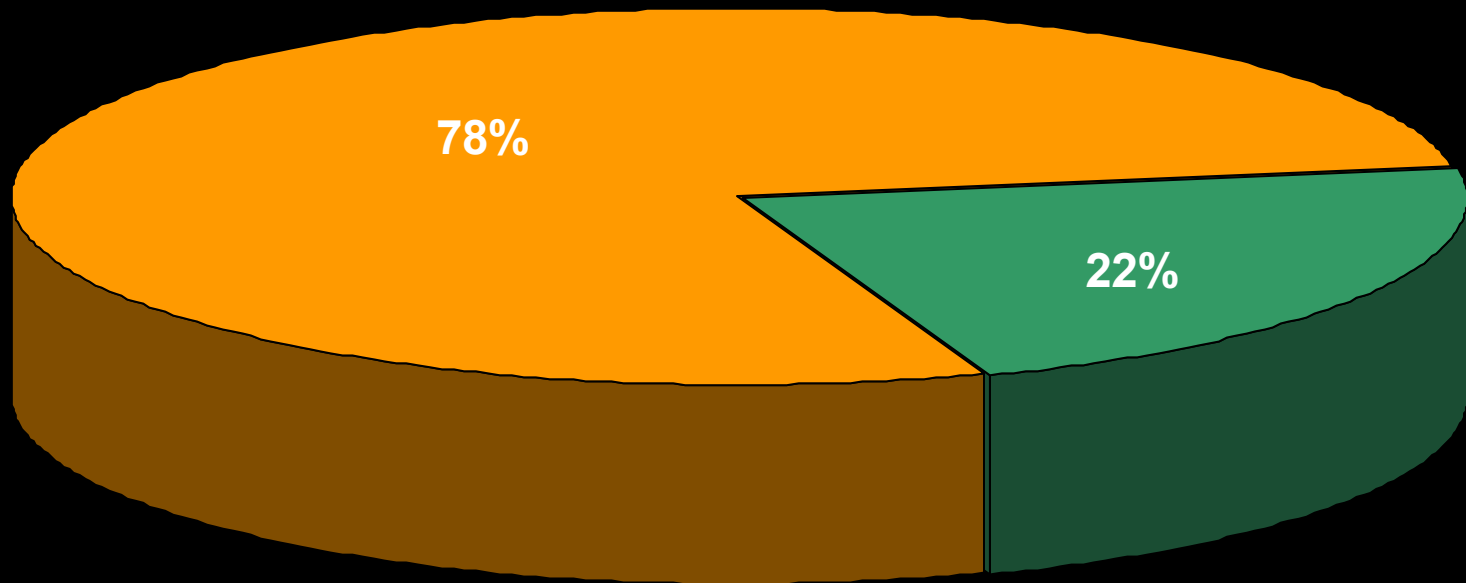
<b>Parish</b>	<b>Insurable Amount</b>
<b>Assumption</b>	<b>\$1,337</b>
<b>St. Mary's</b>	<b>\$1,240</b>
<b>St. Charles</b>	<b>\$1,226</b>
<b>Iberia</b>	<b>\$1,170</b>
<b>Lafayette</b>	<b>\$1,146</b>
<b>Rapides</b>	<b>\$1,141</b>
<b>Vermillion</b>	<b>\$1,118</b>



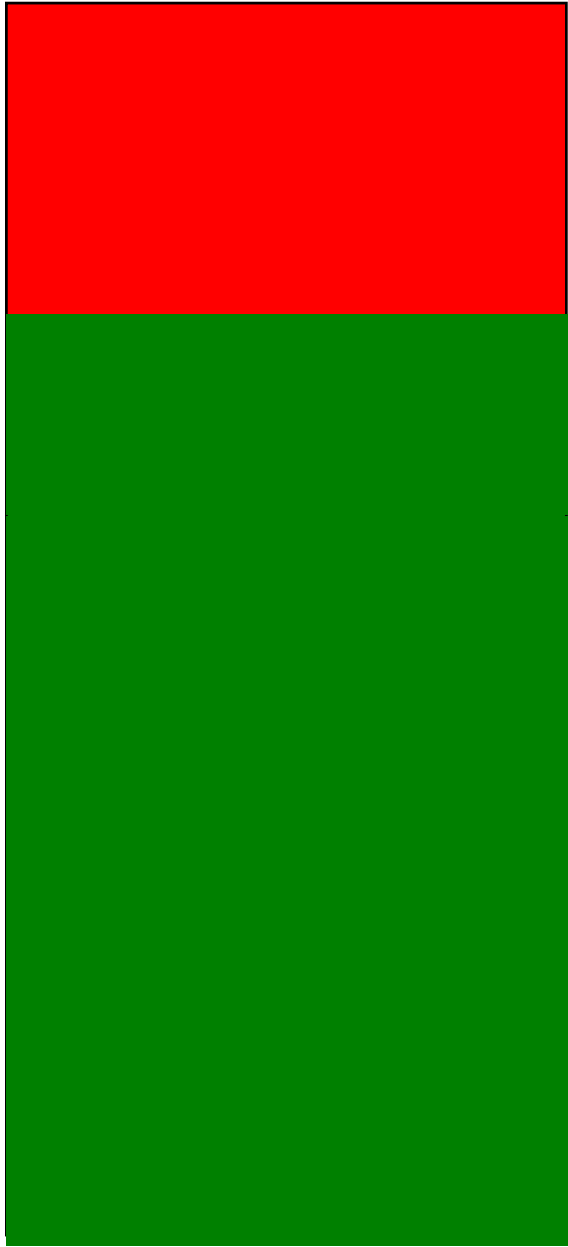
MARJ BRYAN



# Value of Crop Insured



■ Uninsured ■ Insured



Parish	2007 Rate	2008 Rate	Percent Reduction
Avoyelles	6.38%	2.13%	67%
Iberia	7.05%	3.06%	57%
Iberville	6.38%	2.79%	56%
Assumption	6.38%	2.93%	54%
St Charles	7.18%	3.59%	50%
Lafayette	7.05%	3.86%	45%
Ascension	6.38%	3.59%	44%
St James	6.38%	3.59%	44%
La Fourche	6.38%	3.59%	44%
St John B	6.38%	3.59%	44%
Terrebonne	6.38%	3.59%	44%
St Mary	6.52%	3.86%	41%

Act before its too late



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End