



DIVISION OF AGRICULTURE

RESEARCH & EXTENSION

University of Arkansas System

Guide for Crop Insurance Premium Quick Estimate

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The Cost Estimator is a decision aid tool designed by the USDA's Risk Management Agency to give producers a projected price for crop insurance premiums. The tool used for this guide is called a Quick Estimate and is available at <https://ewebapp.rma.usda.gov/apps/costestimator/Estimates/QuickEstimate.aspx>. Producers should be aware that the estimated premium prices are not exact and should refer to a licensed crop insurance agent for more details on the coverage and premium costs.

Before beginning an estimate, please disable browser pop-up blockers; the quick estimate will not work correctly without this step. To begin a quick estimate, users must select the commodity, commodity year, state, county, type, and practice. For this guide, an estimate was created using irrigated corn in Jefferson County for the current crop year, 2017.

The screenshot displays the USDA Risk Management Agency's Cost Estimator Quick Estimate interface. The page header includes the USDA logo and navigation links. The main content area is titled "Quick Estimate" and contains the following sections:

- Quick Criteria:**
 - * Commodity: Corn 0041
 - * Commodity Year: 2017
 - * State: Arkansas 05
 - * County: Jefferson 069
 - * Type: Grain 016
 - * Practice: Irrigated 002
- Common Criteria:**
 - * Unit of Measure: BU
- Individual Coverage:**
 - * Reported Acreage: 1500
 - * Insured Share Percent: 1.000
 - * Approved Yield: 145
 - * Rate Yield: 0
- Yield Protection 01:**
 - * Projected Price:
 - 100 % \$3.94
 - 99 % \$3.90
 - 98 % \$3.86
 - 97 % \$3.82
- Revenue Protection 02:**
 - * Projected Price: 100 % \$3.94

After selecting the commodity, the next question that appears on the screen asks if the crop participated in FSA's Agricultural Risk Coverage (ARC). In Arkansas, 95% of soybean acres, 86% of corn acres, 64% of sorghum acres, and 57% of wheat acres elected ARC. For the estimate of premiums on irrigated corn, it's assumed that the producer elected ARC. The following screen reminds users that due to ARC election, Supplemental Coverage Options (SCO) are not available. The quick estimator will still produce estimates on the various SCO plans even though they are not available to the producer.

The following section contains Individual Coverage information. Reported acreage, insured share percent, approved yield, and rate yield can be obtained from reports with the Farm Service Agency. On the quick estimate created for this guide the following assumptions were made: reported acreage of 1500, insured share percent of 1.000, approved yield of 145 bushels, and a rate yield of 0. The rate yield is the yield used to determine the premium rate if the approved APH yield is based on a yield substitution or a yield floor. Within the Individual Coverage section there are three protection

options: yield protection 01, revenue protection 02, and revenue protection with harvest price exclusion 03. Users have the option to select a projected price percentage less than 100%. The majority of users will leave this percentage unchanged at 100%.

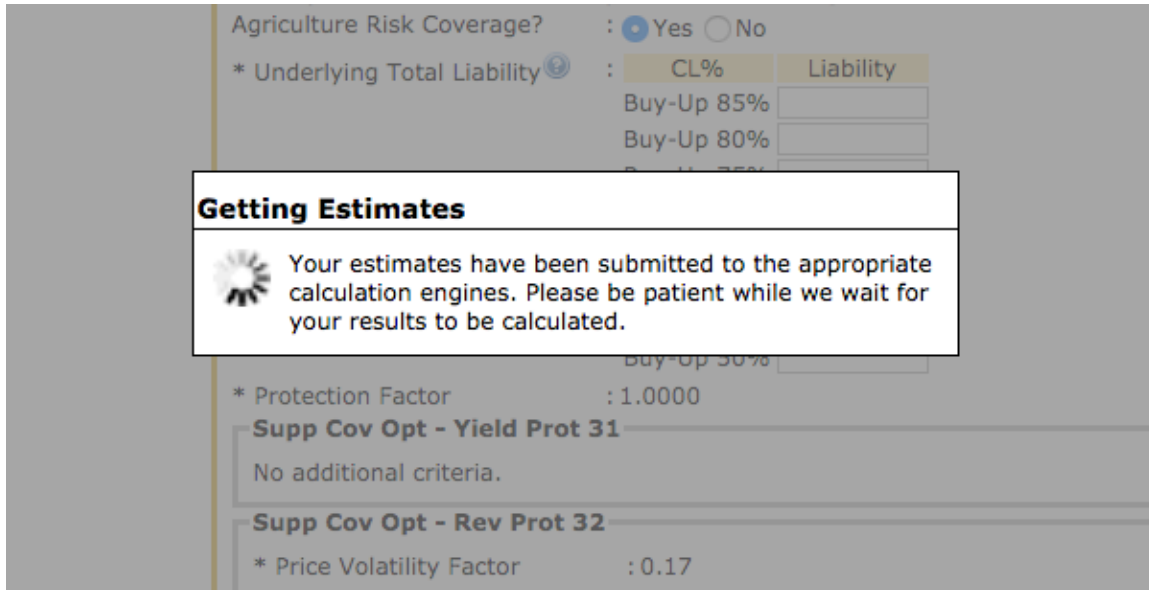
Revenue Protection 02																			
* Projected Price	: 100 % \$3.94																		
* Price Volatility Factor	: 0.17																		
Revenue Prot with Harvest Price Exclusion 03																			
* Projected Price	: 100 % \$3.94																		
* Price Volatility Factor	: 0.17																		
Supplemental Coverage Option Endorsement																			
For help with SCO Endorsement please visit the FAQ.																			
Agriculture Risk Coverage?	: <input checked="" type="radio"/> Yes <input type="radio"/> No																		
* Underlying Total Liability	: <table border="1"> <thead> <tr> <th>CL%</th> <th>Liability</th> </tr> </thead> <tbody> <tr><td>Buy-Up 85%</td><td></td></tr> <tr><td>Buy-Up 80%</td><td></td></tr> <tr><td>Buy-Up 75%</td><td></td></tr> <tr><td>Buy-Up 70%</td><td></td></tr> <tr><td>Buy-Up 65%</td><td></td></tr> <tr><td>Buy-Up 60%</td><td></td></tr> <tr><td>Buy-Up 55%</td><td></td></tr> <tr><td>Buy-Up 50%</td><td></td></tr> </tbody> </table>	CL%	Liability	Buy-Up 85%		Buy-Up 80%		Buy-Up 75%		Buy-Up 70%		Buy-Up 65%		Buy-Up 60%		Buy-Up 55%		Buy-Up 50%	
CL%	Liability																		
Buy-Up 85%																			
Buy-Up 80%																			
Buy-Up 75%																			
Buy-Up 70%																			
Buy-Up 65%																			
Buy-Up 60%																			
Buy-Up 55%																			
Buy-Up 50%																			
* Protection Factor	: 1.0000																		
Supp Cov Opt - Yield Prot 31																			
No additional criteria.																			
Supp Cov Opt - Rev Prot 32																			
* Price Volatility Factor	: 0.17																		
Supp Cov Opt - Rev Prot with Harv Price Excl 33																			
* Price Volatility Factor	: 0.17																		

[Get Estimates](#)

Data valid as of: 4/18/2017

The Cost Estimator only provides a general premium estimate. Refer to your crop insurance agent and policy for specific information regarding insurance coverage, actuarial information, conditions and exclusions.

The final section contains Supplemental Coverage Option Endorsement. As previously stated, this guide was created with the assumption that corn acreage for this producer was enrolled in ARC; therefore, SCO is not available. The quick estimate will give the user prices for SCO even though it is not available. For this guide, the SCO was left on the default selections. Select "Get Estimates" and the information requested will appear in a new tab on your browser. The information provided is a general estimate and should be used as such. Only a licensed crop insurance agent is able to provide an actual premium price and detailed information as to coverage provided. If after selecting get estimates nothing appears, check again under the settings for the browser being used to make sure pop-ups are enabled for the webpage. The quick estimate will appear in a new tab.



Once the quick estimate is generated, the liability amount is the default result you will view. At the bottom of the estimator a new box "Show In Grid" appears. The quick estimator provides the liability amount, total premium amount, producer premium amount, subsidy amount, and loss trigger point. If more detailed estimates or estimates on SCO are desired, under individual coverage there are numerous "view" selections available.

USDA United States Department of Agriculture
Risk Management Agency

Cost Estimator
Welcome Guest!

Quick Estimate 467626

Back Save Print/ Export

Selected Initial Criteria

* Commodity : Corn 0041 * Commodity Year : 2017 * State : Arkansas 05
 * County : Jefferson * Type : Grain 016 * Practice : Irrigated 002

Common Criteria

* Unit of Measure : BU

Individual Coverage

* Reported Acreage : 1500 * Insured Share Percent : 1.000 * Approved Yield : 145
 * Rate Yield : 0

Yield Protection 01

* Projected Price : 100 % \$3.94
 99 % \$3.90
 98 % \$3.86
 97 % \$3.82

Revenue Protection 02

* Projected Price : 100 % \$3.94 * Price Volatility Factor : 0.17

Revenue Prot with Harvest Price Exclusion 03

* Projected Price : 100 % \$3.94 * Price Volatility Factor : 0.17

Supplemental Coverage Option Endorsement

For help with SCO Endorsement please visit the [FAQ](#).

Agriculture Risk Coverage? : Yes No * Underlying Total Liability : CL% Liability * Protection Factor : 1.0000
 Buy-Up 85%
 Buy-Up 80%
 Buy-Up 75%

The liability amount is the default estimates generated. Navigate through various estimates by the "Show In Grid" Section.

Supplemental Coverage Option Endorsement
 For help with SCO Endorsement please visit the [FAQ](#).
 Agriculture Risk Coverage? : Yes No * Underlying Total Liability : CL% Liability * Protection Factor : 1.0000

Buy-Up 85%
 Buy-Up 80%
 Buy-Up 75%
 Buy-Up 70%
 Buy-Up 65%
 Buy-Up 60%
 Buy-Up 55%
 Buy-Up 50%

Supp Cov Opt - Yield Prot 31
 No additional criteria.

Supp Cov Opt - Rev Prot 32
 * Price Volatility Factor : 0.17

Supp Cov Opt - Rev Prot with Harv Price Excl 33
 * Price Volatility Factor : 0.17

Show In Grid
 Liability Amount Total Premium Amount Producer Premium Amount Subsidy Amount Loss Trigger Point

Liability Amount

Individual Coverage										
	PE %	85 %	80 %	75 %	70 %	65 %	60 %	55 %	50 %	View
Yield Protection 01	100 %	\$728,703.00	\$685,560.00	\$643,008.00	\$599,865.00	\$557,313.00	\$514,170.00	\$471,618.00	\$428,475.00	Worksheets Detailed Estimate CEPP SPOI AIB SCO Estimate
Revenue Protection 02	100 %	\$728,703.00	\$685,560.00	\$643,008.00	\$599,865.00	\$557,313.00	\$514,170.00	\$471,618.00	\$428,475.00	Worksheets Detailed Estimate CEPP SPOI AIB SCO Estimate
Revenue Prot with Harvest Price Exclusion 03	100 %	\$728,703.00	\$685,560.00	\$643,008.00	\$599,865.00	\$557,313.00	\$514,170.00	\$471,618.00	\$428,475.00	Worksheets Detailed Estimate CEPP SPOI AIB SCO Estimate

The Producer Premium Amount show the total estimated amount the producer would owe for insuring the 1500 acres. Users can also change the original data input into the program and select "recalculate" to update estimates to compare buy-ups when available.

Show In Grid
 Liability Amount Total Premium Amount Producer Premium Amount Subsidy Amount Loss Trigger Point

Producer Premium Amount

Individual Coverage										
	PE %	85 %	80 %	75 %	70 %	65 %	60 %	55 %	50 %	View
Yield Protection 01	100 %	\$98,540.00	\$69,261.00	\$50,060.00	\$37,666.00	\$30,807.00	\$21,912.00	\$17,672.00	\$13,783.00	Worksheets Detailed Estimate CEPP SPOI AIB SCO Estimate
Revenue Protection 02	100 %	\$112,635.00	\$79,358.00	\$57,533.00	\$43,421.00	\$35,713.00	\$25,600.00	\$20,661.00	\$15,857.00	Worksheets Detailed Estimate CEPP SPOI AIB SCO Estimate
Revenue Prot with Harvest Price Exclusion 03	100 %	\$102,490.00	\$72,171.00	\$52,268.00	\$39,396.00	\$32,262.00	\$23,009.00	\$18,568.00	\$14,367.00	Worksheets Detailed Estimate CEPP SPOI AIB SCO Estimate

Supplemental Coverage Option Endorsement						
	PE %	View				
Supp Cov Opt - Yield Prot 31	100 %	Worksheets	Detailed Estimate	CEPP	SPOI	AIB
Supp Cov Opt - Rev Prot 32	100 %	Worksheets	Detailed Estimate	CEPP	SPOI	AIB
Supp Cov Opt - Rev Prot with Harv Price Excl 33	100 %	Worksheets	Detailed Estimate	CEPP	SPOI	AIB

Recalculate

The Cost Estimator only provides a general premium estimate. Refer to your crop insurance agent and policy for specific information regarding insurance coverage, actuarial information, conditions and exclusions.

The Loss Trigger Point is also helpful for producers to know what their yield must fall below in order to trigger an indemnity payment according to the given APH and coverage plan chosen.

If you have any questions or comments about this guide or need additional assistance in using the Quick Estimate calculator created by RMA, contact Breana Watkins at bjwatkins@uaex.edu.