



HUDSON
INSURANCE GROUP®

RAINFALL INDEX - APICULTURE

OVERVIEW

The Apiculture Pilot Insurance Program (API) provides a safety net for beekeepers' primary income sources – honey, pollen collection, wax, and breeding stock. Apiculture systems consist of different types of plants or crops and often contain mixtures of different species, each with different growth habits and seasons, precipitation requirements, and other climate conditions necessary to maintain plant growth over extended periods of time. API was designed to provide maximum flexibility to cover these diverse situations.

The Rainfall Index uses National Oceanic and Atmospheric Administration Climate Prediction Center (NOAA CPC) data, which utilizes a grid system. Each grid is 0.25 degrees in latitude by 0.25 degrees in longitude, which translates to approximately 17 by 17 miles at the equator. Colonies will be assigned to one or more grids based on the location to be insured.

Coverage

- API coverage is for a single peril, lack of precipitation, and is based on the producer's selection of coverage level, index intervals and productivity factor. The index interval represents a two-month period and is typically the one when precipitation is most important to the operation.
- The producer selects a productivity factor to match the amount of protection to the value of the production that best represents the operation and productive capacity of their colonies. They do not have to insure all of their colonies, but cannot insure more than the total number of colonies owned.

Updates for 2021 Crop Year (CY)

- Insured must retain all records for three years after the CY ends.
- Total number of insurable colonies cannot exceed highest number of insurable colonies in previous three years unless insured provides documentation that supports the number of colonies they wish to insure.
- Added flexibility for documentation for lease verification. (See "Colony Verification" on reverse)
- A separate point of reference is required for all non-contiguous acreage on which hives of the insured colonies are located.
- Added Verifiable Records Definition: "Contemporaneous records provided by you which may be verified through an independent source and which substantiate the information reported including the number of colonies insured and your ability or right to occupy or place/locate colonies on specific property within a grid ID during the crop year."

Important Dates (2021 CY)

- Contract Change Date: 8/31/20
- Sales Closing, Cancellation and Colony Reporting Date: 11/15/20
- Premium Billing: 9/1/21
- End of Insurance: 12/31/21

AVAILABILITY

API is available in the 48 contiguous states, as well as those U.S. acres located in a grid that crosses the US border or along the ocean in the closest grid ID.

COVERAGE LEVELS

70% - 90%

(in 5% increments)

PRODUCTIVITY FACTORS

60% - 150%

(in 5% increments)

The productivity factor is a percentage of the county base value, which is based on honey production and uses a five-year rolling average of USDA NASS data. The yield data are based on the NASS state average, and the price is the national average honey price for a given year.

Premium Subsidies

Coverage Level	70-75% coverage	80-85% coverage	90% coverage
Subsidy	59%	55%	51%

Subsidy rates vary by coverage level and grid ID. Check the actuarials for specific subsidy information.

Claims

- Payments are determined by using NOAA CPC data for the producer chosen grid(s) and index interval(s).
- When the final grid index falls below the “trigger grid index,” an indemnity may be paid.
- Coverage is based on the experience of the entire grid; it is not based on an individual farm/ranch or specific weather stations in the general area.

In Case of a Review

Required Documentation:

- Application/Acreage Combination Form
- Document(s) verifying grid
- Proof of ownership/colonies

Colony Verification:

- Colonies can be verified by FSA or other federal or state governmental reporting systems/requirements, tax records, transportation invoices, purchase agreements, bill of sales, etc.
- Insured colonies include all colonies located within the U.S. An insured may elect to insure all or a portion of their insurable colonies in the county; they may also select the number of colonies located in the county to be insured.
- To be insured, colonies must be located on acreage the insured owns, leases, or can provide verifiable records specific to the grid ID that allows the placement of colonies at that location. The insured must provide acceptable verifiable records when requested for audit or review. Examples of verifiable records can be found in Exhibit 9 of the RI Standards Handbook. If Hudson can't verify it, then no indemnity is due, but premium will still be owed.
- If a lease isn't available, the insured must complete the Hudson Crop API Lease form (under Forms & Docs in eHarvest). Verbal or handshake leases are not acceptable, and the hive count must be included on the signed lease.

Proof of Share - Acreage/colony report reviews shall include verification of:

- Actual colonies versus insured colonies
- Insurable interest (share in the crop, location and time frame*)

* Time frame of the placement of the colony(ies) on the acreage.

API Resources

- **Grid ID Locator:** <http://maps.agforceusa.com/api/ri/>
- **NAOO:** https://www.cpc.ncep.noaa.gov/products/monitoring_and_data/
- **RMA Actuarial Information Browser:** <https://webapp.rma.usda.gov/apps/actuarialinformationbrowser/>

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