



**HUDSON**  
INSURANCE GROUP®

# STACKED INCOME PROTECTION

## UPLAND COTTON - OVERVIEW

The Stacked Income Protection Plan (STAX) is a federally-reinsured insurance policy that provides protection against loss of revenue due to an area level production loss, a price decline, or a combination of both. STAX may be purchased as a stand-alone policy or as a companion policy to an individual (YP) or revenue (RP, RP-HPE, ARPI or WFRP) plan of insurance. Producers may choose from a variety of coverage levels and protection factors to personalize their policy. An indemnity is based on the expected crop value for the area. Amount of coverage will depend on the expected yield, projected price, coverage range and protection factor.

### Recent Changes

In order to provide clarity for determining insurable STAX acres, the RMA has provided a set date of March 15 for determining enrollment status in Agriculture Risk Coverage (ARC) or Price Loss Coverage (PLC).

### Sales Closing

An addendum to the MPCCI application must be completed and signed no later than the applicable sales closing date.

If purchased as a companion policy, STAX must be applied for with the same insurance company as the underlying plan of insurance.

STAX is a continuous policy that covers planted acreage of the crop.

Insurance attaches annually when planting begins.

### PREMIUM SUBSIDY

80% (for all plan types and area loss triggers)

### COVERAGE LEVELS

Between 70% and 90%  
(in 5% increments)

### PROTECTION FACTORS

Between 80% and 120%  
(in 1% increments)

### Coverage Limitations

- Available for Upland Cotton only
- Ends at 70% of expected revenue and cannot overlap coverage from a companion policy
- Cannot have STAX and Supplemental Coverage Option on same cotton acres
- No prevented planting, late planting or replanting coverage available

### RMA Program Reminders

- STAX allows producers to elect a zero percent coverage range by practice
- Written Agreements are allowed for new breaking, unrated insurance option, strip-mined land, unrated P/T, unrated land or county without actuarial information available
- STAX coverage is available for cottonseed through an optional endorsement, which will provide yield-only coverage at the same coverage range and protection factor as the underlying STAX.

## By the Numbers

PREMIUM			WHAT IF?
COMMODITY	COTTON	COTTON	
PLAN	STAX-RP	STAX-RPHPE	
ACRES	100	100	
SHARE	100%	100%	
TYPE	NO TYPE SPECIFIED	NO TYPE SPECIFIED	
PRACTICE	IRRIGATED	IRRIGATED	
OPTIONS	—	—	
AREA LOSS TRIGGER	90%	90%	
COVERAGE RANGE	20%	20%	
PROTECTION FACTOR	120%	120%	
PROJECTED PRICE	\$ 0.74	\$ 0.74	
VOLATILITY FACTOR	0.15	0.15	
AREA YIELD	724.0 LBS	724.0 LBS	
AREA REVENUE	\$ 535.76	\$ 535.76	
LIABILITY/ACRE	\$ 129	\$ 129	
PREMIUM/ACRE	\$ 11.91	\$ 10.47	
TOTAL GUARANTEE	0.00 LBS	0.00 LBS	
TOTAL LIABILITY	\$ 12,858	\$ 12,858	
BASE PREMIUM	\$ 5,953	\$ 5,236	
GROWER PREMIUM	\$ 1,191	\$ 1,047	

\* To create premium estimate scenarios as shown above, utilize the “Estimator” tool in Hudson’s eHarvest® processing system.

LOSS/INDEMNITY			WHAT IF?
An indemnity is calculated following the release of Final Area Yields by the FCIC, typically the summer of the subsequent year. If an indemnity is due for STAX, the loss will be paid within 30 days following the release of the Final Area Yield.			
PLAN	STAX-RP	STAX-RPHPE	
SHARE	100%	100%	
ACRES	100	100	
DISCOVERY PRICE	\$ 0.74	\$ 0.74	
EXPECTED YIELD	724 LBS	724 LBS	
COVERAGE RANGE	0.2	0.2	
PRICE ELECTION	1.2	1.2	
HARVEST PRICE	\$ 0.76	\$ 0.76	
DAOI	\$ 132.06	\$ 128.58	
* LOSS GUARANTEE	\$ 13,206.00	\$ 12,858.00	
* PAYMENT FACTOR	0.545	0.545	
* INDEMNITY	\$ 7,197.27	\$ 7,007.61	

- \* STAX-RP Dollar Amount of Insurance (DAOI) = Greater of Harvest Price and Discovery Price x Expected Yield x Coverage Range x Price Election
- \* STAX-RPHPE DAOI = Discovery Price x Expected Yield x Coverage Range x Price Election
- \* Loss Guarantee = DAOI x Acres x Share
- \* Payment Factor is not a calculable field, but can be retrieved from the RMA ADM tables.
- \* Indemnity = Payment Factor x Loss Guarantee

NON DISCRIMINATION STATEMENT: Hudson Insurance Company is an equal opportunity provider. In accordance with Federal law and U.S. Department of Agriculture (USDA) civil rights regulations and policies, the USDA, its Agencies, offices, and employees, and institutions participating in or administering USDA programs are prohibited from discriminating on the basis of race, color, national origin, religion, sex, gender identity (including gender expression), sexual orientation, disability, age, marital status, family/parental status, income derived from a public assistance program, political beliefs, or reprisal or retaliation for prior civil rights activity, in any program or activity conducted or funded by USDA (not all bases apply to all programs).

The information contained in this brochure is for general information only and shall not modify the terms of any insurance policy.



### Hudson Crop

7300 West 110th Street, Suite 400 | Overland Park, KS 66210  
T 866 450-1445 | F 913 345-1671 | [HudsonCrop.com](http://HudsonCrop.com)

