



Margin Protection

The Margin Protection (MP) pilot plan of insurance is a federally reinsured area-based product that provides coverage for protection of the insured's expected margin — the difference between expected revenue and specific expected costs. MP considers changes in crop prices, county yields and input prices in determining the indemnity. MP is an area-based policy that can be purchased as a stand-alone policy or in conjunction with Yield Protection (YP) or Revenue Protection (RP) policies.

Availability

MP is available in select counties for the following states, where applicable information is filed in the actuarial documents for the county:

Corn - all 48 contiguous states

Soybeans - AL, AK, CO, DE, FL, GA, IA, IL, IN, KS, KY, LA, MA, MI, MN, MS, MO, MT, NE, NJ, NY, NC, ND, OH, OK, PA, SC, SD, TN, TX, VT, WV, WI

Rice - AR, CA, LA, MS, MO, TX

Spring Wheat - MN, MT, ND, SD

Requirements:

If MP will be combined with a base policy, it must be purchased from the same insurance company as the issuer of the MP policy.

An annual PR is required.

Harvest Price Option (HPO)

The HPO allows a grower to choose to include replacement cost coverage to the MP policy. Similar to many popular revenue-based policies, if the harvest price is greater than the projected price, the expected margin and the trigger margin are recalculated based on the higher harvest price.

Plan Clarifications

- Termination date is 11/15 for corn, soybeans and wheat;
- Base policy includes only plan types 01 (YP), 02 (RP) and 03 (RP HPE);
- Base policy must be at an additional level of coverage;
- In order to get premium credit for a base policy, the MP policy and base policy must be insured under the same type and practice;
- Production reporting (PR) requirements vary when MP is purchased as a stand-alone policy vs. with an underlying base policy; and
- High-Risk Coverage Endorsement and Catastrophic Crop Insurance (CAT) Endorsements covering High-Risk acres are allowed on | the base policy, but those acres cannot be covered under the MP plan.

SALES CLOSING DATE:

Corn, Soybeans & Wheat:
September 30th

Rice: Same as for other rice policies and varies by county/state.

ACREAGE REPORTING:

July 15th

PRODUCTION REPORTING:

Specified in actuarials. (Note: If purchased with base policy, no separate production report required.)

PROJECTED PRICE DISCOVERY PERIOD:

August 16 - September 14

COVERAGE LEVELS:

70% - 95%

PROTECTION FACTORS:

80% - 120% (in 1% increments)

EXCLUSIONS:

Replant coverage, CAT and Written Agreements are not available under MP.

Allowed Inputs

Resources are typically used to produce the insured crop in the county where the insured acreage is located. This includes production inputs, which will have differing projected and harvest prices (diesel, interest, fertilizer, etc.) and those with insurance prices that will not change during the year (machinery costs, seed, chemicals, etc.).

Premium Subsidy

Coverage	70%	75%	80%	85%	90%	95%
Subsidy	59%	55%	55%	49%	44%	44%

The catastrophic (CAT) coverage level is not available for MP or for the base policy.

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