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Adjusted Gross Revenue-Lite (AGR-Lite)

Sales Closing date is March 15th

Cancellation date for all policies is January 31st

AGR-Lite Overview

Adjusted Gross Revenue-Lite (AGR-Lite) is a whole-farm revenue protection plan of insurance. The plan provides protection against low revenue due to unavoidable natural disasters and market fluctuations that affect income during the insurance year. Most farm-raised crops, animals and animal products are eligible for protection.

AGR-Lite can stand alone or be used in conjunction with other Federal crop insurance plans, except Adjusted Gross Revenue (AGR). When producers purchase both AGR-Lite and other Federal crop insurance, the AGR-Lite premium will be reduced.

The AGR-Lite concept:

- Uses a producer's 5 year historical farm average revenue reported on the IRS 1040 Schedule F tax form, other IRS farm tax forms, and annual farm report as a base to provide a level of guaranteed revenue for the insurance period
- Provides insurance coverage for multiple agricultural commodities in one insurance product; and
- Establishes revenue as a common denominator for the insurance of all agricultural commodities.

Premium Subsidy

The government will pay a portion of the premium for the AGR-Lite policy that equals 48 percent, 55 percent and 59 percent of the total premiums for the coverage levels of 80 percent, 75 percent and 65 percent, respectively.

Availability

AGR-Lite is available in Alabama, Alaska, Arizona, Colorado, Connecticut, Delaware, Florida, Georgia, Hawaii, Idaho, Illinois, Kansas, Maine, Maryland, Massachusetts, Minnesota, Montana, Nevada, New Hampshire, New Jersey, New Mexico, New York, North Carolina, Oregon, Pennsylvania, Rhode Island, South Carolina, Tennessee, Utah, Vermont, Virginia, Washington, West Virginia, Wisconsin and Wyoming.

Producer Eligibility

To be eligible for AGR-Lite coverage a producer must:

- Be a US citizen or a legal resident
- File a calendar year or fiscal year farm tax return
- Coverage is limited to \$1 million
- Have appropriate IRS tax forms available for the previous 5 consecutive years under the same tax entity (for exceptions, contact your crop insurance agent)
- Have no more than 50 percent of total revenue from commodities purchased for resale
- Have no more than 83.35 percent of total revenue from potatoes
- Other restrictions may apply.

Insured Causes of Loss

Insurance is provided against loss of revenue due to any unavoidable natural peril or market fluctuation that causes a loss in revenue. No payment will be made for losses due to negligence, mismanagement or wrongdoing by the insured, the insured's family, members of the household, tenants, employees, or contractors; crop abandonment, bypassing of acreage; and other causes listed in the insurance policy.

AGR-Lite Application Information

Producers must provide the following information when completing an AGR-Lite application:

- Historical calculation worksheet, including 5 years of allowable income and expense data from their IRS 1040 Schedule F forms (or equivalent IRS forms)
- An annual farm report showing the intended revenue-producing commodities and their expected revenue
- A commodity profile report for the previous 2 years for producers selecting higher coverage levels
- Beginning inventories, if applicable

Choosing A Revenue Guarantee

Coverage levels and payment rates vary with the number of commodities produced and are selected by the producer from the Special Provisions of Insurance. AGR-Lite liability is calculated by multiplying the approved adjusted gross revenue by the selected coverage level and payment rate. The coverage level will determine when the indemnity payments begin. The payment rate will determine how much the producer will be paid for each dollar lost under the coverage level. A producer selects an amount of coverage that will cover all commodities.

For More Information

This summary is for general illustration purposes only.

Consult your crop insurance agent to obtain specific information regarding practices, options, planting dates and appropriate deadlines. **READ THE POLICY PROVISIONS BEFORE MAKING YOUR DECISION ON AGR-Lite AND OTHER CROP INSURANCE PRODUCTS. POLICY PROVISIONS ARE AVAILABLE FROM YOUR INSURANCE AGENT.**

ARMtech Insurance Services, Inc. is an equal opportunity provider.

Available Protection Amounts

Level	Rate	Commodities*	Income**
65	75	1 or more	\$ 2,051,282
65	90	1 or more	\$ 1,709,401
75	75	1 or more	\$ 1,777,777
75	90	1 or more	\$ 1,481,481
80	75	3 or more	\$ 1,666,666
80	90	3 or more	\$ 1,388,888

*Must meet minimum income requirements. Commodity grouping is available for increased coverage.

**The Maximum Annual Income represents the maximum approved farm revenue at each coverage level and payment rate to be eligible for AGR-Lite due to the \$1 million maximum liability allowed.

Loss Payment Example

Loss Payment Example

(80% coverage at 90% payment rate)

ASSUMPTIONS:

Approved AGR-Lite Income	\$500,000
Loss Inception Point: (\$500,00 x .8)	\$400,000
AGR-Lite Coverage: (\$400,000 x .9)	\$360,000

LOSS SCENARIO:

- Adjusted gross income of \$215,000 (revenue to count).
- \$400,000-\$215,000 revenue to count = \$185,000 loss of revenue
- \$185,000 x 90 percent payment rate = \$166,500 indemnity due the insured.
- If a 75-percent payment rate had been selected, the indemnity due would have been \$138,750.