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Biotechnology Endorsement (BE)

BE Overview

The Biotechnology Endorsement will allow the producer to receive a premium rate discount on irrigated and non-irrigated corn for grain planted to hybrid varieties of corn that contain specific combinations of biotech traits.

BE Availability

BE is available in all Colorado, Illinois, Indiana, Iowa, Kansas, Michigan, Minnesota, Missouri, Nebraska, Ohio, South Dakota and Wisconsin counties in which an eligible policy and plan of insurance is offered. Approved policy and plans of insurance include APH, CRC or RA on non-irrigated corn for grain, or any successors to these plan of insurance. In Kansas and Nebraska, irrigated corn is also eligible for some hybrids.

There is no sales closing date deadline by which an insured must elect the BE; therefore, no application or contract change form is required to be completed. The insured must notify their agent no later than acreage reporting date of those specific units that qualify for the BE premium rate reduction.

Qualifying Hybrid

A corn hybrid that contain a specific combinations of biotech traits and are developed and licensed by Monsanto, Pioneer Hybrid and Syngenta.

Premium Discount

The average premium discount for coverage levels in the range of 70 percent to 75 percent (the most common in the pilot area) is around 20 percent under the actual production history (APH) plan of insurance, which insures only yield risk.

For producers with revenue policies, the premium rate reduction would be less because the yield risk accounts for only a portion of the total risk and total premium rate.

Eligibility

On or before the acreage reporting date, you must submit to us all of the following:

- Copies of purchase and return seed must be provided to your agent at acreage reporting time.
- A BE Insured's Certification Statement*, signed by you, the insured.

Examples

Option A:

Joe Farmer has two basic units (unit 00100 and unit 00200), each comprised of 400 acres. He plants all 400 acres of unit 00100 to soybeans. On unit 00200, he plants 320 acres of non-irrigated corn for grain planted to a qualifying hybrid, and 80 acres of non-irrigated corn for grain planted to a non-qualifying hybrid.

Result:

At least 75 percent of the total insured corn acreage planted in unit 00200 is non-irrigated corn for grain planted to a qualifying hybrid ($400 \times .75 = 300$).

Accordingly, the planting requirements are met for unit 00200, and Joe is eligible for the Pilot BE premium rate reduction on unit 00200, provided all other eligibility requirements are met. Non of the acreage in unit 00100 is planted to corn; it is not eligible for the Pilot BE premium rate reduction.

Option B:

Bob Jones has three optional units (unit 00101, unit 00102 and unit 00103), each comprised of 200 acres. Bob plants all 200 acres of units 00101 and 00102 to non-irrigated corn for grain planted to a qualifying hybrid. On unit 00103, he only plants 50 acres to non-irrigated corn for grain planted to a qualifying hybrid, and 150 acres to non-irrigated corn for grain planted to a non-qualifying hybrid.

Result:

At least 75 percent of the total insured corn acreage planted in unit 00101 and 00102 is non-irrigated corn for grain planted to a qualifying hybrid. The planting requirements are met for unit 00101 and 00102, and Bob is eligible for the Pilot BE premium rate reduction on each of those units, provided all other eligibility requirements are met. Only 25 percent of the total corn acreage planted in unit 00103 is non-irrigated corn for grain planted to a qualifying hybrid, therefore, he is not eligible for the Pilot BE premium rate reduction on unit 00103.

Option C (IA Farmer)

John Smith has two basic units (unit 00100 and 00200), each comprised of 640 acres. John plants 475 acres of unit 00100 to non-irrigated corn for grain planted to a qualifying hybrid, and plants the remaining 165 acres in the unit to irrigated corn for grain planted to a qualifying hybrid. ($640 \times .75 = 480$ ac). On unit 00200, he plants 384 acres to irrigated corn for grain planted to a qualifying hybrid, and plants the remaining 256 acres to irrigated corn for grain planted to a non-qualifying hybrid.

Result:

The planting requirements are not met on either of his units. All acres in unit 00100 are planted to a qualifying hybrid; however, less than 75 percent of the total insured corn acres in unit 00100 are planted to qualified corn for grain. All acres of unit 00200 are planted to irrigated corn. The planting requirements are not met on either unit so he is not eligible for the Pilot BE premium rate reduction on either unit.

AIPs are required to perform spot-checks on policy's eligible for the Pilot BE premium rate reduction.

Consequences for Non-Compliance

- **When an insured is determined not to be in compliance with the terms and conditions of the Pilot BE on ANY unit identified on the insured's acreage report as eligible for the Pilot BE premium rate reduction, the insured's policy shall be voided.** The voidance will be effective on the first day of the insurance period for the crop year in which the insured is determined not to be in compliance. The AIP may require the insured to pay 20 percent of the premium due under the policy in accordance with the Basic Provisions.
- If required by the AIP, the 20 percent shall be calculated based on the premium amount that would have been due without the Pilot BE premium rate reduction.
- In addition to the policy being voided, administrative, civil or criminal sanctions may be applicable in accordance with the Basic Provisions.

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

*Your ARMtech agent will have access to this and will provide one for you.
