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## Apiculture (API)

**Sales Closing Date is November 30th**

### API Overview

The Apiculture policy (API) is a FCIC pilot program and reinsured risk management tool offered by ARMtech for producers who are dependent upon weather and other environmental factors for plant and forage growth, which correlates to honey production. Apiculture insurance will be based on the same Rainfall Index (RI) and Vegetation Index (VI) methodologies and technologies which are currently utilized in the Pasture, Rangeland and Forage program.

It offers coverage for a significant reduction in either the vegetative index or rainfall amount in a given geographic area (or grid) containing the insured property.

The policy is based on the experience of each grid to determine indemnities rather than the individual's experience. It indemnifies the insured in the event a grid's accumulated index (either vegetative or rainfall) is below the insured's "trigger grid index" for the period of insurance. This coverage is offered for landlords and tenants, as well as an owner/operators.

### API Indemnity

At the end of the insurance period FCIC issues a final grid index. A payment is made if the final grid index for the insured unit is less than the trigger grid index.

### API Availability

Alabama (RI), Colorado (BOTH), Georgia (RI), Idaho (RI), Kansas (VI), Minnesota (VI), Missouri (RI), Montana (RI), Nebraska (VI), New York (VI), North Carolina (VI), North Dakota (RI), Oklahoma (VI), Oregon (VI), Pennsylvania (BOTH), South Carolina (BOTH), South Dakota (VI), Texas (RI), Utah (RI), Virginia (VI) and Wyoming (VI). Please ask your agent if your county is approved for API.

The insured crop will be apiculture in which you have a share; located on acreage in the county listed on the accepted application; and reported by the colony reporting date. You are NOT required to insure 100 percent of the insurable colonies in the county.

### API Coverage Levels

Levels of coverage are 70, 75, 80, 85 or 90% with premium rates stated in dollars per one-hundred dollars of protection.

### Vegetation Indexing Methodology

The Vegetation Index which utilizes remote sensing to indicate productive capacity in a 4.8 x 4.8 mile grid. You must select at least one interval period per year.

Four Interval periods per year

Interval 1—April through June

Interval 2—July through September

Interval 3—October through December

Interval 4—January through March

### Rainfall Indexing Methodology

The Rainfall Index is based on the National Oceanic and Atmospheric Administration (NOAA) rainfall data in a 12 x 12 mile grid. You must select at least two interval periods per year.

Six Interval periods per year

Interval 1—February through March

Interval 2—April through May

Interval 3—June through July

Interval 4—August through September

Interval 5—October through November

Interval 6—December through January

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## Calculating Indemnities

Payment Calculation Factor

$$\frac{(\text{trigger grid index} - \text{final grid index})}{\text{trigger grid index}}$$

Indemnity Payment

Payment calculation factor

X Policy Protection per unit

## API Definitions

**Apiculture**—the raising and care of honey bees for agricultural crop production purposes, to include but not limited to: honey production, collection of pollen, wax and breeding purposes.

**Colony**—A group of honey bees housed in a managed hive used for apiculture, which does not include wild or feral honey bees.

**Trigger Grid Index**—will equal the coverage level selected.

**Final Grid Index**—

- For Rainfall it will be determined by FCIC based on the NOAA's current .25 degree grid precipitation data for each grid ID and index interval during the crop year, expressed as a percentage.
- For Vegetation it will be determined by the FCIC based on the current NDVI values for each grid ID and index interval during the crop year expressed as a percentage.

**NOAA**—National Oceanographic and Atmospheric Administration

## 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 PRF OR OTHER LIVESTOCK INSURANCE PRODUCTS. POLICY PROVISIONS ARE AVAILABLE FROM YOUR INSURANCE AGENT.**

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

**EROS**—Earth Resources Observation System, or a successor agency, that provides NDVI data that is used to calculate the NDVI gridded data.

**NDVI**—Normalized Difference Vegetation Index, which is a measure indicating the density of photosynthetic biomass on the ground, resulting from the processing of satellite imagery.

**Policy Protection Per Unit**—The result of multiplying the dollar amount of protection per acre, by your insured acres, by your share for the unit.

## Indemnity Example for Rainfall

At the end of the insurance period, the FCIC issues a final grid index for the insured grids. A payment is made only if the final grid index for the insured unit is less than the trigger grid index, regardless of the individual's actual precipitation in that index interval.

So, if the final grid index is 60 and the trigger grid index selected was 85, the indemnity is calculated as follows assuming the insured owns 100% of the acreage:

$$\text{Payment Calculator Factor} : \frac{(85-60)}{85} = .294$$

$$\text{Indemnity Payment} : .294 \times \$450 = \mathbf{\$132}$$

## Indemnity Example for Vegetation

At the end of the insurance period, the FCIC issues a final grid index for the insured grids. A payment is made only if the final grid index for the insured unit is less than the trigger grid index, regardless of the individual's actual precipitation in that index interval.

So, if the final grid index is 55 and the trigger grid index selected was 75, the indemnity is calculated as follows assuming the insured owns 100% of the acreage:

$$\text{Payment Calculator Factor} : \frac{(75-55)}{75} = .267$$

$$\text{Indemnity Payment} : .267 \times \$369 = \mathbf{\$98.53}$$