

Cotton Crop Hail Estimate

Crop Hail provides 95% coverage of loss due to hail or fire. You can choose any whole \$ amount of coverage per acre up to the limit of \$600 per acre for cotton. Endorsements can be added for coverage of wind or hail damage to open bolls & for wind-fire-vandalism losses to cotton in modules. The cost of a basic plan and / or those endorsements are listed on next page. Any \$ amount of coverage per acre can be chosen (up to \$600).

Please see cost estimates below and more details on each optional endorsement on the following pages

Basic Hail-Fire Plan Only	
<u>Coverage per acre</u>	<u>Price per acre</u>
\$600.00	\$5.70
\$500.00	\$4.75
\$400.00	\$3.80
\$300.00	\$2.85
\$200.00	\$1.90
\$100.00	\$0.95

Basic Hail-Fire Plan + Open Boll Endorsement	
<u>Coverage per acre</u>	<u>Price per acre</u>
\$600.00	\$7.80
\$500.00	\$6.50
\$400.00	\$5.20
\$300.00	\$3.90
\$200.00	\$2.60
\$100.00	\$1.30

Basic Hail-Fire Plan + 90% Open Boll & WIND	
<u>Coverage per acre</u>	<u>Price per acre</u>
\$600.00	\$12.90
\$500.00	\$10.75
\$400.00	\$8.60
\$300.00	\$6.45
\$200.00	\$4.30
\$100.00	\$2.15

**CROP-HAIL INSURANCE
OPTIONAL ENDORSEMENT**

OPEN BOLL COTTON ENDORSEMENT

In consideration of the additional premium at which this endorsement is written, your coverage is amended to include direct loss to cotton caused by hail only. This endorsement must be applied for on or before July 1 to be effective for the current crop year. This endorsement does not increase the liability provided by the Crop-Hail policy to which this endorsement attaches. You must insure all acres of cotton grown in which you have an insurable interest.

This coverage extends only to lint cotton which has fallen on the ground because of hail.

Open boll is defined as lint cotton being exposed. Direct loss is defined as lint cotton being physically removed from the stalk, which is directly caused by hail.

Coverage under this endorsement begins when cotton bolls are open. Coverage ceases, on a per acre basis, the earlier of the first mechanical harvest or November 15th of the current crop year.

This endorsement does not cover bolls removed from the stalk due to boll rot.

By entering code **OBC** in the "Endorsements" column of your Crop Hail/Binder or VPA application and signing that application, you are agreeing to and accepting the terms and conditions of this endorsement and agree to pay the additional premium due.

**CROP-HAIL INSURANCE
OPTIONAL ENDORSEMENT**

OPEN BOLL COTTON WIND ENDORSEMENT

In consideration of the additional premium at which this endorsement is written, your coverage is amended to include direct loss to cotton caused by wind. This endorsement must be applied for on or before July 1 to be effective for the current crop year. This endorsement does not increase the liability provided by the Crop-Hail policy to which this endorsement attaches. You must insure all acres of cotton grown in which you have an insurable interest.

Wind loss is defined as removal of lint cotton from open bolls on unharvested cotton by wind. There will be no loss payable unless the direct loss from such cause per occurrence exceeds 10%, determined on a per acre basis. Wind occurrence, for purposes of this endorsement, means any exposure to wind on a continuous or repeated basis over the same 72-hour period. The amount payable will be the percent of loss in excess of 10% multiplied by the limit of insurance in effect on the date of the loss, not to exceed the actual cash value of the crop.

Open boll is defined as lint cotton being exposed. Direct loss is defined as lint cotton being physically removed from the stalk, which is directly caused by wind.

Coverage under this endorsement begins when cotton bolls are open. Coverage ceases, on a per acre basis, at the earlier of the first harvest of the cotton crop or November 1 of the current crop year. Harvest is the first mechanical removal of the lint from the plant.

In case of probable loss to cotton insured under this endorsement, you must give written notice to us within 72 hours after the occurrence of wind.

Cotton loss or damage, including but not limited to losses from the following causes, is not covered: 1) boll or stem rot, 2) lint recoverable by harvesting equipment, 3) neglect or failure to harvest mature cotton, 4) bent or broken stalks, limbs or roots, 5) plants that have been uprooted, 6) immature fruit, 7) damage from any prior loss whether insured or not, 8) loss from wind until the determined loss exceeds any applicable deductible, or 9) loss from any peril not insured against.

By entering code **OBCW** in the "Endorsements" column of your Crop Hail/Binder or VPA application and signing that application, you are agreeing to and accepting the terms and conditions of this endorsement and agree to pay the additional premium due.

COTTON MODULE FIRE ENDORSEMENT

In consideration of the additional premium charged, this endorsement extends coverage for the perils of fire and lightning and fire department service charge* to cotton that has been harvested and stored in modules. Coverage is extended for the complete or partial destruction of cotton modules caused by fire and lightning.

Only cotton modules harvested from acreage insured with an underlying crop-hail policy and located in the field from which the cotton was harvested are covered by this endorsement. No more than five modules can be stored in a single group and each module must be placed at least three feet from any other module. If more than five modules are placed in a group, then in case of a loss coverage will be limited to no more than five modules. Each group of modules must be separated by at least 100 feet from any other group. For purposes of this paragraph, a module will consist of one conventional module, two half-length modules or up to four round modules.

A module is defined as a compressed amount of harvested cotton that is normally tarped or wrapped and temporarily stored at the edge of or in the field until such time as the cotton can be processed or ginned.

In case of probable loss to cotton insured under this endorsement, you must give written notice to us within 48 hours after the occurrence of the insured peril.

The amount payable on any occurrence will be the amount of the loss times .95 however this factor does not apply to fire department service charge*.

Any loss payment for fire department service charge* will be limited to your actual cost assumed by contract or agreement for fire department charges incurred when the fire department is called to save or protect the harvested cotton, but will not exceed the amount specified in your crop-hail special provisions.

If a fire loss is also covered by other insurance, including but not limited to the following examples, farm property insurance, farm and ranch insurance, or insurance carried by the cotton gin, then we will pay only for the excess of such loss beyond the amount due from such other insurance, whether collectible or not, subject to our limits of insurance.

Fire coverage under this endorsement will cease the earlier of when removed from the field or 12:01 a.m. standard time on the following dates of the current crop year:

<u>State(s)</u>	<u>Expiration of Insurance Date</u>
Texas counties of Val Verde, Edwards, Kerr, Kendall, Bexar, Wilson, Karnes, Goliad, Victoria and Jackson and all Texas counties lying south thereof.....	September 30
Arizona counties of LaPaz, Maricopa, Pima, Pinal and Yuma.....	December 15
All other Arizona and Texas counties and all other states.....	December 31

To calculate a loss:

Divide the total number of modules harvested by the total acres insured to arrive at the modules harvested per acre.

Then divide the number of modules destroyed by an insured peril by the modules harvested per acre to arrive at the acres destroyed.

Multiply the acres destroyed times the limit of insurance per acre less any prior hail loss times .95 to arrive at the loss payable.

Loss example:

Assume a limit of insurance per acre of \$600 and 80 acres are insured. Also assume there are 13 modules stored in groups of no more than five modules per group and that three modules are destroyed by fire.

$$13 \text{ modules} / 80 \text{ acres} = .1625 \text{ modules per acre}$$

$$3 \text{ modules destroyed} / .1625 \text{ modules per acre} = 18.5 \text{ acres}$$

$$18.5 \text{ acres} \times \$600 \text{ per acre} = \$11,100 \times 95\% = \$10,545 \text{ loss}$$

* **ARIZONA AND TEXAS SPECIAL PROVISION:** Any reference to fire department service charge does not apply to Arizona or Texas.

**Crop Hail
Optional Endorsement**

**COTTON MODULE FIRE ENDORSEMENT
EXTENSION OF COVERAGE**

Agreement to Insure

This endorsement is made part of **your** Crop Hail insurance policy. You must purchase the Cotton Module Fire Optional Endorsement in order to be eligible to purchase this endorsement. Except as otherwise stated, this endorsement is subject to the limits of liability, definitions, exclusions, provisions, and conditions applicable to the policy and to the Cotton Module Fire optional endorsement. This endorsement applies to the **cotton** crop listed in the Schedule of Insurance of your Crop Hail policy & extends coverage for the perils of fire & lightning to cotton that has been harvested and stored in modules. This coverage is extended for the complete or partial destruction of cotton modules caused by fire and lightning. Fire department service charge is also covered under this endorsement.* This endorsement may be purchased at any time, prior to the Expiration of Insurance Date noted on the Cotton Module Fire Endorsement.

Coverage

For additional premium and subject to our limit of liability, if you purchase this optional endorsement, we will extend the expiration of insurance date of the Cotton Module Fire Endorsement coverage. You may purchase one or two extension periods, for a maximum extension of 4 months past the expiration of insurance date shown in the Cotton Module Fire Endorsement. The extension of coverage will begin at 12:01 a.m. standard time on the start date and will cease the earlier of when the cotton module is removed from the field or 11:59 p.m. standard time on the expiration date of the current insurance period as follows:

Location	Coverage Dates	Extension #1	Extension #2
Texas Counties of Val Verde, Edwards, Kerr, Kendall, Bexar, Wilson, Karnes, Goliad, Victoria, Jackson & all Texas Counties lying south thereof:	Start Date:	October 1	December 1
	Expiration Date:	November 30	January 31
Arizona counties of LaPaz, Maricopa, Pima, Pinal & Yuma:	Start Date:	December 16	February 16
	Expiration Date:	February 15	April 15
All other states where cotton is an insurable crop and all other Arizona & Texas counties:	Start Date:	January 1	March 1
	Expiration Date:	February 28	April 30

***Arizona and Texas Special Provision:** Any reference to fire department charge does not apply to Arizona or Texas.

Applying for Endorsement Coverage

The code to purchase Extension Period #1, enter code **CME1**, and to purchase Extension Period #2 enter **CME2** in the "Optional Endorsement(s)" column of your Crop Hail/Binder or VPA/Production Hail application. By entering code **CME1** and/or **CME2** on your Crop Hail/Binder or VPA/Production Hail application and signing that application, you are applying to add the coverage herein provided and are agreeing to and accepting the terms and conditions of this endorsement and agree to pay the additional premium due.