Crop Division

Great American Plus (GAP)

Banded coverage for corn or soybean crops to safeguard against shallow yield or revenue losses.

for all the great you do®

Our GREAT story

With **over 100 crop and livestock offerings,** we understand American Agriculture.

Coverages available in **over 40 states**.

Great American is the only **American Owned AIP** in the top 5.

We are backed by the strength of “A” or better rating by AM Best for **115 years or more.**

American Owned℠

Many farmers face a gap between their federal MPCI insurance and their target revenue. The Great American Plus (GAP) policy can help insureds close that gap and provides coverage beyond the limits of an MPCI policy. With a multitude of coverage options, growers have the flexibility to customize a GAP policy to their operation.

How Does GAP Work?

Insureds can select either a GAP Yield or GAP Revenue Coverage to complement their MPCI Policy.

GAP Yield coverage pays an indemnity when the GAP Production to Count is less than the Trigger Yield established by the policy.

GAP Revenue coverage pays an indemnity when the GAP Revenue to Count is less than the Trigger Revenue established by the policy.

An insured must have an MPCI policy to be eligible for a GAP policy. The MPCI policy may include Supplemental Coverage Option (SCO), but may not have ECO on their underlying policy unless the Other Endorsements (OE) is added to the GAP Revenue/Yield policy.

Bands of Coverage

An insured may select any of the below GAP Coverage Bands. A key advantage of GAP is that the availability of these bands is not influenced by the underlying MPCI coverage level.

90% to 95%	80% to 95%	75% to 85%
85% to 95%	80% to 90%	75% to 90%

Unit Structure

Producers have the flexibility to choose a different unit structure for their GAP policy than that of their MPCI policy. Both Optional (OU) and Enterprise (EU) unit structures are available for GAP Yield and GAP Revenue.

An **Optional Unit** includes all insurable acreage defined within the optional unit structure chosen under your MPCI coverage. If an insured does not select the Optional Unit structure on their MPCI coverage, they can still opt for Optional Unit coverage under this endorsement, provided that databases and production records support the Optional Units.

An **Enterprise Unit** encompasses all insurable acreage of the same crop or all insurable irrigated or non-irrigated acreage of the same crop within the county where the insured has a share at the start of coverage. The calculation for an Enterprise Unit will be identical to that of the underlying MPCI policy.

Acres

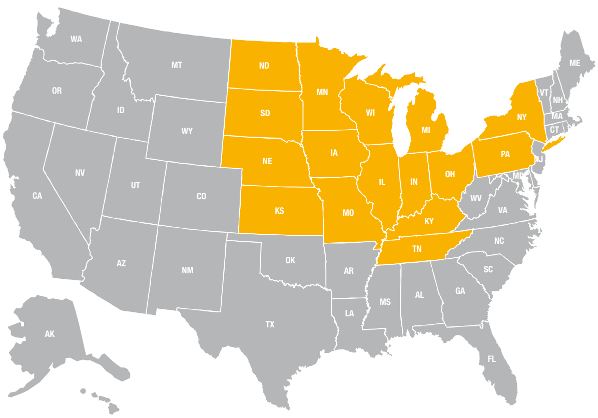
All planted acreage in a county covered under a grower's MPCI policy will also be insured under a GAP policy, with the exception of exclusions in the policy provisions. Some of those exclusions include:

- High Risk Acres
- Crops insured by Written Agreement
- Organic Practices
- Silage
- Any acreage not listed in the Premium Estimation Tool

Growers will only be charged premiums for the planted acres.

Availability

GAP is available in most counties of the highlighted states below where there is an existing MPCI buy-up policy for the eligible crop.



Available pending state approval(s). Eligible crops include Corn grown for grain and Commodity Soybeans.

Price

GAP uses the same **Projected Price** commodity price for corn and/or soybeans as established by the Commodity Exchange Price Provisions (CEPP) on the underlying MPCI policy.

The **GAP Band Price** is the lesser of the Projected Price and the GAP Harvest Price and is used in the determination of the GAP Revenue to Count.

The **GAP Harvest Price** is the higher of either (1) the discovered CEPP harvest price, as determined by the CEPP, or (2) 90% of the Projected Price.

Liability Adjustment Factor

Insured can choose a Liability Adjustment Factor ranging from 30% to 100% to modify both the premium amount and the indemnity payable under the policy. This factor does not alter the policy trigger but adjusts the payout per dollar of loss.

Other Endorsements (OE)

The GAP Other Endorsements (OE) election allows insureds to offset a GAP indemnity with an SCO and/or ECO indemnity. By doing so, this endorsement offers a discounted premium to the insured.

GAP policies with Other Endorsements elected will credit the amount of any calculated SCO and/or ECO indemnity elected as an offset (as determined by Great American) at 100% Protection Factor against any GAP Yield - Other Endorsements or GAP Revenue - Other Endorsements indemnity that may be due.

GAP Yield – OE or GAP Revenue – OE should only be taken when the insured has either SCO or ECO on their underlying policy. An insured with SCO on their underlying policy does not have to take the Other Endorsements, however, if the insured has ECO on their underlying MPCI policy they must elect Other Endorsements on their GAP policy and should select the ECO offset. A GAP Yield and/or GAP Revenue policy can be purchased with an MPCI application that includes the Enhanced Coverage Option (ECO), provided the GAP coverage band selected is 90%–95%.

In the event ECO is in place on the underlying MPCI policy schedule of insurance and the ECO Other Endorsements offset was not elected on the GAP policy with band of coverage other than 90%-95%, the following steps will be taken:

- The GAP claim will be delayed until the RMA County Yields are announced and ECO Indemnity (if any) for the state, county, crop and practice at 100% protection factor are calculated.
- Any calculated GAP indemnity that was found to also have an underlying ECO policy in place will be reduced (offset) by the ECO 100% protection factor indemnity.
- The insured will owe the full premium for the GAP Revenue or GAP Yield policy.

GAP Revenue: Harvest Price ***higher*** than Projected Price

Crop: Corn Grain		
	Lower Band	Upper Band
GAP Coverage Band	85%	95%
Approved Yield	200	
Projected RMA Price	$4.00	
Share	1	
Acres	450	
Liability Adjustment Factor	100%	
GAP Bandwidth	10%	
GAP Band Liability ($/acre)	$80.00	
Trigger Revenue	$760.00	$/ac

Indemnity Example		
Harvest Price	$4.50	$/bu
GAP Harvest Price (higher of either (1) the discovered CEPP harvest price, as determined by the CEPP, or (2) 90% of the Projected Price)	$4.50	
GAP Production to Count	160	bu/ac
a. **Trigger Revenue**	$760.00	
b. **GAP Band Price** (lessor of Projected Price and GAP Harvest Price)	$4.00	$/bu
c. **GAP Revenue to Count**	$640.00	$/ac
d. **Trigger Revenue less GAP Revenue to Count**	$120.00	$/ac
e. **If the result of step d is negative no indemnity due.**	-	-
f. **Lesser of GAP Band Liability and result of step d.**	$80.00	$/ac
g. **Indemnity is result of step 3 multiplied by share, acres & Liability Adjustment Factor.**	$36,000.00	

GAP Revenue: Harvest Price *lower* than Projected Price

Crop: Corn Grain		
GAP Coverage Band	Lower Band 85%	Upper Band 95%
Approved Yield	200	
Projected RMA Price	$4.00	
Share	1	
Acres	450	
Liability Adjustment Factor	100%	
GAP Bandwidth	10%	
GAP Band Liability ($/acre)	$80.00	
Trigger Revenue	$760.00	$/ac

Indemnity Example		
Harvest Price	$3.25	$/bu
GAP Harvest Price (higher of either (1) the discovered CEPP harvest price, as determined by the CEPP, or (2) 90% of the Projected Price)	$3.60	
GAP Production to Count	185	bu/ac
a. Trigger Revenue	$760.00	
b. GAP Band Price (lessor of Projected Price and GAP Harvest Price)	$3.60	$/bu
c. GAP Revenue to Count	$666.00	$/ac
d. Trigger Revenue less GAP Revenue to Count	$94.00	$/ac
e. If the result of step d is negative no indemnity due.	-	-
f. Lesser of GAP Band Liability and result of step d.	$80.00	$/ac
g. Indemnity is result of step f multiplied by share, acres & Liability Adjustment Factor.	$36,000.00	

GAP Yield with Other Endorsements

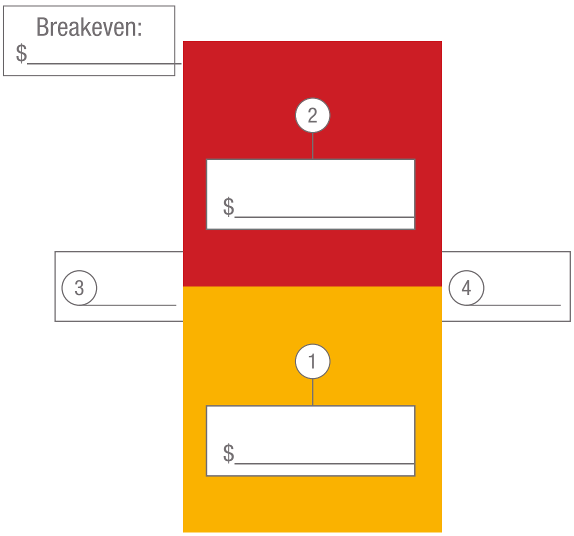
Crop: Corn Grain		
GAP Coverage Band	Lower Band 85%	Upper Band 95%
Approved Yield	200	
Projected RMA Price	$4.00	
Share	1	
Acres	400	
Liability Adjustment Factor	100%	
GAP Bandwidth	10%	
GAP Band Liability ($/acre)	$80.00	
Upper Coverage Trigger	190	bu/ac

Indemnity Example		
GAP Production to Count	175	bu/ac
a. Trigger Yield	190.00	bu/ac
b. GAP Production to Count	175.00	bu/ac
i. Lower Band	170.00	$/ac
ii. Most Covered	20	bu/ac
c. Subtract GAP Trigger Yield less GAP PTC	15.00	bu/ac
d. If the result of step c is negative no indemnity due.	-	-
e. Preliminary indemnity as result of step c multiplied by Projected Price	$60.00	$/ac
f. ECO Indemnity Offset	$15.00	$/ac
g. Final Indemnity	$45.00	$/ac
h. Indemnity is result of step g multiplied by share, acres & Liability Adjustment Factor.	$18,000.00	

Target Revenues & GAP Coverage

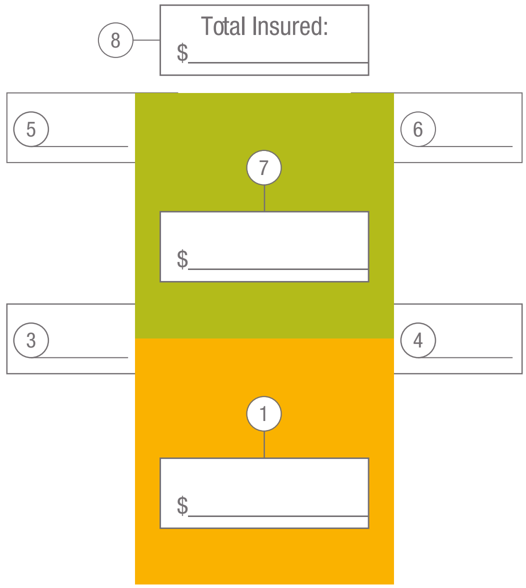
Use the below tools to help assess if coverage from GAP might fill the hole between current MPCI coverage and an operation's target revenue.

Calculating Your Exposure



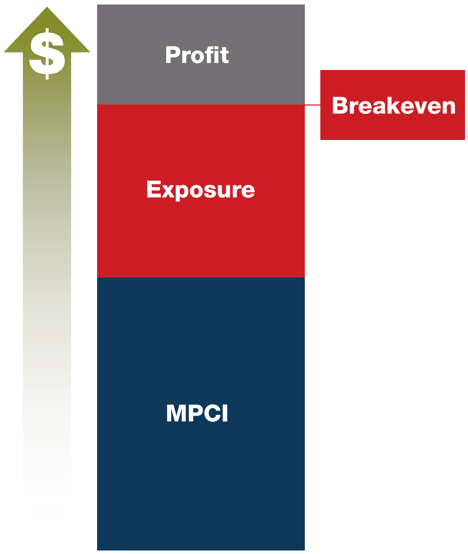
1. **MPCI Guarantee**
   MPCI coverage level x APH x commodity price = __________
2. **Exposure**
   Breakeven – MPCI guarantee = __________
3. **MPCI Trigger Yield**
   MPCI coverage level x APH = __________
4. **MPCI Revenue Trigger**
   MPCI coverage level x APH x commodity price = __________

GAP Package

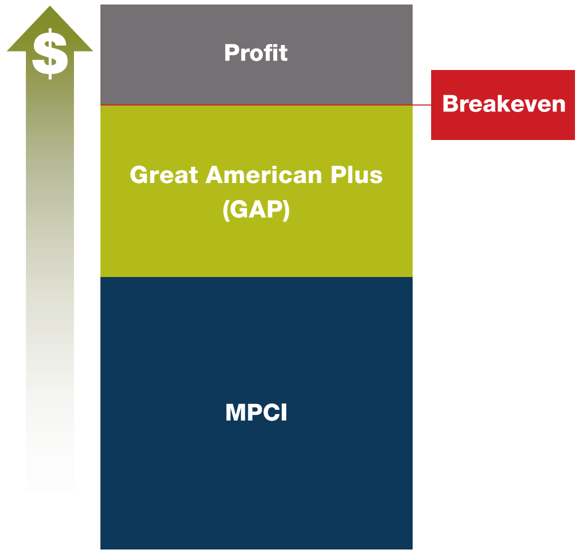


5. **GAP Yield Trigger**
   GAP coverage level x APH = __________
6. **GAP Revenue Trigger**
   GAP coverage level x APH x commodity price = __________
7. **GAP Liability**
   GAP bandwidth x APH x commodity price x GAP LAF = __________
8. **Total Insured**
   MPCI Guarantee + GAP Liability = __________

Your Current Strategy



Strategy with GAP



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