



GREATAMERICAN[®]
INSURANCE GROUP

Crop Division

LGM - Cattle and Swine

Protection for rising feed costs or falling livestock prices.



for all the *great* you do[®]



As one of the largest Crop insurers in the nation, Great American is recognized as a leader in this specialized marketplace.

Benefits of LGM

The Livestock Gross Margin (LGM) insurance policy provides protection against the loss of gross margin, which is the market value of livestock minus feed costs.

- Available for cattle and swine.
- Uses futures prices to determine the margin
- Customize deductibles:
 - For cattle, amounts range from \$0 to \$150 per head, in \$10 increments.
 - For swine, amounts range from \$0 to \$20 per head, in \$2 increments.

Prices for LGM are based on the simple average of Chicago Mercantile Exchange Group futures contract daily settlement prices and are not based on the prices an insured receives on their operation.

Availability



LGM is available in the 48 contiguous states for both cattle and swine operations.

LGM- Swine is available for the following operations:

- Farrow to Finish Operations
- Feeder Pig-Finish Operations
- Segregated Early Weaned (SEW) Operations



Causes of Loss

LGM covers the difference between the gross margin guarantee and the actual gross margin. LGM does not insure against:

- Livestock death
- Unexpected increases in feed use
- Anticipated or multiple year increases in feed costs.
- Any other loss or damage to your livestock

Buying a Policy

You can sign up for LGM each week and insure all the production that you expect to market.

For cattle, the insurance period contains the 11 months following the sales closing date.

For example, the insurance period for the January 29 sales closing date contains the months of February through December. Coverage begins the second month of the insurance period, so the coverage period for this example is March through December.

The indemnity at the end of the 11-month insurance period is the difference, if positive, between the gross margin guarantee and the actual gross margin.

For swine, each insurance period is six months long and overlaps other insurance periods. Coverage begins 1 month after you buy a policy, so coverage is available only for the last five months of the period.



Sales

LGM is sold on the Thursday of the week when the coverage prices and rates are posted on the RMA website and ends at 9:00am Central Time of the following day. Premium Billing date is the first day of the second month after the endorsement has ended. For example, an SCE ending on November 30th has a premium billing date of January 1st. Sales dates for LGM Dairy may not be available when:

1. Expected milk and feed prices are not available on the RMA website,
2. If the Thursday of the sales period is a federal holiday, and/or
3. On dates the USDA releases milk or cold storage reports.

Subsidy

A premium subsidy is available for those policies that insure multiple months during the insurance period.

Cattle Subsidy: Premium subsidies range from 18% to 50% and are determined by the dollar deductible selected. Deductibles range from \$0 to \$150 in \$10 increments. Selecting a lower deductible results in a lower premium subsidy, while selecting a higher deductible results in a higher premium subsidy.

Swine Subsidy: Premium subsidies range from 18% to 50% and are determined by the dollar deductible selected. Deductibles range from \$0 to \$20 in \$2 increments. Selecting a lower deductible results in a lower premium subsidy, while selecting a higher deductible results in a higher premium subsidy.

Premium is due at the end of the coverage period. LGM premiums depend on your marketing plan, coverage you choose, deductible level, and futures and price volatility.

For More Information

LGM Coverage Prices, Rates, and Actual

Ending Values:

rma.usda.gov/Information-Tools/Livestock-Reports



Premium Calculator:

<https://ewebapp.rma.usda.gov/apps/costestimator/>





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Great American
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115+ years with an **A** or better rating by AM Best

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