Why SKCI?

SKCI has been looking out for the best interest of the producers it serves since 1986. As an independent agency, it is all about the producer and not meeting quotas or sales goals. At SKCI, we understand that insurance is individualized and specific to your farm needs. We offer a full range of products and services with wealth of experience and trusted personal agents to guide you.

SKCI
The experience you need...from the people you trust.

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What is the Base Price Modifier?

The BPM is a supplemental insurance policy that enables growers to increase the price election of an underlying Multi-Peril Crop Insurance (MPCI) plan. It applies to crops such as corn, grain sorghum, soybeans, wheat, and California tree nuts. The policy provides buy-up coverage options like Yield Protection, Revenue Protection, and Revenue Protection with Harvest Price Exclusion for eligible crops. For California tree nuts, BPM applies to Actual Production History (APH) coverage.

How BPM Works

- The **price election** is selected at application time and does **not increase** later, regardless of changes in the underlying MPCI policy prices.
- BPM coverage complements the underlying MPCI policy, paying indemnities when production losses occur and the production to count falls below the MPCI production guarantee.
- The policy's **unit structure typically mirrors the MPCI policy's unit structure**, with options available to select an optional unit structure under certain conditions.

Coverage Exclusions

- High risk, unrated, or uninsurable acreage
- Whole Farm Revenue Protection (WFRP), Catastrophic (CAT) coverage, and Area Revenue Protection Insurance (ARPI)
- Acreage prevented from planting or insured by written agreement except for specific cases
- Second or double crops (except double crop soybeans where insurable under some provisions)
- Organically produced crops (with limited exceptions)

Indemnity Calculation Example (Corn)

Consider an insured with 160-bushel APH, 100% share, and 75% coverage level:

- MPCI production guarantee = 160-bushel APH × 75% = 120 bushels
- Actual harvested production = 105 bushels (a 15-bushel shortfall)
- BPM price election = $0.85 per bushel
- BPM indemnity = (120 – 105) × $0.85 × 100% = $12.75 per acre

Premium Calculation

- BPM premium is based on the BPM liability multiplied by the BPM rate for the crop and county, rounded to the nearest dollar.

Additional Details

- The combined supplemental coverage under BPM and the underlying MPCI policy may not exceed the value of the APH multiplied by the MPCI projected price or price election.
- BPM is a private product offered by selected insurance providers and subject to policy terms and availability by region.