

Below is an illustration of a basic assessment *

Harvest Extent (HE)		=	1.000 hectare
Insurable Sugar per Hectare (ISH)		=	7.000 tonnes per hectare
Total Insurable Sugar (TIS)		=	HE x ISH
		=	1.000 x 7.000
		=	7.000 tonnes
Sugar Price (SP)		=	Rs 15,300 per tonne
Ranking Of Planter		=	10
	Premium percentage	=	3.85%
	First Loss percentage	=	7.00%
	Value Shortfall percentage	=	65.00%
General Premium		=	TIS x SP x Premium %
		=	7.000x15,300x3.85%
		=	Rs4,123
First Loss (FL)		=	TIS x First Loss%
		=	7.000x7.0%
		=	0.490 tonnes
Sugar Accruing (SA)		=	3.000 tonnes
Shortfall		=	TIS - FL - SA
		=	7.000-0.490-3.000
		=	3.510 tonnes
General Compensation		=	Shortfall x SP x Value Shortfall %
		=	3.510x15,300x65.0%
		=	Rs34,907

* The above illustration does not take into account adverse items such as gaps in fields, etc.