

## Check for Understanding: Chapter 2

1. T F The only difference between the total EGM and GMG is the amount of the deductible.
2. T F If the total AGM is greater than the GMG at the end of the insurance period, an indemnity is paid.
3. When determining the EGM/AGM for a calf finishing operation, feeder cattle are assumed to have entered the feedlot \_\_\_ months before the planned target marketing month, whereas in a yearling operation, the feeder cattle are assumed to have entered the feedlot \_\_\_ months before the planned target marketing month.
4. T F The EGM for a particular month may change depending on when the coverage is purchased.
5. If the target marketing month for a SEW pig finishing operation is May, corn is priced using \_\_\_\_\_ as the contract month.
6. T F When calculating the AGM/EGM and one of the inputs (feeder cattle, soybean meal, and/or corn) happens to be priced during a month in which there is no commodity contract traded (i.e., June for corn), the weighted average of the two contract months surrounding the month that the input is priced in (i.e., May and July corn) is used instead.
7. T F The state- and month-specific LGM basis (according to LGM rules) does not change when determining the EGM and AGM.
8. T F The higher the deductible chosen, the higher the premium that will be paid.
9. T F The premium and the application are due at the same time.
10. T F A producer does not need documented proof that insured livestock were sold in order to receive an indemnity.