

Check for Understanding: Chapter 3

1. T F LGM does not insure against production losses (e.g., poor feeding performance).
2. T F Livestock death loss must be reported to the insurance agent when using LGM.
3. T F An indemnity would be reduced if less than 75 percent of total marketings were sold for the insurance period.
4. T F When insuring livestock with LGM, producers can use other insurance policies to protect against other perils such as lightning.
5. T F Calculation of an indemnity is based on the month the livestock are actually sold rather than the planned target marketing month.
6. T F When granting the right to receive an indemnity payment to another party under LGM provisions, one alternative involves giving up ownership of the livestock and the LGM policy, and the other involves the right to collect the indemnity payment.
7. T F LGM premiums are subsidized by the federal government.
8. T F Livestock insured with LGM cannot be insured with LRP at the same time.
9. T F It is possible to offset LGM by selling the policy back to the insurance company at any time during the insurance period.
10. T F LGM does not insure against basis margin risk.