

# Stable Insurance:

## What are the Alternatives for Livestock Farmers?

There are very limited Risk Management Tools currently available to livestock farmers. This is something Stable was determined to change.

### OVERDRAFT

A common Risk Management Tool used is a bank Overdraft. This allows, producers to take advantage of higher prices by delaying sales and where possible using the overdraft facility to manage the short-term shortfalls in their cashflows.

#### Strengths

- Overdrafts are flexible, you only borrow what you need at the time.
- Quick to arrange.
- Normally no charge for paying off Overdrafts earlier than expected.

#### Weaknesses

- Fees and interest payments cover the facility.
- Extensions usually involve paying an arrangement fee.
- Bank can charge significant fees for exceeding Overdraft limits without authorisation.
- Overdrafts are often secured against assets.
- Unlike loans, bank Overdrafts are only available when current accounts are maintained.
- Interest rates are nearly always variable, making it difficult to accurately calculate your borrowing costs.
- None of the risk is transferred or shared with a third party.

### STABLE

Volatility insurance for farmers. It protects against index -based price falls for arable, dairy and livestock products and cost rises for a number of farm inputs.

#### Strengths

- Reduced uncertainty.
- Open to large and small farms alike.
- Reduces the downside risk without limiting the upside if prices stay high or costs stay low
- Protects a level of downside risk at an amount chosen by the farm.
- Farmer can protect as little as 10 tonnes of crops or 10,000 litres of milk so its accessible to all farms
- No ties to a single processor.
- Cost are defined from the beginning.
- An automated claims process, meaning quick pay outs at the end of the policy.
- Backed by syndicates at Lloyd's of London for financial security

#### Weaknesses

- To keep insurance premiums to a minimum, Pay outs are made on conclusion of the policy.

Financial Promotion | +44 (0)203 859 9390 | [hello@stableprice.com](mailto:hello@stableprice.com) | 3 Whitehall Court, Whitehall, London, SW1A 2EL

Stable policies are underwritten by Ascot Underwriting Limited. Ascot Underwriting Limited is a private limited company registered in England and Wales under company number 04098461 at registered office address 20 Fenchurch Street, London EC3M 3BY. Ascot Underwriting Ltd is authorised and regulated by the Financial Conduct Authority (FRN 206658). Stable Group Ltd is a private limited company registered in England and Wales under company number 10289382 at registered office address 3 Whitehall Court, Whitehall, London, SW1A 2EL. Stable Group Ltd (FRN 815360) is an Appointed Representative of Bluefriars Brokers Ltd (FRN 604987), which is authorised and regulated by the Financial Conduct Authority. To make a complaint a, please visit <https://stableprice.com/legal-center/complaints/>.