

Exhibit Name: Premium Calculation
 Exhibit Number: P13-2, Plan 50
 Record Name: Inventory Value
 Record Code: P13

Reinsurance Year: 2021
 Version: Approved
 Release Date: 7/1/2020

Insurance Plan Code	50 Dollar Amount of Insurance
Commodity Code	0073 Nursery 1010 Nursery (NVS)

Calculations	Field Name	Record Number	Field Number	Field Format	Field Rounding	Rules
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Section 1: Liability Calculation

When Commodity Code is "0073":

$\text{Liability Amount} = \text{Inventory Value Amount} * \text{Survival Percent} * \text{Coverage Level Percent} * \text{Insured Share Percent} * \text{Catastrophic Factor}$	Liability Amount	P13	53	9999999999	Round to whole number	
	Inventory Value Amount	P13	24	9999999999	None	
	Survival Percent	ADM		9.999	None	For Type 071 Liners. Edit With ADM Price, "A00810".
	Coverage Level Percent	P14	34	9.9999	None	
	Insured Share Percent	P13	26	9.9999	None	
	Catastrophic Factor				9.99	None

When Commodity Code is "1010":

$\text{Liability Amount} = \text{Selected Value Amount} * \text{Coverage Level Percent} * \text{Insured Share Percent} * \text{Catastrophic Factor}$	Liability Amount	P13	56	9999999999	Round to whole number	
	Selected Value Amount	P13	49	9999999999	None	
	Coverage Level Percent	P14	34	9.9999	None	
	Insured Share Percent	P13	26	9.9999	None	
	Catastrophic Factor				9.99	None

Section 2: Base Premium Rate Calculation

$\text{Base Premium Rate} = \text{Base Rate} * \text{Rate Differential Factor} * \text{Option Rate}$	When Insurance Option Code "OW" does not apply:					
	Base Premium Rate	Internal		999999.99999999	Round to 8 decimals.	
	Base Rate	ADM		999.9999	None	Edit with ADM Base Rate, "A01010".
	Rate Differential Factor	ADM		9.99999999	None	Edit with ADM Coverage Level Differential, "A01040".
When Insurance Option Code "OW" applies:						
Option Rate	ADM		9.9999	None	Edit with ADM Option Rate, "A01060" for Option.	

Section 3: Optional Coverage Calculation

$\text{Additive Optional Rate Adjustment Factor} = \sum \text{Option Rate} * \text{Rate Differential Factor}$	When Rate Method Code is Additive, "A":					
	Additive Optional Rate Adjustment Factor	Internal		999999.9999	Round to 4 decimals.	
	Option Rate	ADM		99999.9999	None	Option Rate will be the Sum of all Option Rate with Rate Method Code equal to Additive, "A". Edit with ADM Option Rate, "A01060".
$\text{Multiplicative Optional Rate Adjustment Factor} = \sum \text{Option Rate1} * \text{Option Rate2} * \text{Option Rate3}...$	When Rate Method Code is Multiplicative, "M":					
	Multiplicative Optional Rate Adjustment Factor	Internal		999999.9999	Round to 4 decimals.	
	Option Rate	ADM		9.9999	None	Edit with ADM Option Rate, "A01060".

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<u>Insurance Plan Code</u>	50 Dollar Amount of Insurance
<u>Commodity Code</u>	0073 Nursery 1010 Nursery (NVS)

<u>Calculations</u>	<u>Field Name</u>	<u>Record Number</u>	<u>Field Number</u>	<u>Field Format</u>	<u>Field Rounding</u>	<u>Rules</u>
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Section 4: Premium Rate Calculation

The Premium Rate for ALL Unit Structures should be capped at .999 in the event various adjustments to the Base Premium Rate would cause it to exceed 1.0.

Premium Rate = Base Premium Rate * Unit Structure Discount Factor * = Multiplicative Optional Rate Adjustment Factor + Additive Optional Rate Adjustment Factor	Premium Rate	Internal		999999999.99999999	Round to 8 decimals.	Premium Rate is capped at 0.99900000.
	Unit Structure Discount Factor	ADM		9.999	None	Edit with ADM Unit Discount, "A01090". When Unit Structure Code equals "BU", then Unit Structure Discount Factor equals Basic Unit Discount Factor.

Section 5: Total Premium, Subsidy, and Producer Premium Calculation

Total Premium Amount = Liability Amount * Premium Rate * Proration Percent	Total Premium Amount	P13	54	999999999	Round to whole number	
	Proration Percent	ADM		9.99	None	Edit with ADM Proration, "A01070".
Subsidy Amount = Total Premium Amount * Subsidy Percent	Subsidy Amount	P13	55	999999999	Round to whole number	If this record qualifies for Beginning Farmer Rancher, see Section 7 for the subsidy calculations.
	Subsidy Percent	ADM		9.999	None	Edit with ADM Subsidy Percent, "A00070".
Producer Premium Amount = Total Premium Amount - Subsidy Amount	Producer Premium Amount	P13	57	999999999	Round to whole number	

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Insurance Plan Code 50 Dollar Amount of Insurance

Commodity Code 0073 Nursery 1010 Nursery (NVS)

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Section 6: Commodity Year Deductible Amount Calculation This information will be based on the 'individual line'.

When Commodity Code is "0073":

$\text{Commodity Year Deductible Amount} = \text{Inventory Value Amount} * \text{Survival Percent} * (1 - \text{Coverage Level Percent})$	Commodity Year Deductible Amount	Internal		999999999	Round to whole number	
	Inventory Value Amount	P13	24	999999999	Round to whole number	Inventory Amount for the 'individual line'.
	Survival Percent	ADM		9.999	None	For Type 071 Liners. Edit With ADM Price, "A00810".
	Coverage Level Percent	P14	34	9.9999	None	

When Commodity Code is "1010":

$\text{Commodity Year Deductible Amount} = \text{Selected Value Amount} * (1 - \text{Coverage Level Percent})$	Commodity Year Deductible Amount	Internal		999999999	Round to whole number	
	Selected Value Amount	P13	49	999999999	None	
	Coverage Level Percent	P14	34	9.9999	None	

Section 7: Beginning Farmer and Rancher (BFR), Veteran Farmer Rancher (VFR), and Conservation Compliance (CC) Subsidy Calculations

$\text{Base Subsidy Amount} = \text{Total Premium Amount} * \text{Subsidy Percent}$	Base Subsidy Amount	Internal		999999999	Round to whole number	Capped by the standard rule of \$1 if applicable.
	Subsidy Percent	ADM		9.999	None	Edit with ADM Subsidy Percent, "A00070".
$\text{BFR/VFR Subsidy Amount} = \text{Total Premium Amount} * 0.10 * (1 - \text{CC Subsidy Reduction Percent})$	BFR/VFR Subsidy Amount	Internal		999999999	Round to whole number	Beginning Farmer Rancher/Veteran Farmer Rancher Subsidy Amount. If Applicable;. 0.10 (10%).
$\text{CC Subsidy Reduction Amount} = \text{Base Subsidy Amount} * \text{CC Subsidy Reduction Percent}$	CC Subsidy Reduction Percent	P13	48	9.9999	None	If Applicable; else 0.
	CC Subsidy Reduction Amount	P13	72	999999999	Round to whole number	CC Subsidy Reduction Amount. If Applicable; else 0.
$\text{Subsidy Amount} = \text{Base Subsidy Amount} + \text{BFR/VFR Subsidy Amount} - \text{CC Subsidy Reduction Amount}$	Subsidy Amount	P13	55	999999999	Round to whole number	Subsidy Amount cannot exceed Total Premium Amount. Subsidy Amount will be capped at \$0.
$\text{Producer Premium Amount} = \text{Total Premium Amount} - \text{Subsidy Amount}$	Producer Premium Amount	P13	57	999999999	Round to whole number	