

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

Reinsurance Year: 2015  
 Version: Approved  
 Release Date: 9/20/2018

Insurance Plan Code 50 Dollar Amount of Insurance

Commodity Code 0073 Nursery

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

$\text{Liability Amount} = \frac{\text{Inventory Value Amount} * \text{Survival Percent} * \text{Coverage Level Percent}}{\text{Level Percent} * \text{Insured Share Percent} * \text{Catastrophic Factor}}$	Liability Amount	P13	52	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	9.999	None	
	Catastrophic Factor				9.99	None

**Section 2: Base Premium Rate Calculation**

$\text{Base Premium Rate} = \text{Base Rate} * \text{Rate Differential Factor}$	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".

**Section 3: Optional Coverage Calculation**

$\text{Additive Optional Rate Adjustment Factor} = \sum \text{Option Rate} * \text{Rate Differential Factor}$ <p>When Rate Method Code is Additive, "A":</p>	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".
	Rate Differential Factor	ADM		9.99999999	None	Edit with ADM Coverage Level Differential, "A01040".
$\text{Multiplicative Optional Rate Adjustment Factor} = \sum \text{Option Rate1} * \text{Option Rate2} * \text{Option Rate3}...$ <p>When Rate Method Code is Multiplicative, "M":</p>	Multiplicative Optional Rate Adjustment Factor	Internal		999999.9999	Round to 4 decimals.	
	Option Rate	ADM		9.9999	None	Edit with ADM Option Rate, "A01060".

**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.**

$\text{Premium Rate} = \text{Base Premium Rate} * \text{Unit Structure Discount Factor} * \text{Multiplicative Optional Rate Adjustment Factor} + \text{Additive Optional Rate Adjustment Factor}$	Premium Rate	Internal		9999999999.99999999	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.

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

Total Premium Amount = Liability Amount * Premium Rate * Proration Percent	Total Premium Amount	P13	50	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	51	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	53	999999999	Round to whole number	

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

Commodity Year Deductible Amount = Inventory Value Amount * Survival Percent * (1 - 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	

**Section 7: Beginning Farmer and Rancher (BFR) Subsidy Calculations**

Base Subsidy Amount = Total Premium Amount * 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".
BFR Subsidy Amount = Total Premium Amount * 0.10	BFR Subsidy Amount	Internal		999999999	Round to whole number	Beginning Farmer Rancher Subsidy Amount. If Applicable; 0.10 (10%).
Subsidy Amount = Base Subsidy Amount + BFR Subsidy Amount	Subsidy Amount	P13	51	999999999	Round to whole number	Subsidy Amount cannot exceed Total Premium Amount. Subsidy Amount will be capped at \$0.
Producer Premium Amount = Total Premium Amount - Subsidy Amount	Producer Premium Amount	P13	53	999999999	Round to whole number	