

Exhibit Name: Premium Calculation
 Exhibit Number: P11-2, Plan 04, 05, 06, 13 & 14
 Record Name: Acreage
 Record Code: P11

Reinsurance Year: 2017
 Version: Approved
 Release Date: 2/7/2019

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|----------------------------|---|----------------------------|---------------------------------|
| <u>Insurance Plan Code</u> | 04 Group Risk Plan/Area Yield Protection | 05 Area Revenue Protection | 13 Rainfall Index |
| | 06 Area Revenue Protection with the Harvest Price Exclusion | | 14 Vegetation Index |
| <u>Commodity Code</u> | 0011 Wheat | 0041 Corn | 0081 Soybeans |
| | 0018 Rice | 0043 Popcorn | 0088 Pasture, Rangeland, Forage |
| | 0021 Cotton | 0051 Grain Sorghum | 0091 Barley |
| | 0033 Forage Production | 0075 Peanuts | 0115 Oysters |
| | | | 0332 Annual Forage |
| | | | 1191 Apiculture |

| <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 1: Dollar Amount of Insurance

Area Yield Protection, "04", Area Revenue Protection, "05", or Area Revenue Protection with Harvest Price Exclusion, "06":

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|--|----------------------------|----------|----|---------------|----------------------|--|
| <p>When Commodity Code equals Wheat, "0011", Rice, "0018", Cotton, "0021", Forage Production, "0033", Corn, "0041", Popcorn, "0043", Grain Sorghum, "0051", Peanuts, "0075", Soybeans, "0081", and Barley, "0091", and Coverage Type Code equals Additional, "A":</p> $\text{Dollar Amount of Insurance} = \text{Round}(\text{Expected County Yield} * \text{Projected Price} * \text{Price Election Percent}, 2)$ | Dollar Amount of Insurance | Internal | | 99999999.99 | Round to 2 decimals. | |
| | Expected County Yield | ADM | | 99999999.9999 | None | Edit with ADM Area Price, "A00810". Expected County Yield will be stored in Expected Index Value in A00810. |
| | Projected Price | ADM | | 99999.9999 | None | Edit with ADM Price, "A00810". |
| | Price Election Percent | P14 | 35 | 9.9999 | None | Protection Factor. Edit with ICE Price Election Percent, "D00007". Protection Factor must be greater than or equal to 0.80 and less than or equal to 1.20, in 1% increments. If Native Sod applies to this record, the Price Election Percent must equal 0.65 (65%). |

Area Yield Protection, "04":

| | | | | | | |
|---|----------------------------|----------|----|---------------|----------------------|---|
| <p>When Commodity Code equals Wheat, "0011", Rice, "0018", Cotton, "0021", Forage Production, "0033", Corn, "0041", Popcorn, "0043", Grain Sorghum, "0051", Peanuts, "0075", Soybeans, "0081", and Barley, "0091", and Coverage Type Code equals Catastrophic, "C":</p> $\text{Dollar Amount of Insurance} = \text{Round}(\text{Expected County Yield} * \text{Catastrophic Price} * \text{Price Election Percent}, 2)$ | Dollar Amount of Insurance | Internal | | 99999999.99 | Round to 2 decimals. | |
| | Expected County Yield | ADM | | 99999999.9999 | None | Edit with ADM Area Price, "A00810". Expected County Yield will be stored in Expected Index Value in A00810. |
| | Catastrophic Price | ADM | | 99999.9999 | None | Edit with ADM Price, "A00810". For CAT Area Yield Protection, "04", with Coverage Type Code, "C" this value will be the CAT price (45 percent of base Projected Price). |
| | Price Election Percent | P14 | 35 | 9.9999 | None | Protection Factor. Edit with ICE Price Election Percent, "D00007". Protection Factor must equal 1.20. |

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| <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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Group Risk Plan, "04":

When Commodity Code equals Oysters, "0115":

| | | | | | | |
|---|----------------------------|----------|--|-------------|----------------------|--|
| Dollar Amount of Insurance = Projected Price * Price Election Percent | Dollar Amount of Insurance | Internal | | 99999999.99 | Round to 2 decimals. | If Coverage Type Code equals Catastrophic, "C", then round up to the 2nd decimal place. If Dollar Amount of Insurance = 5.321, Dollar Amount of Insurance will equal 5.33. |
| | Projected Price | ADM | | 99999.9999 | None | Edit with ADM Price, "A00810". |
| | Price Election Percent | ICE | | 9.9999 | None | Edit with ICE Price Election Percent, "D00007". Price Election Percent must be greater than or equal to 0.6000 and less than or equal to 1.0000, when Coverage Type Code equals Additional "A". Price Election Percent must equal 0.4500, when Coverage Type Code equals Catastrophic "C". |

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| Calculations | Field Name | Record Number | Field Number | Field Format | Field Rounding | Rules |
|--------------|------------|---------------|--------------|--------------|----------------|-------|
|--------------|------------|---------------|--------------|--------------|----------------|-------|

Rainfall Index, "13", or Vegetation Index, "14":

| | | | | | | |
|---|----------------------------|----------|----|------------|----------------------|--|
| <p>When Commodity Code equals Pasture, Rangeland and Forage, "0088", Annual Forage, "0332", or Apiculture, "1191":</p> $\text{Dollar Amount of Insurance} = \text{Round}(\frac{\text{County Base Value} * \text{Coverage Level Percent}}{\text{Price Election Percent}}, 2)$ | Dollar Amount of Insurance | Internal | | 9999999.99 | Round to 2 decimals. | |
| | County Base Value | ADM | | 9999.99 | None | Edit with ADM Price, "A00810". |
| | Coverage Level Percent | P14 | 34 | 9.9999 | None | Coverage Level Percent must equal 0.6500, when Coverage Type Code equals Catastrophic "C" and Commodity Code equals Annual Forage, "0332". |
| | Price Election Percent | ICE | | 9.9999 | None | Productivity Factor. Edit with ICE Price Election Percent, "D00007". Price Election Percent must equal 0.4500, when Coverage Type Code equals Catastrophic "C" and Commodity Code equals Annual Forage, "0332". For Native Sod records with buy-up coverage levels, if the elected Price Election Percent is greater than 0.65 (65%), set the value to 65%; otherwise, use the elected Price Election Percent. |

Section 2: Liability Calculation

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|---|------------------------|-----|-----|-------------|------------------------|---|
| <p>When Commodity Code equals Oysters, "0115":</p> <p>Total Guarantee Amount = Dollar Amount of Insurance * Reported Pounds</p> | Total Guarantee Amount | P11 | 100 | 99999999.99 | Round to 2 decimals. | |
| | Reported Pounds | P11 | 32 | 9999999999 | None | See Section 4 for additional information regarding Reported Pounds. |
| <p>When Commodity Code equals Apiculture, "1191":</p> <p>Total Guarantee Amount = $\frac{\text{Dollar Amount of Insurance} * \text{Total Insured Colonies}}{\text{Percent of Value}}$</p> | Total Guarantee Amount | P11 | 100 | 99999999.99 | Round to whole number. | |
| | Total Insured Colonies | P11 | 73 | 9999999 | None | Total Insured Colonies must equal the total number of all colonies for a unit, for Commodity Code equal Apiculture, "1191". |
| | Percent of Value | P11 | 71 | 9.99 | None | |

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| When Commodity Code equals Pasture, Rangeland and Forage, "0088", or Annual Forage, "0332": Total Guarantee Amount = Dollar Amount of Insurance * Total Insured Acreage * Percent of Value | Total Guarantee Amount | P11 | 100 | 99999999.99 | Round to whole number. | |
| | Total Insured Acreage | P11 | 72 | 999999.99 | None | Total Insured Acreage must equal the total number of all acres for a unit for Commodity Code equal Pasture, Rangeland and Forage, "0088". For Commodity Code equal Annual Forage, "0332", all acres must be insured in a growing season (can be spread out through the index intervals or units). |
| | Percent of Value | P11 | 71 | 9.99 | None | Percent of Value must equal 1.00, when Coverage Type Code equals Catastrophic "C" and Commodity Code equals Annual Forage, "0332". Percent of Value for Annual Forage, "0332", will be pulled from P14 field 45. |
| All other Commodities: = Dollar Amount of Insurance * Reported Acreage Total Guarantee Amount | Total Guarantee Amount | P11 | 100 | 99999999.99 | Round to whole number. | |
| | Reported Acreage | P11 | 48 | 999999.99 | None | Reported Acreage must equal the sum of all Land, P27, Reported Acreage. |
| All Commodities: Liability Amount = Total Guarantee Amount * Insured Share Percent | Liability Amount | P11 | 91 | 9999999999 | Round to whole number. | |
| | Insured Share Percent | P11 | 43 | 9.9999 | None | |

Section 3: Total Premium, Subsidy, and Producer Premium Calculation

| | | | | | | |
|--|--------------------------------------|----------|----|------------|------------------------|--|
| Preliminary Total Premium Amount = Liability Amount * Base Rate | Preliminary Total Premium Amount | Internal | | 9999999999 | Round to whole number. | |
| | Base Rate | ADM | | 9.9999 | None | Edit with ADM Area Rate, "A01135". |
| Total Premium Amount = Preliminary Total Premium Amount * Multiple Commodity Adjustment Factor | Total Premium Amount | P11 | 92 | 9999999999 | Round to whole number. | |
| | Multiple Commodity Adjustment Factor | ICE | | 9999.999 | None | Edit with ICE Multiple Cropping, "D00063". Used when there is a first Commodity Loss. |
| Subsidy Amount = Total Premium Amount * Subsidy Percent | Subsidy Amount | P11 | 90 | 9999999999 | Round to whole number. | If this record qualifies for Beginning Farmer and Rancher or Native Sod, see Section 5 for 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 | P11 | 93 | 9999999999 | Round to whole number. | |

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When Commodity Code equals Oysters, "0115":

Section 4: Average Landings, Apportionment Factor, Reported Pounds

| | | | | | | |
|---|---|----------|----|---------------|-------------------------|--|
| Landings = Three Years of Annual Yield accumulated | Landings | Internal | | 9999999999 | Round to whole number. | Landings must equal the sum of 3 Years of Yield History, P15A, Annual Yield. |
| | Annual Yield | P15A | 10 | 99999999.99 | None | |
| Average Landings = Landings / 3 | Average Landings | Internal | | 9999999999 | None | |
| Apportionment Factor = Average Landings / Average Index Value | Apportionment Factor | Internal | | 9.9999 | Round to 4 decimals. | |
| | Average Index Value | ADM | | 99999999.9999 | None | Edit with ADM Price, "A00810". |
| Adjusted Expected County Landings = $\frac{\text{Expected Index Value} * \text{Expected County Landing}}{\text{Adjustment Factor}}$ | Adjusted Expected County Landings | Internal | | 9999999999 | Round to whole number . | |
| | Expected Index Value | ADM | | 99999999 | None | Edit with ADM Price, "A00810". |
| | Expected County Landing Adjustment Factor | ADM | | 99.99 | None | Edit with ADM Price, "A00810". |
| Reported Pounds = Apportionment Factor * Adjusted Expected County Landings | Reported Pounds | P11 | 32 | 9999999999 | Round to whole number. | |

Section 5: Beginning Farmer and Rancher (BFR), Native Sod (NS) and Conservation Compliance (CC) Subsidy Calculations

| | | | | | | |
|---|------------------------------|----------|-----|------------|-----------------------|---|
| Base Subsidy Amount = Total Premium Amount * Subsidy Percent | Base Subsidy Amount | Internal | | 9999999999 | 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 = $\text{Total Premium Amount} * 0.10 * (1 - \text{CC Subsidy Reduction Percent})$ | BFR Subsidy Amount | Internal | | 9999999999 | Round to whole number | Beginning Farmer Rancher Subsidy Amount. If Applicable; else 0. 0.10 (10%). |
| Native Sod Subsidy Amount = Total Premium Amount * 0.50 | Native Sod Subsidy Amount | Internal | | 9999999999 | Round to whole number | If Applicable; else 0. 0.50 (50%). For CAT coverage, Native Sod Subsidy Amount is always 0. |
| CC Subsidy Reduction Amount = Base Subsidy Amount * CC Subsidy Reduction Percent | CC Subsidy Reduction Percent | P11 | 76 | 9.9999 | None | If Applicable; else 0. |
| | CC Subsidy Reduction Percent | P11 | 108 | 9999999999 | Round to whole number | CC Subsidy Reduction Amount. If Applicable; else 0. |
| Subsidy Amount = Base Subsidy Amount + BFR Subsidy Amount - Native Sod Subsidy Amount - CC Subsidy Reduction Amount | Subsidy Amount | P11 | 90 | 9999999999 | 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 | P11 | 93 | 9999999999 | Round to whole number | |