

Exhibit Name: Premium Calculation  
 Exhibit Number: P11-7, Plan 51  
 Record Name: Acreage  
 Record Code: P11

Reinsurance Year: 2024  
 Version: Approved  
 Release Date: 7/1/2023

Insurance Plan Code 51 Fixed Dollar Amount of Insurance

Commodity Code 0045 Chile Peppers

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

**Section 1: Liability Calculation**

|   |                                 |     |     |             |                       |  |
|---|---------------------------------|-----|-----|-------------|-----------------------|--|
| Dollar Amount of Insurance = Reference Maximum Dollar Amount * Coverage Level Percent | Dollar Amount of Insurance      | P11 | 112 | 99999999.99 | Round to whole number | Dollar Amount of Insurance equals Catastrophic Dollar Amount, ADM Price "A00810" when Coverage Type equals Catastrophic, "C".<br><br>Dollar Amount of Insurance equals Round(Reference Maximum Dollar Amount * Coverage Level Percent, 0) when Coverage Type equals Additional, "A"<br>If Dollar Amount of Insurance > Maximum Dollar Amount, ADM Price "A00810" then Maximum Dollar Amount.<br>If Dollar Amount of Insurance < Minimum Dollar Amount, ADM Price "A00810", then Minimum Dollar Amount. |
|   | Reference Maximum Dollar Amount | ADM |     | 99999.9999  | None                  | Edit With ADM Price, "A00810".   |
|   | Coverage Level Percent          | P14 | 34  | 9.9999      | None                  |  |
| Acre Guarantee Quantity = Dollar Amount of Insurance                                  | Acre Guarantee Quantity         | P11 | 113 | 99999999.99 | Round to whole number |  |
| Total Guarantee Amount = Acre Guarantee Quantity * Reported Acreage                   | Total Guarantee Amount          | P11 | 110 | 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.  |
| Liability Amount = Total Guarantee Amount * Insured Share Percent                     | Liability Amount                | P11 | 101 | 9999999999  | Round to whole number | Cup at \$1.  |
|   | Insured Share Percent           | P11 | 43  | 9.9999      | None                  |  |

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**Section 2: Base Premium Rate Calculation**

|                     |  |                          |          |  |                 |                      |  |
|---------------------|--|--------------------------|----------|--|-----------------|----------------------|--|
| Base Premium Rate = | <b>When Rate Method Code equals Fixed Rate, "F":</b><br>Sub County Rate * Rate Differential Factor                 | Base Premium Rate        | Internal |  | 999999.99999999 | Round to 8 decimals. |  |
|                     | <b>When Rate Method Code equals Additive, "A":</b><br>(Sub County Rate + Base Rate) * Rate Differential Factor     | Sub County Rate          | ADM      |  | 9.9999          | None                 | Edit with ADM Sub County Rate, "A01050".             |
|                     | <b>When Rate Method Code equals Multiplicative, "M":</b><br>Sub County Rate * Base Rate * Rate Differential Factor | Base Rate                | ADM      |  | 999.9999        | None                 | Edit with ADM Base Rate, "A01010".                   |
|                     | <b>Otherwise:</b><br>Base Rate * Rate Differential Factor  | Rate Differential Factor | ADM      |  | 9.99999999      | None                 | Edit with ADM Coverage Level Differential, "A01040". |

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|                            |                                     |                      |                     |                     |                       |              |
|----------------------------|-------------------------------------|----------------------|---------------------|---------------------|-----------------------|--------------|
| <u>Insurance Plan Code</u> | 51 Fixed Dollar Amount of Insurance |                      |                     |                     |                       |              |
| <u>Commodity Code</u>      | 0045 Chile Peppers                  |                      |                     |                     |                       |              |
| <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> |

|  |  |          |  |             |                      |   |
|--|--|----------|--|-------------|----------------------|---|
| <b>Section 3: Optional Coverage Calculation</b>  |  |          |  |             |                      |   |
| Additive Optional Rate Adjustment Factor = $\sum \text{Option Rate} * \text{Rate Differential Factor}$<br><b>When Rate Method Code is Additive, "A":</b>                           | 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".  |
| Multiplicative Optional Rate Adjustment Factor = $\sum \text{Option Rate1} * \text{Option Rate2} * \text{Option Rate3}...$<br><b>When Rate Method Code is Multiplicative, "M":</b> | Multiplicative Optional Rate Adjustment Factor | Internal |  | 999999.9999 | Round to 4 decimals. |   |
|  | Option Rate                                    | ADM      |  | 9.9999      | None                 | Edit with ADM Option Rate, "A01060".  |

|  |  |  |  |  |  |  |
|--|--|--|--|--|--|--|
| <b>Section 4: Premium Rate Calculation</b> | <b>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.</b> |  |  |  |  |  |
|--|--|--|--|--|--|--|

|   |                                |          |  |                     |                      |   |
|---|--------------------------------|----------|--|---------------------|----------------------|---|
| 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. |   |
|   | Unit Structure Discount Factor | ADM      |  | 9.999               | None                 | Edit with ADM Unit Discount, "A01090". When Unit Structure Code equals "OU", "UA", or "UD", then Unit Structure Discount Factor equals Optional Unit Discount Factor.<br><br>When Unit Structure Code equals "BU", then Unit Structure Discount Factor equals Basic Unit Discount Factor. |

|  |                                      |          |     |            |                       |  |
|--|--------------------------------------|----------|-----|------------|-----------------------|--|
| <b>Section 5: Total Premium, Subsidy, and Producer Premium Calculation</b>   |                                      |          |     |            |                       |  |
| Preliminary Total Premium Amount = $\text{Liability Amount} * \text{Premium Rate}$<br><br>Total Premium Amount = $\text{Preliminary Total Premium Amount} * \text{Multiple Commodity Adjustment Factor}$ | Preliminary Total Premium Amount     | Internal |     | 9999999999 | Round to whole number |  |
|  | Total Premium Amount                 | P11      | 102 | 9999999999 | Round to whole number |  |
|  | Multiple Commodity Adjustment Factor | ICE      |     | 9999.999   | None                  | Edit with ICE Multiple Cropping, "D00063".   |
| Subsidy Amount = $\text{Total Premium Amount} * \text{Subsidy Percent}$  | Subsidy Amount                       | P11      | 100 | 9999999999 | Round to whole number | If this record qualifies for Beginning Farmer and Rancher or Native Sod, see Section 6 for subsidy calculations. |
|  | Subsidy Percent                      | ADM      |     | 9.999      | None                  | Edit with ADM Subsidy Percent, "A00070".   |
| Producer Premium Amount = $\text{Total Premium Amount} - \text{Subsidy Amount}$  | Producer Premium Amount              | P11      | 103 | 9999999999 | Round to whole number |  |

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| <u>Insurance Plan Code</u>  |                              | 51 Fixed Dollar Amount of Insurance |                     |                     |                       |  |
|---|------------------------------|-------------------------------------|---------------------|---------------------|-----------------------|--|
| <u>Commodity Code</u>   |                              | 0045 Chile Peppers                  |                     |                     |                       |  |
| <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>   |
| <b>Section 6: Beginning Farmer and Rancher (BFR), Veteran Farmer Rancher (VFR), Native Sod (NS) and Conservation Compliance (CC) Subsidy Calculations</b> |                              |                                     |                     |                     |                       |  |
| 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".   |
| BFRVFR Subsidy Amount = Total Premium Amount * 0.10 * (1 - CC Subsidy Reduction Percent)  | BFR/VFR Subsidy Amount       | Internal                            |                     | 9999999999          | Round to whole number | Beginning Farmer Rancher/Veteran 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 Amount  | P11                                 | 118                 | 9999999999          | Round to whole number | CC Subsidy Reduction Amount. If Applicable; else 0.  |
| Subsidy Amount = Base Subsidy Amount + BFR/VFR Subsidy Amount - Native Sod Subsidy Amount - CC Subsidy Reduction Amount                                   | Subsidy Amount               | P11                                 | 100                 | 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                                 | 103                 | 9999999999          | Round to whole number |  |