

Swine Estimate

Calculate Insured Value (Coverage)
 Number of Head _____ X Targeted Weight at End (cwt/head) _____ X ^{0.74} Lean Weight Conversion Factor _____ X Coverage Price _____ X Share _____ = Coverage (Insured Value) _____

Calculate Premium
 Coverage (Insured Value) _____ X Rate (0.XXXXXXX) _____ = Total Premium _____ X Producer Premium Subsidy Factor 0.87 _____ = Producer Premium _____

Cattle Estimate

Calculate Insured Value (Coverage)
 Number of Head _____ X Targeted Weight at End (cwt/head) _____ X Coverage Price _____ X Share _____ = Coverage (Insured Value) _____

Calculate Premium
 Coverage (Insured Value) _____ X Rate (0.XXXXXXX) _____ = Total Premium _____ X Producer Premium Subsidy Factor 0.87 _____ = Producer Premium _____

Lamb Estimate

Calculate Insured Value (Coverage)
 Number of Head _____ X Targeted Weight at End (cwt/head) _____ X Coverage Price _____ X Share _____ = Coverage (Insured Value) _____

Calculate Premium
 Coverage (Insured Value) _____ X Rate (0.XXXXXXX) _____ = Total Premium _____ X Producer Premium Subsidy Factor 0.87 _____ = Producer Premium _____

The Rain and Hail Difference

The Rain and Hail difference sets us apart from other agricultural insurance providers. The difference is our commitment to always provide the best service possible to each and every customer, being employee owned, just like you, and believing in a strong safety net for America's agricultural communities.

Sound Products Backed by Strong Companies

- **Agri General Insurance Company** - AM Best Rating A (Excellent)
- **ACE USA Companies** - AM Best Rating A+ (Superior)

Unmatched Claims Service

Response in a loss situation brings out the true character of the company. Time and time again, Rain and Hail is there for our customers when they need us, by providing:

- Tools to quickly and easily submit claims
- Prompt and accurate claims adjustment
- Expedited claim payments

One-Stop Service

Rain and Hail is a "one-stop insurance shop" offering all of the agricultural insurance products you need to properly protect your operation, including:

- Multi-Peril
- Crop-Hail
- Specialty crop lines
- Farm Property and Casualty
- Commercial Auto
- Farm Umbrella/Excess

For more information, visit www.RainHail.com or contact your local Rain and Hail Insurance Professional with the Blue Sign:



Livestock Risk Protection | LRP

MPCI Crop-Hail Specialty Crop Farm Property and Casualty



The Rain and Hail Family of Companies

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 9200 Northpark Drive • Johnston, Iowa 50131

Rain and Hail
 Agricultural Insurance



www.RainHail.com

Livestock Risk Protection • Cattle, Swine, and Lamb (LRP)

About LRP

LRP provides protection against declining livestock prices if the price, as specified in the policy, drops below the producer's selected coverage price.

LRP Coverage

LRP covers a decline in livestock prices.

LRP Eligibility

Producers in all covered states with an ownership share in eligible livestock (see chart below for details).

LRP Prices

Coverage prices range from 70% to 100% of daily livestock prices for swine, fed cattle, and feeder cattle; and 80% to 95% for lambs. LRP is priced and available for sale continuously throughout the year.

Determining Coverage for LRP

Determine the number of livestock to be marketed and the target weight. Multiply the number of head by the target weight, coverage price, and insured share.

LRP Coverage Period and Restrictions

Livestock can be insured for various different weekly increments (see chart below for details).

Loss Payments

- Multiply the number of head by the cwt target weight.
- Subtract the actual ending value from the coverage price (loss payment due if positive).
- Multiply the target weight times the difference between the actual ending value and the coverage price.
- Multiply by the insured share.
- The price at which livestock is sold does not affect the loss payment.

Benefits of LRP

- **Guaranteed Price**
 - No Bid/Ask spread.
- **Limited Basis Risk Coverage**
 - The aggregate cash price used better reflects actual price received.
- **Any number of head can be covered (up to limits)**
- **Numerous endorsement period options**
 - Producer selects the period that fits their risk management plan.
- **Wider range of target weights than CME**
- **LRP is an insurance policy**
 - LRP may be viewed more favorably by lenders than hedging or speculating (derivative products).

How It Works for Swine

Assumptions: Producer expects to market 1,000 head of 2.70 cwt hogs and selects a coverage price of \$47.00

| | | |
|---------------------|----------------------------------|------------|
| Coverage | 1,000 hogs x 2.00 cwt* x \$47.00 | = \$94,000 |
| Actual Ending Value | 1,000 hogs x 2.00 cwt x \$46.00 | = \$92,000 |
| Loss Payment | Assume 100% Ownership | = \$ 2,000 |

*Live weight is converted to lean weight using a factor of 0.74 (2.70 x 0.74 = 2.00)

How It Works for Cattle

Assumptions: Producer expects to market 1,000 head of 11 cwt cattle and selects a coverage price of \$66.24

| | | |
|---------------------|-------------------------------|-------------|
| Coverage | 1,000 head x 11 cwt x \$66.24 | = \$728,640 |
| Actual Ending Value | 1,000 head x 11 cwt x \$65.21 | = \$717,310 |
| Loss Payment | Assume 100% Ownership | = \$ 11,330 |

How It Works for Lamb

Assumptions: Producer expects to market 50 head of 1.30 cwt lamb and selects a coverage price of \$85.50.

| | | |
|---------------------|------------------------------|------------|
| Coverage | 50 lamb x 1.30 cwt x \$85.50 | = \$ 5,558 |
| Actual Ending Value | 50 lamb x 1.30 cwt x \$80.00 | = \$ 5,200 |
| Loss Payment | Assume 100% Ownership | = \$ 358 |

| Topic | Swine | Fed Cattle | Feeder Cattle | Lamb |
|---------------------|--|--|---|--|
| Market | Marketed for slaughter | Marketed for slaughter | Ready to put in feedlot for fattening | Marketed for slaughter |
| Insurable Livestock | Swine that producers expect to have and to market within a range of 1.5 to 2.25 lean cwt target weight (203-304 live cwt) | Steers and heifers that producers expect to grade select or higher, yield grade of 1 to 3, and to market at 10 to 14 cwt (live weight) | Steers (<6.0 cwt for steers and bulls, 6.0-9.0 cwt for steers only) Heifers (<6.0 cwt and 6.0-9.0 cwt) Dairy Cattle (<6.0 for heifers, steers, and bulls and 6.0-9.0 cwt for heifers and steers) Brahman breeds (<6.0 for heifers, steers, and bulls and 6.0-9.0 cwt for heifers and steers) | Lambs that producers expect to have and to market within a range of 0.5 and 1.5 cwt target weight at the end of the insurance period |
| Availability | AL, AZ, AR, CA, CO, FL, GA, IA, ID, IL, IN, KS, KY, LA, MI, MN, MO, MS, MT, NC, ND, NE, NM, NV, OH, OK, OR, SC, SD, TN, TX, UT, VA, WA, WI, WV, and WY | AL, AZ, AR, CA, CO, FL, GA, IA, ID, IL, IN, KS, KY, LA, MI, MN, MO, MS, MT, NC, ND, NE, NM, NV, OH, OK, OR, SC, SD, TN, TX, UT, VA, WA, WI, WV, and WY | AL, AZ, AR, CA, CO, FL, GA, IA, ID, IL, IN, KS, KY, LA, MI, MN, MO, MS, MT, NC, ND, NE, NM, NV, OH, OK, OR, SC, SD, TN, TX, UT, VA, WA, WI, WV, and WY | AZ, CA, CO, ID, IN, IL, IA, KS, MI, MN, MO, MT, NE, NM, NV, ND, OH, OK, OR, PA, SD, TX, UT, VA, WA, WV, WI, and WY |
| Max. Head Insurable | 10,000 per Specific Coverage Endorsement 32,000 per Crop Year | 2,000 per Specific Coverage Endorsement 4,000 per Crop Year | 1,000 per Specific Coverage Endorsement 2,000 per Crop Year | 2,000 per Specific Coverage Endorsement 28,000 per Crop Year |
| Insurance Period | 13, 17, 21, or 26 weeks | 13, 17, 21, 26, 30, 34, 39, 43, 47, or 52 weeks | 13, 17, 21, 26, 30, 34, 39, 43, 47, or 52 weeks | 13, 20, 26, or 39 weeks |
| Coverage Level | 70-100% | 70-100% | 70-100% | 80-95%, in 5% increments |
| Actual Ending Value | Agricultural Marketing Service (AMS) Negotiated and Swine or Pork Market Formula Categories | Agricultural Marketing Service (AMS) 5 Area Weekly Weighted Average Direct Slaughter Cattle - Live Basis Sales, Steers, "35-65% Choice" | Chicago Mercantile Exchange (CME) Feeder Cattle Reported Index multiplied by the Price Adjustment Factor (by type and weight) | Agricultural Marketing Service (AMS) in the "National Weekly Slaughter Sheep Review" |