

**Type 23 - AGR and AGR-L Indemnity Calculation**  
**Edit Description**

## INDEMNITY CALCULATIONS

Expense Percentage = Expenses for Insurance Year / Approved Expenses for Insurance Year  
(Field 24) (Field 22) (Field 23)

Expense Reduction Percentage = 70% - Expense Percentage  
(Field 25) (Field 24)

Expense Reduction (Dollar Amount) = Expense Reduction Percentage \* Approved AGR  
(Field 27) (Field 25) (Field 26)

Adjusted AGR for Expenses = Approved AGR - Expense Reduction (Dollar Amount)  
(Field 28) (Field 26) (Field 27)

Adjusted AGR for Coverage Level = Adjusted AGR for Expenses \* Coverage Level (Percentage)  
(Field 29) (Field 28) (Field 20)

Adjusted Revenue to Count = Revenue to Count for Insurance Year (+/-) Inventory (+/-) Accounts Receivable  
(Field 33) (Field 30) (Field 31) (Field 32)

Revenue Deficiency = Adjusted AGR for Coverage Level - Adjusted Revenue to Count  
(Field 34) (Field 29) (Field 33)

Indemnity = Revenue Deficiency \* Payment Rate (Percentage)  
(Field 35) (Field 34) (Field 21)

**Note: Dollar amount fields are rounded to whole dollars.**