

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

Reinsurance Year: 2016
 Version: Approved
 Release Date: 12/6/2018

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

$\text{Liability Amount} = \frac{\text{Inventory Value Amount} * \text{Survival Percent} * \text{Coverage Level Percent} * \text{Insured Share Percent} * \text{Catastrophic Factor}}{\text{Level Percent}}$	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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Calculations	Field Name	Record Number	Field Number	Field Format	Field Rounding	Rules
Section 5: Total Premium, Subsidy, and Producer Premium Calculation						
Total Premium Amount = Liability Amount * Premium Rate * Proration Percent	Total Premium Amount	P13	50	9999999999	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	9999999999	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	9999999999	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		9999999999	Round to whole number	
	Inventory Value Amount	P13	24	9999999999	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) 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 = Total Premium Amount * 0.10 * (1 - CC Subsidy Reduction Percent)	BFR Subsidy Amount	Internal		9999999999	Round to whole number	Beginning Farmer Rancher Subsidy Amount. If Applicable; 0.10 (10%).
CC Subsidy Reduction Amount = Base Subsidy Amount * CC Subsidy Reduction Percent	CC Subsidy Reduction Percent	P13	48	9.999	None	If Applicable; else 0.
	CC Subsidy Reduction Amount	P13	69	9999999999	Round to whole number	CC Subsidy Reduction Amount. If Applicable; else 0.
Subsidy Amount = Base Subsidy Amount + BFR Subsidy Amount - CC Subsidy Reduction Amount	Subsidy Amount	P13	51	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	P13	53	9999999999	Round to whole number	