

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

Reinsurance Year: 2013  
 Version: Approved  
 Release Date: 12/18/2017

Insurance Plan Code 50 Dollar Amount of Insurance

Commodity Code 0073 Nursery

| Calculations   | Field Name                                     | Record Number | Field Number | Field Format        | Field Rounding        | Rules  |
|--|--|---------------|--------------|---------------------|-----------------------|--|
| <b>Section 1: Liability Calculation</b>  |  |               |              |                     |                       |  |
| $\text{Liability Amount} = \text{Inventory Value Amount} * \text{Survival Percent} * \text{Coverage Level Percent} * \text{Insured Share Percent} * \text{Catastrophic Factor}$                    | Liability Amount                               | P13           | 51           | 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   |
| <b>Section 2: Base Premium Rate Calculation</b>  |  |               |              |                     |                       |  |
| $\text{Base Premium Rate} = \text{Base Rate} * \text{Rate Differential Factor}$  | 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".   |
| <b>Section 3: Optional Coverage Calculation</b>  |  |               |              |                     |                       |  |
| $\text{Additive Optional Rate Adjustment Factor} = \sum \text{Option Rate} * \text{Rate Differential Factor}$ <p><b>When Rate Method Code is Additive, "A":</b></p>                                | Additive Optional Rate Adjustment Factor       | Internal      |              | 999999.9999         | Round to 4 decimals.  |  |
|  | Option Rate                                    | ADM           |              | 999999.9999         | 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><b>When Rate Method Code is Multiplicative, "M":</b></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".   |
| <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> |
| $\text{Premium Rate} = \text{Base Premium Rate} * \text{Unit Structure Discount Factor} * \text{Multiplicative Optional Rate Adjustment Factor} + \text{Additive Optional Rate Adjustment Factor}$ | 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".<br>When Unit Structure Code equals "BU", then Unit Structure Discount Factor equals Basic Unit Discount Factor.           |

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|---|----------------------------------|----------------------|---------------------|---------------------|-----------------------|--|
| <b>Section 5: Total Premium, Subsidy, and Producer Premium Calculation</b>                                  |                                  |                      |                     |                     |                       |  |
| Total Premium Amount = Liability Amount * Premium Rate * Proration Percent                                  | Total Premium Amount             | P13                  | 49                  | 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                  | 50                  | 9999999999          | Round to whole number |  |
|   | Subsidy Percent                  | ADM                  |                     | 9.999               | None                  | Edit with ADM Subsidy Percent, "A00070".                 |
| Producer Premium Amount = Total Premium Amount - Subsidy Amount   | Producer Premium Amount          | P13                  | 52                  | 9999999999          | Round to whole number |  |
| <b>Section 6: Commodity Year Deductible Amount Calculation</b>  |                                  |                      |                     |                     |                       | 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                  |  |