

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

Reinsurance Year: 2023  
 Version: Approved  
 Release Date: 7/1/2022

Insurance Plan Code 51 Fixed Dollar Amount of Insurance

Commodity Code 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>
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**Section 1: Liability Calculation**

$\text{Dollar Amount of Insurance} = \frac{\text{Reference Maximum Dollar Amount} * \text{Coverage Level}}{\text{Percent}}$	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".  Dollar Amount of Insurance equals Round(Reference Maximum Dollar Amount * Coverage Level Percent, 0) when Coverage Type equals Additional, "A" If Dollar Amount of Insurance > Maximum Dollar Amount, ADM Price "A00810" then Maximum Dollar Amount. 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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<u>Insurance Plan Code</u>	51 Fixed Dollar Amount of Insurance					
<u>Commodity Code</u>	0045 Chile Peppers					
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**Section 2: Base Premium Rate Calculation**

Base Premium Rate =	<b>When Rate Method Code equals Fixed Rate, "F":</b> 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> (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> Sub County Rate * Base Rate * Rate Differential Factor	Base Rate	ADM		999.9999	None	Edit with ADM Base Rate, "A01010".
	<b>Otherwise:</b> Base Rate * Rate Differential Factor	Rate Differential Factor	ADM		9.99999999	None	Edit with ADM Coverage Level Differential, "A01040".

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**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.	
	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. When Unit Structure Code equals "BU", then Unit Structure Discount Factor equals Basic Unit Discount Factor.

**Section 5: Total Premium, Subsidy, and Producer Premium Calculation**

$\text{Preliminary Total Premium Amount} = \text{Liability Amount} * \text{Premium Rate}$ $\text{Total Premium Amount} = \frac{\text{Preliminary Total Premium Amount} * \text{Multiple Commodity Adjustment Factor}}{\text{Multiple Commodity Adjustment Factor}}$	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".
$\text{Subsidy Amount} = \text{Total Premium Amount} * \text{Subsidy Percent}$	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".
$\text{Producer Premium Amount} = \text{Total Premium Amount} - \text{Subsidy Amount}$	Producer Premium Amount	P11	103	9999999999	Round to whole number	

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**Section 6: Beginning Farmer and Rancher (BFR), Veteran Farmer Rancher (VFR), Native Sod (NS) and Conservation Compliance (CC) Subsidy Calculations**

Base Subsidy Amount = Total Premium Amount * Subsidy Percent	Base Subsidy Amount	Internal		9999999999	Round to whole number	Cupped 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 cupped at \$0.
Producer Premium Amount = Total Premium Amount - Subsidy Amount	Producer Premium Amount	P11	103	9999999999	Round to whole number	