

Rice CROPREVENUE COVERAGE

HIGH RISK CLASSIFICATION PREMIUM CALCULATION WORKSHEET

USE THIS WORKSHEET ONLY WHEN STARTING WITH A FLAT RATE (75% Level) WHERE A RATE DIFFERENTIAL IS INVOLVED OR APPLICABLE IN THE CALCULATION OF THE MPCCI BASE RATE

<p>Unit: _____ Date: _____ State: _____</p> <p>County: _____ Crop: _____</p> <p>TWP: _____ RGE: _____ Section: _____</p> <p>Practice: _____ Type: _____</p> <p>A) Approved Yield: (includes yield adjustments) _____</p> <p>B) Coverage Level: _____</p> <p>C) MPCCI Base Rate: (C1 x C2) (Rounding: Three decimals) _____</p> <p style="padding-left: 20px;">C1) High Risk Classification Rate: _____</p> <p style="padding-left: 20px;">C2) Rate Differential: _____</p> <p>D) Base Price: _____</p> <p>H) Estimated Acres: _____</p> <p>I) Share: _____</p> <p>K) Rate Class Option Factor: _____</p> <p>L) Option Factor: _____</p> <p>M) MPCCI Market Price Election _____</p> <p>N) Producer Subsidy Percentage: _____</p> <p style="padding-left: 20px;">50%=0.550 65%=0.423</p> <p style="padding-left: 20px;">55%=0.458 70%=0.343</p> <p style="padding-left: 20px;">60%=0.376 75%=0.275</p> <p>O) High Risk Classification Premium Factor: _____ <i>(Refer to CRC High Risk Classification Rules and Formula)</i></p> <p>P) CRC Enterprise Option Factor: _____ <i>The Option Factor "L" must always contain a form of the Basic Unit Discount (BUD) when selecting the enterprise unit option.</i></p> <p>PART 1 - YIELD RISK Multiply (A x B x C x D) (Rounding: Two decimals) _____</p> <p>PART 2 - RISK PREMIUM (PART 1 x H x I x K x L x O x P) (Rounding: Zero decimals*) _____</p> <p>PART 3 - SUBSIDY (A x B x C x M x H x I x K x L x N x P) (Rounding: Zero decimals*) _____</p> <p>PART 4 - PRODUCER PAID PREMIUM (PART 2 - PART 3) (Rounding: Zero decimals*) _____</p> <p><small>* NOTE: Round to two decimals for one acre quotes</small></p>	<p>Unit: _____ Date: _____ State: _____</p> <p>County: _____ Crop: _____</p> <p>TWP: _____ RGE: _____ Section: _____</p> <p>Practice: _____ Type: _____</p> <p>A) Approved Yield: (includes yield adjustments) _____</p> <p>B) Coverage Level: _____</p> <p>C) MPCCI Base Rate: (C1 x C2) (Rounding: Three decimals) _____</p> <p style="padding-left: 20px;">C1) High Risk Classification Rate: _____</p> <p style="padding-left: 20px;">C2) Rate Differential: _____</p> <p>D) Base Price: _____</p> <p>H) Estimated Acres: _____</p> <p>I) Share: _____</p> <p>K) Rate Class Option Factor: _____</p> <p>L) Option Factor: _____</p> <p>M) MPCCI Market Price Election _____</p> <p>N) Producer Subsidy Percentage: _____</p> <p style="padding-left: 20px;">50%=0.550 65%=0.423</p> <p style="padding-left: 20px;">55%=0.458 70%=0.343</p> <p style="padding-left: 20px;">60%=0.376 75%=0.275</p> <p>O) High Risk Classification Premium Factor: _____ <i>(Refer to CRC High Risk Classification Rules and Formula)</i></p> <p>P) CRC Enterprise Option Factor: _____ <i>The Option Factor "L" must always contain a form of the Basic Unit Discount (BUD) when selecting the enterprise unit option.</i></p> <p>PART 1 - YIELD RISK Multiply (A x B x C x D) (Rounding: Two decimals) _____</p> <p>PART 2 - RISK PREMIUM (PART 1 x H x I x K x L x O x P) (Rounding: Zero decimals*) _____</p> <p>PART 3 - SUBSIDY (A x B x C x M x H x I x K x L x N x P) (Rounding: Zero decimals*) _____</p> <p>PART 4 - PRODUCER PAID PREMIUM (PART 2 - PART 3) (Rounding: Zero decimals*) _____</p> <p><small>* NOTE: Round to two decimals for one acre quotes</small></p>
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THIS WORKSHEET IS INTENDED TO ASSIST IN ESTIMATING PRODUCER PREMIUM ONLY.

CROP REVENUE COVERAGE

HIGH RISK CLASSIFICATION PREMIUM FACTOR RULES AND FORMULA

Please note that the CRC High Risk Classification formula for calculating premium differs from the standard CRC formula. Also note that **NOT** all factors used in the standard CRC formula are used when calculating a CRC High Risk Classification premium.

STEP 1: Information needed.

Variables:

(APH)->Approved Yield	=	Example
(DIFF)->Rate differential factor	=	ie. 100 bu.
(LEV)->Selected Coverage Level	=	ie. 0.65
(HRBR)-> High Risk Classification Base Rate*	=	ie. 65% or 0.65
		ie. 23.0% or 0.230

*rate represents 75% coverage level

STEP 2: Apply the differential from the supplemental rate differential table.

High Risk Classification Base Rate = 23.0 % = 0.230
Rate differential for 65% coverage (DIFF) = 0.650
Adjusted High Risk Classification Base Rate = 0.230 * 0.650 = 0.150 or 15.0%
(Rounding: Three decimals)

STEP 3: Rice APH Adjustment.

Rice-0018 multiply the APH by 0.1 (ie. 1500 * 0.1 = 150).

STEP 4: Calculate the CRC High Risk Classification Premium Factor via this formula:

CRC High Risk Classification Premium Factor =

Part 1 0.1766170 $(-1.14398 + (-0.00473 * APH) + (1E-05 * (APH^2)) + (1.10535 * (HRBR * 100)) + (-0.00076 * ((HRBR * 100)^2)) + (0.00039 * (APH * HRBR * 100)) + (3.36066 * LEV)) * .01$

Part 2 1.186319 $((Part 1 - HRBR) * 1.05) + HRBR / HRBR$

Part 3 1.186 Round Part 2 To 3 decimal places.

ANSWER = 1.186

STEP 5: Use CRC Premium Calculation Worksheet High Risk Classification Formula to calculate the CRC premium with the CRC High Risk Classification Premium Factor from STEP 4 above.