

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.