### Indemnity Calculations

**Exhibit Name:** Indemnity Calculations  
**Exhibit Number:** P21-13, Plans 16 & 17  
**Record Name:** Acreage Claim  
**Record Code:** P21  
**Reinsurance Year:** 2019  
**Version:** Draft  
**Release Date:** 2/13/2020

<table>
<thead>
<tr>
<th>Insurance Plan Code</th>
<th>Commodity Code</th>
<th>Calculations</th>
<th>Field Name</th>
<th>Record Number</th>
<th>Field Number</th>
<th>Field Format</th>
<th>Field Rounding</th>
<th>Rules</th>
</tr>
</thead>
<tbody>
<tr>
<td>16 Margin Protection</td>
<td>0011 Wheat</td>
<td>Trigger Margin Amount</td>
<td>Internal</td>
<td>99999999.99</td>
<td>Round to 2 decimals</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>17 Margin Protection with Harvest Price Option</td>
<td>0018 Rice</td>
<td>Trigger Margin Amount</td>
<td>ADM</td>
<td>99999999.99</td>
<td>Edit with ADM Price, &quot;A00810&quot;.</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>0041 Corn</td>
<td>0081 Soybeans</td>
<td>Expected Margin Amount</td>
<td>ADM</td>
<td>99999.9999</td>
<td>Edit with ADM Price, &quot;A00810&quot;.</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
### Section 1: Stage Guarantee Calculation

When Insurance Plan Code equals 16:

- **Trigger Margin Amount** = Expected Margin Amount - (Expected Revenue Amount * [1.00 - Coverage Level Percent])
  
When Insurance Plan Code equals 17:

- **Trigger Margin Amount** =
  - Expected County Yield * MAX(Projected Price, Harvest Price) - (Expected Revenue Amount - Expected Margin Amount) * [Expected County Yield * MAX(Projected Price, Harvest Price)] * (1 - Coverage Level Percent)
  
For Both Plans:

- **Acre Stage Guarantee Amount** = MAX(Trigger Margin Amount - Final Margin Amount, 0)
  
- **Final Margin Amount** = Trigger Margin Amount

### Section 2: Loss Guarantee Calculation

When Insurance Plan Code equals 16:

- **Loss Guarantee Amount** = MIN(Dollar Amount of Insurance, Acre Stage Guarantee Amount * Price Election Percent) * Determined Acreage * Insured Share Percent * Liability Adjustment Factor
  
- **Dollar Amount of Insurance** = Trigger Margin Amount
  
- **Determined Acreage** = Trigger Margin Amount
  
- **Insured Share Percent** = 99999999.99
  
- **Price Election Percent** = 99999999.99
  
- **Liability Adjustment Factor** = 99999999.99

When Insurance Plan Code equals 17:

- **Loss Guarantee Amount** =
  - MIN(Dollar Amount of Insurance, Acre Stage Guarantee Amount * Price Election Percent) * Determined Acreage * Insured Share Percent * Liability Adjustment Factor
  
- **Dollar Amount of Insurance** = Trigger Margin Amount
  
- **Determined Acreage** = Trigger Margin Amount
  
- **Insured Share Percent** = 99999999.99
  
- **Price Election Percent** = 99999999.99
  
- **Liability Adjustment Factor** = 99999999.99

2/13/2020 Page 1 of 3
### Section 3: Indemnity Calculation

#### With Base (companion) policy (all unit structures):

<table>
<thead>
<tr>
<th>Field Name</th>
<th>Record Number</th>
<th>Field Format</th>
<th>Field Rounding</th>
<th>Rules</th>
</tr>
</thead>
<tbody>
<tr>
<td>Base (Companion) Policy Preliminary Indemnity Amount</td>
<td>P21</td>
<td>62</td>
<td>S9999999999</td>
<td>Round to whole number</td>
</tr>
<tr>
<td>Preliminary Indemnity Amount</td>
<td>P21</td>
<td>62</td>
<td>S9999999999</td>
<td>Round to whole number</td>
</tr>
</tbody>
</table>

This value is read in from the Base Policy's P21 record, Field Number 63. When there is no base policy claim, please treat the "Base (Companion) Policy Preliminary Indemnity Amount" as a 0.

An MP P21 record will still need to be created in the scenario when Base (Companion) Policy Preliminary Indemnity Amount is 0 because no claim was made on the base policy.

Amounts paid on the base policy for stage codes P2, PF, PT, R or P are not included in the MP indemnity calculation.

If the base policy claim lines that are eligible to be included in the margin unit sum up to a negative number (after excluding uninsurable base policy acreage), then treat the "Base (Companion) Policy Preliminary Indemnity Amount" as a 0.

---

#### When Total Preliminary Indemnity is less than or equal to 0:

Indemnity Amount = 0

Indemnity Amount | P21 | 63 | S9999999999 | Round to whole number

When the Total Preliminary Indemnity for the Margin Unit is 0 or less, then no indemnity is due and all lines within the Margin Unit can be treated as a 0.

---

#### When Total Preliminary Indemnity is greater than 0:

Indemnity Amount = Preliminary Indemnity Amount

Indemnity Amount | P21 | 63 | S9999999999 | Round to whole number

The Indemnity Amount on an individual line within a Margin Unit can potentially be negative when the Total Preliminary Indemnity is positive for the Margin Unit.
<table>
<thead>
<tr>
<th>Insurance Plan Code</th>
<th>16 Margin Protection</th>
<th>17 Margin Protection with Harvest Price Option</th>
</tr>
</thead>
<tbody>
<tr>
<td>Commodity Code</td>
<td>0011 Wheat</td>
<td>0018 Rice</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Calculations</th>
<th>Field Name</th>
<th>Record Number</th>
<th>Field Number</th>
<th>Field Format</th>
<th>Rounding Rules</th>
</tr>
</thead>
<tbody>
<tr>
<td>Without Base (companion) policy:</td>
<td>Preliminary Indemnity Amount = Loss Guarantee Amount</td>
<td>Preliminary Indemnity Amount</td>
<td>P21</td>
<td>62</td>
<td>S9999999999</td>
</tr>
<tr>
<td>All policies:</td>
<td>Indemnity Amount = Preliminary Indemnity Amount</td>
<td>Indemnity Amount</td>
<td>P21</td>
<td>63</td>
<td>S9999999999</td>
</tr>
</tbody>
</table>