### Section 1: Liability Calculation

Effective Coverage Level Percent, complete when Yield Cup (YC) and/or Yield Exclusion (YE) are present on the policy. If these options are not present skip this step.

<table>
<thead>
<tr>
<th>Calculation</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>Effective Coverage Level Percent = Coverage Level Percent * Approved Yield/Adjusted Yield</td>
<td>Coverage Level Percent</td>
<td>P14</td>
<td>34</td>
<td>9.9999</td>
<td>None</td>
<td>Round to 2 decimal places.</td>
</tr>
<tr>
<td></td>
<td>Approved Yield</td>
<td>P11</td>
<td>42</td>
<td>99999999.99</td>
<td>None</td>
<td>For Yield Cup and Yield Exclusion the Approved yield will be the greater of the calculated approved yield and the adjusted yield.</td>
</tr>
<tr>
<td></td>
<td>Adjusted Yield</td>
<td>P15</td>
<td>44</td>
<td>99999999.99</td>
<td>None</td>
<td></td>
</tr>
<tr>
<td>Premium Guarantee Per Acre Amount = Approved Yield * Coverage Level Percent</td>
<td>Premium Guarantee Per Acre Amount</td>
<td>Internal</td>
<td>99999999.99</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Coverage Level Percent</td>
<td>P14</td>
<td>34</td>
<td>9.9999</td>
<td>None</td>
<td>Coverage Level Percent in this section is <strong>ALWAYS</strong> the chosen coverage level and <strong>NOT</strong> the Effective Coverage Level.</td>
</tr>
</tbody>
</table>

- **Calculation**
- **Field Name**
- **Record Number**
- **Field Number**
- **Field Format**
- **Field Rounding**
- **Rules**
<table>
<thead>
<tr>
<th>Guarantee Per Acre Amount</th>
<th>=</th>
<th>Premium Guarantee Per Acre Amount * Guarantee Adjustment Factor</th>
</tr>
</thead>
<tbody>
<tr>
<td>Guarantee Per Acre Amount</td>
<td>Internal</td>
<td>99999999.99</td>
</tr>
<tr>
<td>IF Unit of Measure = Pounds 'LB', round to whole number.</td>
<td></td>
<td></td>
</tr>
<tr>
<td>IF Unit of Measure = Tons 'TONS', round to 2 decimals.</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Otherwise, round to 1 decimal.</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Guarantee Adjustment Factor</th>
<th>P11</th>
<th>69</th>
<th>0.999</th>
<th>None</th>
</tr>
</thead>
<tbody>
<tr>
<td>Edit with Guarantee Adjustment, ICE 'D00068' or Guarantee Adjustment, ADM 'A01220' for Prevented Planting.</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Price Election Amount</th>
<th>=</th>
<th>MIN(Personal Projected Price , Projected Price) * Price Election Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>Price Election Amount</td>
<td>P11</td>
<td>45</td>
</tr>
<tr>
<td>See APP III Price Election Amount Rounding Exhibit P11-8</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Personal Projected Percent</th>
<th>P35A</th>
<th>15</th>
<th>99999.9999</th>
<th>None</th>
</tr>
</thead>
<tbody>
<tr>
<td>Personal Projected Price is limited to the value in the MAX Projected Price, ADM 'DXXXXX'.</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>(Max) Projected Price</th>
<th>ADM</th>
<th>99999.9999</th>
<th>None</th>
</tr>
</thead>
<tbody>
<tr>
<td>Edit with MAX Projected Price, ADM 'DXXXXX'.</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Price Election Percent</th>
<th>P14</th>
<th>35</th>
<th>9.9999</th>
<th>None</th>
</tr>
</thead>
<tbody>
<tr>
<td>Edit with Price Election Percent, ICE 'D00007'.</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
When Guarantee Adjustment Type Code equals Late Planting, 'L' or Prevented Planting, 'P' use the Premium Total Guarantee Amount calculation.

<table>
<thead>
<tr>
<th>Premium Total Guarantee Amount</th>
<th>Premium Guarantee Per Acre Amount * Yield Conversion Factor * Expected Revenue Factor * Price Election Amount * Reported Acreage</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td><strong>Premium Total Guarantee Amount</strong></td>
</tr>
<tr>
<td></td>
<td>Yield Conversion Factor</td>
</tr>
<tr>
<td></td>
<td>Expected Revenue Factor</td>
</tr>
<tr>
<td></td>
<td>Reported Acreage</td>
</tr>
</tbody>
</table>

Yield Conversion Factor is the Guarantee Limitation Factor calculated in accordance with the PRH underwriting.

When Guarantee Adjustment Type Code is NULL use the Total Guarantee Amount calculation.

<table>
<thead>
<tr>
<th>Total Guarantee Amount</th>
<th>Guarantee Per Acre Amount * Yield Conversion Factor * Expected Revenue Factor * Price Election Amount * Reported Acreage</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td><strong>Total Guarantee Amount</strong></td>
</tr>
<tr>
<td></td>
<td>Price Election Amount</td>
</tr>
</tbody>
</table>

Prepared Acreage MUST equal the sum of all Land, P27, Reported Acreage.

<table>
<thead>
<tr>
<th>Premium Liability Amount</th>
<th>Premium Total Guarantee Amount * Insured Share Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td><strong>Premium Liability Amount</strong></td>
</tr>
<tr>
<td></td>
<td>Insured Share Percent</td>
</tr>
</tbody>
</table>

Liability Amount = Total Guarantee Amount * Insured Share Percent

<table>
<thead>
<tr>
<th>Liability Amount</th>
<th>Total Guarantee Amount * Insured Share Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td><strong>Liability Amount</strong></td>
</tr>
</tbody>
</table>

When Guarantee Adjustment Type Code equals Late Planting, 'L' or Prevented Planting, 'P' use the Premium Total Guarantee Amount calculation.
### Section 2a: Unit Discount Calculation, complete when Yield Cup (YC) and/or Yield Exclusion (YE) are NOT present on the policy.

When Commodities are setup in the unit discount table for lookups based solely on acres or a fixed discount (no acre range).

#### When Unit Structure Code is Basic Unit (BU)

<table>
<thead>
<tr>
<th>Unit Structure Discount Factor</th>
<th>Basic Unit Discount Factor</th>
<th>ADM</th>
<th>9.999</th>
<th>None</th>
<th>Edit with Unit Structure ADM, 'A01090'.</th>
</tr>
</thead>
</table>

#### When Unit Structure Code is Optional: Unit (OU), Written Unit Agreement (UA) or Unit Division Option (UD)

<table>
<thead>
<tr>
<th>Unit Structure Discount Factor</th>
<th>Optional Unit Discount Factor</th>
<th>ADM</th>
<th>9.999</th>
<th>None</th>
<th>Edit with Unit Structure ADM, 'A01090'.</th>
</tr>
</thead>
</table>

#### When Unit Structure Code is Enterprise Unit, (EU)

<table>
<thead>
<tr>
<th>Unit Structure Discount Factor</th>
<th>Enterprise Unit Discount Factor</th>
<th>ADM</th>
<th>9.999</th>
<th>None</th>
<th>Edit with Unit Structure ADM, 'A01090'.</th>
</tr>
</thead>
</table>

Enterprise Units will now mandate that all insured acreage for a commodity will be included in the Enterprise Unit. This includes both fall and spring planted acreage.

Enterprise Unit Discount Factor is contingent upon the sum of the reported acres which were not prevented from planting for all applicable units being greater than or equal to the Area Low Quantity and less than or equal to Area High Quantity fields contained on the Unit Discount ADM, 'A01090'.

Unit is not eligible as an enterprise unit if summed planted acres are less than 20 acres or 20% of insured crop acreage.

#### When Unit Structure Code is Basic Unit (BU)

<table>
<thead>
<tr>
<th>Revenue Lookup Adjustment Factor</th>
<th>Basic Unit Discount Factor</th>
<th>ADM</th>
<th>9.999</th>
<th>None</th>
<th>Edit with Unit Discount ADM, 'A01090' for 65% Coverage Level.</th>
</tr>
</thead>
</table>

Basic Unit Discount Factor is contingent upon the sum of the reported acres which were not prevented from planting for the unit being greater than or equal to the Area Low Quantity and less than or equal to Area High Quantity fields contained on the Unit Discount ADM, 'A01090'.

#### When Unit Structure Code is Optional Unit (OU), Written Unit Agreement (UA), or Unit Division Option (UD)

<table>
<thead>
<tr>
<th>Revenue Lookup Adjustment Factor</th>
<th>Unit Structure Discount Factor</th>
<th>Internal</th>
<th>9.99999999</th>
<th>None</th>
<th>Capped at 1.0 for Optional Unit (OU), Written Unit Agreement (UA) and Unit Division Option (UD).</th>
</tr>
</thead>
</table>

#### When Unit Structure Code is Enterprise Unit (EU)

<table>
<thead>
<tr>
<th>Revenue Lookup Adjustment Factor</th>
<th>Enterprise Unit Structure Discount Factor</th>
<th>ADM</th>
<th>9.999</th>
<th>None</th>
<th>Edit with Unit Discount ADM, 'A01090' for 65% Coverage Level.</th>
</tr>
</thead>
</table>

Enterprise Unit Discount Factor is contingent upon the sum of the reported acres which were not prevented from planting for the unit being greater than or equal to the Area Low Quantity and less than or equal to Area High Quantity fields contained on the Unit Discount ADM, 'A01090'.
| When Unit Structure Code is Basic Unit (BU) | \begin{tabular}{|c|c|c|c|}
\hline
Unit Structure Discount Factor & = & Basic Unit Discount Factor & ADM \[9.999\] None \\
\hline
Revenue Lookup Adjustment Factor & = & Basic Unit Structure Discount Factor for 65% Coverage Level & ADM \[9.999\] None \\
\hline
\end{tabular} | Edit with Unit Discount ADM, 'A01090' by coverage level.
Basic Unit Discount Factor is contingent upon the sum of the reported acres which were not prevented from planting for the unit being greater than or equal to the Area Low Quantity and less than or equal to Area High Quantity fields contained on the Unit Discount ADM, 'A01090' for Coverage Level.

| When Unit Structure Code is Optional: Unit (OU), Written Unit Agreement (UA) or Unit Division Option (UD) | \begin{tabular}{|c|c|c|c|}
\hline
Unit Structure Discount Factor & = & Optional Unit Discount Factor & ADM \[9.999\] None \\
\hline
Revenue Lookup Adjustment Factor & = & Optional Unit Structure Discount Factor for 65% Coverage Level & ADM \[9.99999999\] None \\
\hline
\end{tabular} | Edit with Unit Structure ADM, 'A01090'.

| When Unit Structure Code is Enterprise Unit, (EU) | \begin{tabular}{|c|c|c|c|}
\hline
Unit Structure Discount Factor & = & Enterprise Unit Discount Factor & ADM \[9.999\] None \\
\hline
Revenue Lookup Adjustment Factor & = & Unit Structure Discount Factor for 65% Coverage Level & Internal \[9.99999999\] None \\
\hline
\end{tabular} | Edit with Unit Structure ADM, 'A01090'.
Enterprise Units will now mandate that all insured acreage for a commodity will be included in the Enterprise Unit. This includes both fall and spring planted acreage.
Enterprise Unit Discount Factor is contingent upon the sum of the reported acres which were not prevented from planting for all applicable units being greater than or equal to the Area Low Quantity and less than or equal to the Area High Quantity fields contained on the Unit Discount ADM, 'A01090'.
Unit is not eligible as an enterprise unit if summed planted acres are less than 20 acres or 20% of insured crop acreage.

| When Unit Structure Code is Basic Unit (BU) | \begin{tabular}{|c|c|c|c|}
\hline
Revenue Lookup Adjustment Factor & = & Basic Unit Structure Discount Factor for 65% Coverage Level & ADM \[9.999\] None \\
\hline
\end{tabular} | Edit with Unit Discount ADM, 'A01090' for 65% Coverage Level.
Basic Unit Discount Factor is contingent upon the sum of the reported acres which were not prevented from planting for the unit being greater than or equal to the Area Low Quantity and less than or equal to Area High Quantity fields contained on the Unit Discount ADM, 'A01090' for 65% Coverage Level.

| When Unit Structure Code is Optional Unit (OU), Written Unit Agreement (UA), or Unit Division Option (UD) | \begin{tabular}{|c|c|c|c|}
\hline
Revenue Lookup Adjustment Factor & = & Optional Unit Structure Discount Factor for 65% Coverage Level & Internal \[9.99999999\] None \\
\hline
\end{tabular} | Capped at 1.0 for Optional Unit (OU), Written Unit Agreement (UA) and Unit Division Option (UD).
<table>
<thead>
<tr>
<th><strong>Revenue Lookup Adjustment Factor</strong></th>
<th><strong>Enterprise Unit Discount Factor for 65% Coverage Level</strong></th>
<th><strong>ADM</strong></th>
<th><strong>9.999</strong></th>
<th><strong>None</strong></th>
<th><strong>Edit with Unit Discount ADM, 'A01090' for 65% Coverage Level.</strong></th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Enterprise Unit Discount Factor</strong></td>
<td><strong>ADM</strong></td>
<td><strong>9.999</strong></td>
<td><strong>None</strong></td>
<td><strong>Enterprise Unit Discount Factor is contingent upon the sum of the reported acres which were not prevented from planting for the unit being greater than or equal to the Area Low Quantity and less than or equal to Area High Quantity fields contained on the Unit Discount ADM, 'A01090' for 65% Coverage Level.</strong></td>
<td></td>
</tr>
</tbody>
</table>

**Section 2b: Unit Discount Calculation, complete when Yield Cup (YC) and/or Yield Exclusion (YE) are present on the policy. If these options are not present skip these steps.**

**When Unit Structure Code is Basic Unit (BU)**

<table>
<thead>
<tr>
<th><strong>Unit Structure Discount Factor</strong></th>
<th><strong>ADM</strong></th>
<th><strong>9.999999999</strong></th>
<th><strong>Round to 4 decimal places. Capped at 1.0</strong></th>
</tr>
</thead>
</table>

Base Coverage Level Percent Basic Unit Discount Factor is equal to Basic Unit Discount Factor for Minimum of:
1) Maximum available Coverage Level or
2) Available Coverage Level less than or equal to Effective Coverage Level.

**Edit with ADM Coverage Level Differential, 'A01040'.**

| **Upper Bound Coverage Level Percent Basic Unit Discount Factor** | **ADM** | **9.999999999** | **None** | **Based on the 'upper bound' coverage level. Edit with Coverage Level Differential ADM, 'A01040'.**
1) IF the Effective Coverage Level Percent = an existing ADM Coverage Level then use the Effective Coverage Level Percent.
2) IF the Effective Coverage Level Percent falls between existing ADM Coverage Levels then use the higher ADM Coverage Level.
3) IF the Effective Coverage Level Percent is greater than the maximum ADM Coverage Level then use the second highest ADM Coverage Level. |
|-----------------------------------------------|--------|----------------|---------|--------------------------------------------------|

| **Lower Bound Coverage Level Percent Optional Unit Discount Factor** | **ADM** | **9.999999999** | **None** | **Based on the 'lower bound' coverage level. Edit with Coverage Level Differential ADM, 'A01040'.**
1) IF the Effective Coverage Level Percent = an existing ADM Coverage Level then use the Effective Coverage Level Percent.
2) IF the Effective Coverage Level Percent falls between existing ADM Coverage Levels then use the lower ADM Coverage Level.
3) IF the Effective Coverage Level Percent is greater than the maximum ADM Coverage Level then use the second highest ADM Coverage Level. |
<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Unit Structure Discount Factor</td>
<td>Internal</td>
<td>9.999999999</td>
<td>Round to 4 decimal places.</td>
<td>Capped at 1.0</td>
</tr>
<tr>
<td>--------------------------------</td>
<td>----------</td>
<td>-------------</td>
<td>---------------------------</td>
<td>--------------</td>
</tr>
<tr>
<td>Unit Structure Discount Factor</td>
<td>Internal</td>
<td>9.999999999</td>
<td>None</td>
<td>Base Coverage Level Percent Optional Unit Discount Factor is equal to Optional Unit Discount Factor for Minimum of: 1) Maximum available Coverage Level or 2) Available Coverage Level less than or equal to Effective Coverage Level. Edit with ADM Coverage Level Differential, 'A01040'.</td>
</tr>
<tr>
<td>Upper Bound Coverage Level Percent Optional Unit Discount Factor</td>
<td>ADM</td>
<td>9.999999999</td>
<td>None</td>
<td>Based on the 'upper bound' coverage level. Edit with Coverage Level Differential ADM, 'A01040'. 1) If the Effective Coverage Level Percent = an existing ADM Coverage Level then use the Effective Coverage Level Percent. 2) If the Effective Coverage Level Percent falls between existing ADM Coverage Levels then use the higher ADM Coverage Level. 3) If the Effective Coverage Level Percent is greater than the maximum ADM Coverage Level then use the second highest ADM Coverage Level.</td>
</tr>
<tr>
<td>Lower Bound Coverage Level Percent Optional Unit Discount Factor</td>
<td>ADM</td>
<td>9.999999999</td>
<td>None</td>
<td>Based on the 'lower bound' coverage level. Edit with Coverage Level Differential ADM, 'A01040'. 1) If the Effective Coverage Level Percent = an existing ADM Coverage Level then use the Effective Coverage Level Percent. 2) If the Effective Coverage Level Percent falls between existing ADM Coverage Levels then use the lower ADM Coverage Level. 3) If the Effective Coverage Level Percent is greater than the maximum ADM Coverage Level then use the second highest ADM Coverage Level.</td>
</tr>
</tbody>
</table>

When Unit Structure Code is Optional: Unit (OU), Written Unit Agreement (UA) or Unit Division Option (UD)
### When Unit Structure Code is Enterprise Unit, (EU)

<table>
<thead>
<tr>
<th>Enterprise Unit Structure Discount Factor</th>
<th>Internal</th>
<th>9.999999999</th>
<th>Round to 4 decimal places.</th>
<th>Capped at 1.0</th>
</tr>
</thead>
<tbody>
<tr>
<td>Base Coverage Level Percent Enterprise Unit Discount Factor</td>
<td>ADM</td>
<td>9.999999999</td>
<td>None</td>
<td></td>
</tr>
<tr>
<td>Upper Bound Coverage Level Percent Enterprise Unit Discount Factor</td>
<td>ADM</td>
<td>9.999999999</td>
<td>None</td>
<td></td>
</tr>
<tr>
<td>Lower Bound Coverage Level Percent Enterprise Unit Discount Factor</td>
<td>ADM</td>
<td>9.999999999</td>
<td>None</td>
<td></td>
</tr>
</tbody>
</table>

\[
\text{Unit Structure Discount Factor} = \text{Round(Base Coverage Level Percent Enterprise Unit Discount Factor} + (\text{Upper Bound Coverage Level Percent Enterprise Unit Discount Factor} - \text{Lower Bound Coverage Level Percent Enterprise Unit Discount Factor}) \times (\text{Effective Coverage Level Percent} - \text{Floored Effective Coverage Level Percent}) \times 20.4)
\]

_Base Coverage Level Percent Enterprise Unit Discount Factor is equal to Base Coverage Level Percent Enterprise Unit Discount Factor for Minimum of: 1) Maximum available Coverage Level or 2) Available Coverage Level less than or equal to Effective Coverage Level. Edit with ADM Coverage Level Differential, 'A01040'._

_Base Coverage Level Percent Base Coverage Level Percent Enterprise Unit Discount Factor is equal to Effective Coverage Level Percent. 1) IF the Effective Coverage Level Percent = an existing ADM Coverage Level then use the Effective Coverage Level Percent. 2) IF the Effective Coverage Level Percent falls between existing ADM Coverage Levels then use the lower ADM Coverage Level. 3) IF the Effective Coverage Level Percent is greater than the maximum ADM Coverage Level then use the second highest ADM Coverage Level._

_Base Coverage Level Percent Base Coverage Level Percent Enterprise Unit Discount Factor is equal to Effective Coverage Level Percent. 1) IF the Effective Coverage Level Percent = an existing ADM Coverage Level then use the Effective Coverage Level Percent. 2) IF the Effective Coverage Level Percent falls between existing ADM Coverage Levels then use the lower ADM Coverage Level. 3) IF the Effective Coverage Level Percent is greater than the maximum ADM Coverage Level then use the second highest ADM Coverage Level._

_Base Coverage Level Percent Base Coverage Level Percent Enterprise Unit Discount Factor is equal to Effective Coverage Level Percent. 1) IF the Effective Coverage Level Percent = an existing ADM Coverage Level then use the Effective Coverage Level Percent. 2) IF the Effective Coverage Level Percent falls between existing ADM Coverage Levels then use the lower ADM Coverage Level. 3) IF the Effective Coverage Level Percent is greater than the maximum ADM Coverage Level then use the second highest ADM Coverage Level._

_Base Coverage Level Percent Base Coverage Level Percent Enterprise Unit Discount Factor is equal to Effective Coverage Level Percent. 1) IF the Effective Coverage Level Percent = an existing ADM Coverage Level then use the Effective Coverage Level Percent. 2) IF the Effective Coverage Level Percent falls between existing ADM Coverage Levels then use the lower ADM Coverage Level. 3) IF the Effective Coverage Level Percent is greater than the maximum ADM Coverage Level then use the second highest ADM Coverage Level._

_Base Coverage Level Percent Base Coverage Level Percent Enterprise Unit Discount Factor is equal to Effective Coverage Level Percent. 1) IF the Effective Coverage Level Percent = an existing ADM Coverage Level then use the Effective Coverage Level Percent. 2) IF the Effective Coverage Level Percent falls between existing ADM Coverage Levels then use the lower ADM Coverage Level. 3) IF the Effective Coverage Level Percent is greater than the maximum ADM Coverage Level then use the second highest ADM Coverage Level._

_Base Coverage Level Percent Base Coverage Level Percent Enterprise Unit Discount Factor is equal to Effective Coverage Level Percent. 1) IF the Effective Coverage Level Percent = an existing ADM Coverage Level then use the Effective Coverage Level Percent. 2) IF the Effective Coverage Level Percent falls between existing ADM Coverage Levels then use the lower ADM Coverage Level. 3) IF the Effective Coverage Level Percent is greater than the maximum ADM Coverage Level then use the second highest ADM Coverage Level._

_Base Coverage Level Percent Base Coverage Level Percent Enterprise Unit Discount Factor is equal to Effective Coverage Level Percent. 1) IF the Effective Coverage Level Percent = an existing ADM Coverage Level then use the Effective Coverage Level Percent. 2) IF the Effective Coverage Level Percent falls between existing ADM Coverage Levels then use the lower ADM Coverage Level. 3) IF the Effective Coverage Level Percent is greater than the maximum ADM Coverage Level then use the second highest ADM Coverage Level._

_Base Coverage Level Percent Base Coverage Level Percent Enterprise Unit Discount Factor is equal to Effective Coverage Level Percent. 1) IF the Effective Coverage Level Percent = an existing ADM Coverage Level then use the Effective Coverage Level Percent. 2) IF the Effective Coverage Level Percent falls between existing ADM Coverage Levels then use the lower ADM Coverage Level. 3) IF the Effective Coverage Level Percent is greater than the maximum ADM Coverage Level then use the second highest ADM Coverage Level._

_Base Coverage Level Percent Base Coverage Level Percent Enterprise Unit Discount Factor is equal to Effective Coverage Level Percent. 1) IF the Effective Coverage Level Percent = an existing ADM Coverage Level then use the Effective Coverage Level Percent. 2) IF the Effective Coverage Level Percent falls between existing ADM Coverage Levels then use the lower ADM Coverage Level. 3) IF the Effective Coverage Level Percent is greater than the maximum ADM Coverage Level then use the second highest ADM Coverage Level._

_Base Coverage Level Percent Base Coverage Level Percent Enterprise Unit Discount Factor is equal to Effective Coverage Level Percent. 1) IF the Effective Coverage Level Percent = an existing ADM Coverage Level then use the Effective Coverage Level Percent. 2) IF the Effective Coverage Level Percent falls between existing ADM Coverage Levels then use the lower ADM Coverage Level. 3) IF the Effective Coverage Level Percent is greater than the maximum ADM Coverage Level then use the second highest ADM Coverage Level._

_Base Coverage Level Percent Base Coverage Level Percent Enterprise Unit Discount Factor is equal to Effective Coverage Level Percent. 1) IF the Effective Coverage Level Percent = an existing ADM Coverage Level then use the Effective Coverage Level Percent. 2) IF the Effective Coverage Level Percent falls between existing ADM Coverage Levels then use the lower ADM Coverage Level. 3) IF the Effective Coverage Level Percent is greater than the maximum ADM Coverage Level then use the second highest ADM Coverage Level._
### Section 3: Base Rate Calculation

#### Table 1: Current Yield Ratio

<table>
<thead>
<tr>
<th>Current Year Yield Ratio</th>
<th>Rate Yield</th>
<th>Reference Yield</th>
</tr>
</thead>
<tbody>
<tr>
<td>Internal</td>
<td>P15</td>
<td>9.9999</td>
</tr>
</tbody>
</table>

#### Table 2: Prior Year Yield Ratio

<table>
<thead>
<tr>
<th>Prior Year Yield Ratio</th>
<th>Prior Year Reference Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Internal</td>
<td>ADM 9.99999999</td>
</tr>
</tbody>
</table>

#### Table 3: Current Year Multiplier

<table>
<thead>
<tr>
<th>Current Year Multiplier</th>
<th>Reference Yield</th>
</tr>
</thead>
<tbody>
<tr>
<td>Internal</td>
<td>ADM 10000</td>
</tr>
</tbody>
</table>

#### Table 4: Prior Year Multiplier

<table>
<thead>
<tr>
<th>Prior Year Multiplier</th>
<th>Reference Yield</th>
</tr>
</thead>
<tbody>
<tr>
<td>Internal</td>
<td>ADM 99999.9999</td>
</tr>
</tbody>
</table>

#### Table 5: Current Year Base Rate

<table>
<thead>
<tr>
<th>Current Year Base Rate</th>
<th>Reference Rate</th>
</tr>
</thead>
<tbody>
<tr>
<td>Internal</td>
<td>ADM 9999999999</td>
</tr>
</tbody>
</table>

#### Table 6: Prior Year Base Rate

<table>
<thead>
<tr>
<th>Prior Year Base Rate</th>
<th>Reference Rate</th>
</tr>
</thead>
<tbody>
<tr>
<td>Internal</td>
<td>ADM 9999999999</td>
</tr>
</tbody>
</table>

### When the Rate Method Code is Fixed, 'F'

- Current Year Base Rate = Sub County Rate
- Prior Year Base Rate = Sub County Rate

### When the Rate Method Code is Additive, 'A'

- Current Year Base Rate = Sub County Rate + (Current Year Rate Multiplier * Reference Rate + Fixed Rate)
- Prior Year Base Rate = Sub County Rate + (Prior Year Rate Multiplier * Reference Rate + Fixed Rate)

### When the Rate Method Code is Multiplicative, 'M'

- Current Year Base Rate = Sub County Rate * (Current Year Base Multiplier * Reference Rate + Fixed Rate)
- Prior Year Base Rate = Sub County Rate * (Prior Year Rate Multiplier * Reference Rate + Fixed Rate)
### Section 4: Rate Differential Factor

<table>
<thead>
<tr>
<th>Rate Differential Factor</th>
<th>Internal</th>
<th>9.99999999</th>
<th>Round to 9 decimal places.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Base Rate Differential Factor</td>
<td>ADM</td>
<td>9.99999999</td>
<td>None</td>
</tr>
<tr>
<td>Upper Bound Rate Differential Factor</td>
<td>ADM</td>
<td>9.99999999</td>
<td>None</td>
</tr>
<tr>
<td>Lower Bound Rate Differential Factor</td>
<td>ADM</td>
<td>9.99999999</td>
<td>None</td>
</tr>
</tbody>
</table>

When Yield Cup (YC) and/or Yield Exclusion (YE) are present on the policy:

\[
(1 + \text{Round}(\text{MIN}((\text{MAX}(0.85, \text{Effective Coverage Level Percent}) - 0.85)/0.15, 1)^7, 7) \times 0.05) \times (\text{Round}(\text{Base Rate Differential Factor} + (\text{Upper Bound Rate Differential Factor} - \text{Lower Bound Rate Differential Factor}) \times (\text{Effective Coverage Level Percent} - \text{Floored Effective Coverage Level Percent}) \times 20, 9))
\]
<table>
<thead>
<tr>
<th>Prior Year Rate Differential Factor</th>
<th>Internal</th>
<th>Round to 9 decimal places</th>
<th>Notes</th>
</tr>
</thead>
<tbody>
<tr>
<td>Base Prior Year Rate Differential Factor</td>
<td>ADM</td>
<td>9.999999999</td>
<td>None</td>
</tr>
<tr>
<td>Upper Bound Prior Year Rate Differential Factor</td>
<td>ADM</td>
<td>9.999999999</td>
<td>None</td>
</tr>
<tr>
<td>Lower Bound Prior Year Rate Differential Factor</td>
<td>ADM</td>
<td>9.999999999</td>
<td>None</td>
</tr>
</tbody>
</table>

Prior Year Rate Differential Factor = When Yield Cup (YC) and/or Yield Exclusion (YE) are present on the policy:
Round(Base Prior Year Rate Differential Factor + (Upper Bound Prior Year Rate Differential Factor - Lower Bound Prior Year Rate Differential Factor) * (Effective Coverage Level Percent - Floored Effective Coverage Level Percent) * 20,9)

Otherwise:
Prior Year Rate Differential Factor

Base Prior Year Rate Differential Factor = Base Prior Year Rate Differential Factor for Minimum of:
1) Maximum available Coverage Level or
2) Available Coverage Level less than or equal to Effective Coverage Level.

Edit with Coverage Level Differential ADM, 'A01040'.

Based on the 'upper bound' coverage level.
Edit with Coverage Level Differential ADM, 'A01040'.
1) IF the Effective Coverage Level Percent = an existing ADM Coverage Level then use the Effective Coverage Level Percent.
2) IF the Effective Coverage Level Percent falls between existing ADM Coverage Levels then use the lower ADM Coverage Level.
3) IF the Effective Coverage Level Percent is greater than the maximum ADM Coverage Level then use the second highest ADM Coverage Level.

Based on the 'lower bound' coverage level.
Edit with Coverage Level Differential ADM, 'A01040'.
1) IF the Effective Coverage Level Percent = an existing ADM Coverage Level then use the Effective Coverage Level Percent.
2) IF the Effective Coverage Level Percent falls between existing ADM Coverage Levels then use the lower ADM Coverage Level.
3) IF the Effective Coverage Level Percent is greater than the maximum ADM Coverage Level then use the second highest ADM Coverage Level.

ADM Prior Year Rate Differential Factor for coverage level percent
### Unit Residual Factor

#### When Unit Structure Code is Basic Unit (BU), Optional Unit (OU), Written Unit Agreement (UA) or Unit Division Option (UD)

<table>
<thead>
<tr>
<th>Section 5: Unit Residual Factor</th>
<th>Unit Residual Factor</th>
<th>Internal</th>
<th>999.999</th>
<th>Round to 3 decimal places.</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Unit Residual Factor</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Base Unit Residual Factor</strong></td>
<td>ADM</td>
<td>999.999</td>
<td>None</td>
<td></td>
</tr>
<tr>
<td><strong>Upper Bound Unit Residual Factor</strong></td>
<td>ADM</td>
<td>999.999</td>
<td>None</td>
<td></td>
</tr>
<tr>
<td><strong>Lower Bound Unit Residual Factor</strong></td>
<td>ADM</td>
<td>999.999</td>
<td>None</td>
<td></td>
</tr>
<tr>
<td><strong>Floored Effective Coverage Level Percent</strong></td>
<td>Internal</td>
<td>99.999</td>
<td>None</td>
<td></td>
</tr>
</tbody>
</table>

**Base Unit Residual Factor = Unit Residual Factor Minimum of:**

1) Maximum available Coverage Level or
2) Available Coverage Level less than or equal to Effective Coverage Level.

*Edit with Coverage Level Differential ADM, 'A01040'.*

**Unit Residual Factor = ADM Unit Residual Factor for coverage level percent**

- **Base Unit Residual Factor**
  - When Yield Cup (YC) and/or Yield Exclusion (YE) are present on the policy:
    - Round((Base Unit Residual Factor + (Upper Bound Unit Residual Factor - Lower Bound Unit Residual Factor)) * (Effective Coverage Level Percent - Floored Effective Coverage Level Percent) * 20,3)
  - Otherwise:
    - Unit Residual Factor

- **Upper Bound Unit Residual Factor**
  - Based on the 'upper bound' coverage level.
    - Edit with Coverage Level Differential ADM, 'A01040'.
    - 1) If the Effective Coverage Level Percent = an existing ADM Coverage Level then use the Effective Coverage Level Percent.
    - 2) If the Effective Coverage Level Percent falls between existing ADM Coverage Levels then use the higher ADM Coverage Level.
    - 3) If the Effective Coverage Level Percent is greater than the maximum ADM Coverage Level then use the highest ADM Coverage Level.

- **Lower Bound Unit Residual Factor**
  - Based on the 'lower bound' coverage level.
    - Edit with Coverage Level Differential ADM, 'A01040'.
    - 1) If the Effective Coverage Level Percent = an existing ADM Coverage Level then use the Effective Coverage Level Percent.
    - 2) If the Effective Coverage Level Percent falls between existing ADM Coverage Levels then use the lower ADM Coverage Level.
    - 3) If the Effective Coverage Level Percent is greater than the maximum ADM Coverage Level then use the second highest ADM Coverage Level.

- **Floored Effective Coverage Level Percent**
  - Based on the 'floored' coverage level.
    - Edit with Coverage Level Differential ADM, 'A01040'.
    - 1) If the Effective Coverage Level Percent = an existing ADM Coverage Level then use the Effective Coverage Level Percent.
    - 2) If the Effective Coverage Level Percent falls between existing ADM Coverage Levels then use the lower ADM Coverage Level.
    - 3) If the Effective Coverage Level Percent is greater than the maximum ADM Coverage Level then use the highest ADM Coverage Level.
<table>
<thead>
<tr>
<th>Prior Year Unit Residual Factor</th>
<th>Internal</th>
<th>999.999</th>
<th>Round to 3 decimal places.</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Base Prior Year Unit Residual Factor</strong></td>
<td>ADM</td>
<td>999.999</td>
<td>None</td>
</tr>
<tr>
<td><strong>Upper Bound Prior Year Unit Residual Factor</strong></td>
<td>ADM</td>
<td>999.999</td>
<td>None</td>
</tr>
<tr>
<td><strong>Lower Bound Prior Year Unit Residual Factor</strong></td>
<td>ADM</td>
<td>999.999</td>
<td>None</td>
</tr>
</tbody>
</table>

**Prior Year Unit Residual Factor**

When Yield Cup (YC) and/or Yield Exclusion (YE) are present on the policy:

Round(Base Prior Year Unit Residual Factor + (Upper Bound Prior Year Unit Residual Factor - Lower Bound Prior Year Unit Residual Factor) * (Effective Coverage Level Percent - Floored Effective Coverage Level Percent) * 20.3)

Otherwise:

Prior Year Unit Residual Factor

The cap value for the Residual Factors is the MAX(Residual Factor) from all coverage levels within the chosen unit structure.

Based on the 'upper bound' coverage level. Edit with Coverage Level Differential ADM, 'A01040'.

1) IF the Effective Coverage Level Percent = an existing ADM Coverage Level then use the Effective Coverage Level Percent.
2) IF the Effective Coverage Level Percent falls between existing ADM Coverage Levels then use the higher ADM Coverage Level.
3) IF the Effective Coverage Level Percent is greater than the maximum ADM Coverage Level then use the second highest ADM Coverage Level.

Based on the 'lower bound' coverage level. Edit with Coverage Level Differential ADM, 'A01040'.

1) IF the Effective Coverage Level Percent = an existing ADM Coverage Level then use the Effective Coverage Level Percent.
2) IF the Effective Coverage Level Percent falls between existing ADM Coverage Levels then use the lower ADM Coverage Level.
3) IF the Effective Coverage Level Percent is greater than the maximum ADM Coverage Level then use the second highest ADM Coverage Level.

ADM Prior Year Unit Residual Factor for coverage level percent
<table>
<thead>
<tr>
<th>Unit Residual Factor</th>
<th>Internal</th>
<th>999.999</th>
<th>Round to 3 decimal places.</th>
<th>The cap value for the Residual Factors is the MAX(Residual Factor) from all coverage levels within the chosen unit structure.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Base Enterprise Unit Residual Factor</td>
<td>ADM</td>
<td>999.999</td>
<td>None</td>
<td>Base Enterprise Unit Residual Factor is equal to Prior Year Unit Residual for Minimum of: 1) Maximum available Coverage Level or 2) Available Coverage Level less than or equal to Effective Coverage Level. Edit with ADM Coverage Level Differential, 'A01040'.</td>
</tr>
<tr>
<td>Upper Bound Enterprise Unit Residual Factor</td>
<td>ADM</td>
<td>999.999</td>
<td>None</td>
<td>Based on the 'upper bound' coverage level. Edit with Coverage Level Differential ADM, 'A01040'. 1) IF the Effective Coverage Level Percent = an existing ADM Coverage Level then use the Effective Coverage Level Percent. 2) IF the Effective Coverage Level Percent falls between existing ADM Coverage Levels then use the higher ADM Coverage Level. 3) IF the Effective Coverage Level Percent is greater than the maximum ADM Coverage Level then use the highest ADM Coverage Level.</td>
</tr>
<tr>
<td>Lower Bound Enterprise Unit Residual Factor</td>
<td>ADM</td>
<td>999.999</td>
<td>None</td>
<td>Based on the 'lower bound' coverage level. Edit with Coverage Level Differential ADM, 'A01040'. 1) IF the Effective Coverage Level Percent = an existing ADM Coverage Level then use the Effective Coverage Level Percent. 2) IF the Effective Coverage Level Percent falls between existing ADM Coverage Levels then use the lower ADM Coverage Level. 3) IF the Effective Coverage Level Percent is greater than the maximum ADM Coverage Level then use the second highest ADM Coverage Level.</td>
</tr>
</tbody>
</table>

When Yield Cup (YC) and/or Yield Exclusion (YE) are present on the policy:

Round(Base Enterprise Unit Residual Factor + (Upper Bound Enterprise Unit Residual Factor - Lower Bound Enterprise Unit Residual Factor) * (Effective Coverage Level Percent - Floored Effective Coverage Level Percent) * 20.3)

Otherwise:
Enterprise Unit Residual Factor
<table>
<thead>
<tr>
<th>Prior Year Enterprise Unit Residual Factor</th>
<th>Internal</th>
<th>999.999</th>
<th>Round to 3 decimal places.</th>
<th>The cap value for the Residual Factors is the MAX(Residual Factor) from all coverage levels within the chosen unit structure.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Base Enterprise Prior Year Unit Residual Factor</td>
<td>ADM</td>
<td>999.999</td>
<td>None</td>
<td>Prior Year Base Enterprise Unit Residual Factor is equal to Prior Year Unit Residual for Minimum of: 1) Maximum available Coverage Level or 2) Available Coverage Level less than or equal to Effective Coverage Level. Edit with ADM Coverage Level Differential, 'A01040'.</td>
</tr>
<tr>
<td>Upper Bound Enterprise Prior Year Unit Residual Factor</td>
<td>ADM</td>
<td>999.999</td>
<td>None</td>
<td>Based on the 'upper bound' coverage level. Edit with Coverage Level Differential ADM, 'A01040'. 1) IF the Effective Coverage Level Percent = an existing ADM Coverage Level then use the Effective Coverage Level Percent. 2) IF the Effective Coverage Level Percent falls between existing ADM Coverage Levels then use the higher ADM Coverage Level. 3) IF the Effective Coverage Level Percent is greater than the maximum ADM Coverage Level then use the highest ADM Coverage Level.</td>
</tr>
<tr>
<td>Lower Bound Enterprise Prior Year Unit Residual Factor</td>
<td>ADM</td>
<td>999.999</td>
<td>None</td>
<td>Based on the 'lower bound' coverage level. Edit with Coverage Level Differential ADM, 'A01040'. 1) IF the Effective Coverage Level Percent = an existing ADM Coverage Level then use the Effective Coverage Level Percent. 2) IF the Effective Coverage Level Percent falls between existing ADM Coverage Levels then use the lower ADM Coverage Level. 3) IF the Effective Coverage Level Percent is greater than the maximum ADM Coverage Level then use the second highest ADM Coverage Level.</td>
</tr>
</tbody>
</table>

Prior Year Unit Residual Factor = When Yield Cup (YC) and/or Yield Exclusion (YE) are present on the policy: Round(Base Enterprise Prior Year Unit Residual Factor + (Upper Bound Enterprise Prior Year Unit Residual Factor - Lower Bound Enterprise Prior Year Unit Residual Factor) * (Effective Coverage Level Percent - Floored Effective Coverage Level Percent) * 20,3) Otherwise: Prior Year Enterprise Unit Residual

ADM Prior Year Enterprise Unit Residual Factor for coverage level percent
### Section 6: Other Coverage Level Adjustment Factors

When Yield Exclusion (YE) or Yield Cup (YC) exist on the policy and effective coverage level exceeds the highest coverage level for the offer in the ADM, perform these steps, otherwise set Marginal Rate Adjustment Factor = 1.

<table>
<thead>
<tr>
<th>When Unit Structure Code is Basic Unit (BU)</th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Max Coverage Level Adjustment Factor</strong></td>
<td><strong>= Round(1.00/Current Year Base Rate, 8) - Round(Unadjusted Liability Amount/Current Year Base Rate * Premium Liability Amount, 8) + Round(Round(Base Rate Differential Factor * Base Unit Residual Factor * Base Basic Unit Structure Discount Factor * Unadjusted Liability Amount, 8)/Premium Liability Amount, 8)</strong></td>
<td><strong>Max Coverage Level Adjustment Factor</strong></td>
<td><strong>9999999999.99999999</strong></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>When Unit Structure Code is Optional Unit (OU), Written Unit Agreement (UA) or Unit Division Option (UD)</th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Max Coverage Level Adjustment Factor</strong></td>
<td><strong>= Round(1.00/Current Year Base Rate, 8) - Round(Unadjusted Liability Amount/Current Year Base Rate * Premium Liability Amount, 8) + Round(Round(Base Rate Differential Factor * Base Unit Residual Factor * Base Optional Unit Structure Discount Factor * Unadjusted Liability Amount, 8)/Premium Liability Amount, 8)</strong></td>
<td><strong>Max Coverage Level Adjustment Factor</strong></td>
<td><strong>9999999999.99999999</strong></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>When Unit Structure Code is Enterprise Unit (EU)</th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Max Coverage Level Adjustment Factor</strong></td>
<td><strong>= Round(1.00/Current Year Base Rate, 8) - Round(Unadjusted Liability Amount/Current Year Base Rate * Premium Liability Amount, 8) + Round(Round(Base Rate Differential Factor * Base Unit Residual Factor * Base Enterprise Unit Structure Discount Factor * Unadjusted Liability Amount, 8)/Premium Liability Amount, 8)</strong></td>
<td><strong>Max Coverage Level Adjustment Factor</strong></td>
<td><strong>9999999999.99999999</strong></td>
</tr>
</tbody>
</table>

| Marginal Rate Adjustment Factor | **= Max Coverage Level Adjustment Factor/(Rate Differential Factor * Unit Residual Factor * Unit Structure Discount Factor)** | **Marginal Rate Adjustment Factor** | **9.9999999** | **Round to 8 decimals** |

| Max Coverage Level Adjustment Factor | **= Round(1.00/Current Year Base Rate, 8) - Round(Unadjusted Liability Amount/Current Year Base Rate * Premium Liability Amount, 8) + Round(Round(Base Rate Differential Factor * Base Unit Residual Factor * Base Optional Unit Structure Discount Factor * Unadjusted Liability Amount, 8)/Premium Liability Amount, 8)** | **Max Coverage Level Adjustment Factor** | **9999999999.99999999** | **Round to 8 decimals** |
### Section 7: Base Premium Rate

<table>
<thead>
<tr>
<th>Formula</th>
<th>Description</th>
<th>Rate Differential Factor</th>
<th>PRI</th>
<th>P11</th>
<th>9.99999999</th>
<th>Round to 8 decimals</th>
</tr>
</thead>
<tbody>
<tr>
<td>Current Year Base Rate</td>
<td>( \text{Round}(\text{Current Year Base Rate} \times \text{Rate Differential Factor} \times \text{Unit Residual Factor}, 1.00) )</td>
<td></td>
<td>Current Year Base Rate</td>
<td>Internal</td>
<td>9.99999999</td>
<td>Round to 8 decimals</td>
</tr>
<tr>
<td>Prior Year Base Rate</td>
<td>( \text{Round}(\text{Prior Year Base Rate} \times \text{Prior Year Rate Differential Factor} \times \text{Prior Year Unit Residual Factor}, 8) )</td>
<td></td>
<td>Prior Year Base Rate</td>
<td>Internal</td>
<td>9.99999999</td>
<td>Round to 8 decimals</td>
</tr>
<tr>
<td>Base Premium Rate</td>
<td>( \text{MIN}(\text{Current Year Base Premium Rate}, 1.2, \text{Prior Year Base Premium Rate}) \times 9.99999999 )</td>
<td></td>
<td>Base Premium Rate</td>
<td>P11</td>
<td>97</td>
<td>9.99999999</td>
</tr>
</tbody>
</table>

### Section 8: Optional Coverage (Additive 'A' and Multiplicative 'M')

**When the Rate Method Code is Additive, 'A':**

<table>
<thead>
<tr>
<th>Formula</th>
<th>Description</th>
<th>Rate Differential Factor</th>
<th>PRI</th>
<th>P11</th>
<th>999999.9999</th>
<th>Round to 4 decimal places</th>
</tr>
</thead>
<tbody>
<tr>
<td>Additive Optional Rate Adjustment Factor</td>
<td>( \sum \text{Option Rate} \times \text{Rate Differential Factor} )</td>
<td></td>
<td>Additive Optional Rate Adjustment Factor</td>
<td>Internal</td>
<td>999999.9999</td>
<td>Round to 4 decimal places</td>
</tr>
</tbody>
</table>

**When the Rate Method Code is Multiplicative, 'M':**

<table>
<thead>
<tr>
<th>Formula</th>
<th>Description</th>
<th>Rate Differential Factor</th>
<th>PRI</th>
<th>P11</th>
<th>999999.9999</th>
<th>Round to 4 decimal places</th>
</tr>
</thead>
<tbody>
<tr>
<td>Multiplicative Optional Rate Adjustment Factor</td>
<td>( \sum \text{Option Rate1} \times \text{Option Rate2} \times \text{Option Rate3} )</td>
<td></td>
<td>Multiplicative Optional Rate Adjustment Factor</td>
<td>Internal</td>
<td>999999.9999</td>
<td>Round to 4 decimal places</td>
</tr>
</tbody>
</table>

### Section 9: Revenue Coverage Add-on Rates, this section only applies to Insurance Plans PRH Plus 22 and PRH Revenue 23

<table>
<thead>
<tr>
<th>Formula</th>
<th>Description</th>
<th>Rate Differential Factor</th>
<th>PRI</th>
<th>P11</th>
<th>9.9999</th>
<th>Round to 4 decimal places</th>
</tr>
</thead>
<tbody>
<tr>
<td>Revenue Lookup Rate</td>
<td>( \text{MIN}(\text{Current Year Base Rate}, 1.2, 0.9999) )</td>
<td></td>
<td>Revenue Lookup Rate</td>
<td>Internal</td>
<td>9.9999</td>
<td>Round to 4 decimal places</td>
</tr>
<tr>
<td>Lookup Rate</td>
<td>Revenue Lookup Rate \times \text{Revenue Lookup Adjustment Factor}</td>
<td></td>
<td>Lookup Rate</td>
<td>Internal</td>
<td>9.9999</td>
<td>Round to 4 decimal places</td>
</tr>
</tbody>
</table>

### Adjusted Mean Quantity

<table>
<thead>
<tr>
<th>Formula</th>
<th>Description</th>
<th>Rate Differential Factor</th>
<th>PRI</th>
<th>P11</th>
<th>999999.999999</th>
<th>Round to 8 decimals</th>
</tr>
</thead>
<tbody>
<tr>
<td>Adjusted Mean Quantity</td>
<td>( \text{Approved Yield} \times \text{Mean Quantity} / 100 )</td>
<td></td>
<td>Adjusted Mean Quantity</td>
<td>Internal</td>
<td>999999.999999</td>
<td>Round to 8 decimals</td>
</tr>
</tbody>
</table>

### Adjusted Standard Deviation Quantity

<table>
<thead>
<tr>
<th>Formula</th>
<th>Description</th>
<th>Rate Differential Factor</th>
<th>PRI</th>
<th>P11</th>
<th>999999.999999</th>
<th>Round to 8 decimals</th>
</tr>
</thead>
<tbody>
<tr>
<td>Adjusted Standard Deviation Quantity</td>
<td>( \text{Approved Yield} \times \text{Standard Deviation Quantity} / 100 )</td>
<td></td>
<td>Adjusted Standard Deviation Quantity</td>
<td>Internal</td>
<td>999999.999999</td>
<td>Round to 8 decimals</td>
</tr>
</tbody>
</table>

For Yield Exclusion, the Approved Yield will be the greater of the calculated approved yield and the adjusted yield.

## Section 8: Optional Coverage

When the Rate Method Code is Additive, 'A':

- **Additive Optional Rate Adjustment Factor**: $\sum \text{Option Rate} \times \text{Rate Differential Factor}$, Round to 4 decimal places.

When the Rate Method Code is Multiplicative, 'M':

- **Multiplicative Optional Rate Adjustment Factor**: $\sum \text{Option Rate1} \times \text{Option Rate2} \times \text{Option Rate3}$, Round to 4 decimal places.

## Section 9: Revenue Coverage Add-on Rates

- **Revenue Lookup Rate**: $\text{MIN}(\text{Current Year Base Rate}, 1.2, 0.9999)$, Round to 4 decimal places.
- **Lookup Rate**: $\text{Revenue Lookup Rate} \times \text{Revenue Lookup Adjustment Factor}$, Round to 4 decimal places.

## Adjusted Mean Quantity

- **Adjusted Mean Quantity**: $\text{Approved Yield} \times \text{Mean Quantity} / 100$, Round to 8 decimals.

## Adjusted Standard Deviation Quantity

- **Adjusted Standard Deviation Quantity**: $\text{Approved Yield} \times \text{Standard Deviation Quantity} / 100$, Round to 8 decimals.
### Premium Calculation

<table>
<thead>
<tr>
<th>LnMean</th>
<th>Ln(Personal Projected Price) - (Price Volatility Factor)^2 / 2</th>
<th>LnMean</th>
<th>ADM</th>
<th>9.99</th>
</tr>
</thead>
</table>

<table>
<thead>
<tr>
<th>Yield Draw Quantity (i)</th>
<th>Yield Draw Quantity (i=1 to 500)</th>
<th>Yield Draw Quantity</th>
<th>ADM</th>
<th>599.999999999</th>
<th>None</th>
</tr>
</thead>
</table>

<table>
<thead>
<tr>
<th>Price Draw Quantity (i)</th>
<th>Price Draw Quantity (i=1 to 500)</th>
<th>Price Draw Quantity</th>
<th>ADM</th>
<th>599.999999999</th>
<th>None</th>
</tr>
</thead>
</table>

When Insurance Plan Code is PRH Plus '22' or PRH Revenue '23'

<table>
<thead>
<tr>
<th>Simulated PRH Yield Protection Losses Quantity</th>
<th>Σ Round(MAX(0, Approved Yield * Coverage Level Percent or Effective Coverage Level Percent - Round(Max(0, Yield Draw Quantity (i) * Adjusted Standard Deviation Quantity + Adjusted Mean),12)),12)</th>
<th>Simulated PRH Yield Protection Losses Quantity</th>
<th>Internal</th>
<th>999999999999999999999</th>
<th>Round to 12 decimals.</th>
<th>Sum of results for all iterations (i=1 to 500)</th>
</tr>
</thead>
</table>

<table>
<thead>
<tr>
<th>Simulated PRH Yield Protection Base Premium Rate</th>
<th>Round((Simulated PRH Yield Protection Losses Quantity / 500) / (Approved Yield * Coverage Level Percent or Effective Coverage Level Percent),8)</th>
<th>Simulated PRH Yield Protection Base Premium Rate</th>
<th>Internal</th>
<th>999999999999999999999</th>
<th>Round to 8 decimals.</th>
<th>Use 'Effective Coverage Level Percent' when Option Codes 'YC' (Yield Cup) and/or 'YE' (Yield Exclusion are present.</th>
</tr>
</thead>
</table>

When Insurance Plan Code is PRH Plus '22'

<table>
<thead>
<tr>
<th>Simulated PRH Plus Losses Quantity</th>
<th>Σ Round(MAX(0.000000000000, Approved Yield * Coverage Level Percent or Effective Coverage Level Percent * Approved Projected Price - Round(Max(0.000000000000, Yield Draw Quantity (i) * Adjusted Standard Deviation Quantity + Adjusted Mean),12)),12) * MIN(Approved Projected Price, Round(Ln(Personal Projected Price) - (Price Volatility Factor)^2 / 2,12)),12)</th>
<th>Simulated PRH Losses Quantity</th>
<th>Internal</th>
<th>999999999999999999999</th>
<th>Round to 12 decimals.</th>
<th>Sum of results for all iterations (i=1 to 500)</th>
</tr>
</thead>
</table>

<table>
<thead>
<tr>
<th>Simulated PRH Plus Base Premium Rate</th>
<th>Round((Simulated PRH Plus Losses Quantity / 500) / (Approved Yield * Coverage Level Percent or Effective Coverage Level Percent * Approved Projected Price),8)</th>
<th>Simulated PRH Plus Base Premium Rate</th>
<th>Internal</th>
<th>999999999999999999999</th>
<th>Round to 8 decimals.</th>
<th>Use 'Effective Coverage Level Percent' when Option Codes 'YC' (Yield Cup) and/or 'YE' (Yield Exclusion are present.</th>
</tr>
</thead>
</table>

<table>
<thead>
<tr>
<th>PRH Plus Add On Rate</th>
<th>Round(MAX(Simulated PRH Plus Base Premium Rate - Simulated PRH Yield Protection Base Premium Rate, 0.01 * Base Premium Rate),8)</th>
<th>PRH Plus Add On Rate</th>
<th>Internal</th>
<th>999999999999999999999</th>
<th>Round to 8 decimals.</th>
<th>This is a control meant to ensure that the premium rate associated with PRH Plus is at least 1% greater than the basic Base Premium Rate where the Price Volatility Factor is NOT EQUAL to 0.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Section 10: Premium Rate</td>
<td></td>
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</tr>
<tr>
<td><strong>PRH Yield (21)</strong></td>
<td></td>
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</tr>
<tr>
<td>Premium Rate</td>
<td>MIN(999, Base Premium Rate * Unit Structure Discount Factor Multiplicative Optional Rate Adjustment Factor + Additive Optional Rate Factor)</td>
<td></td>
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<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>PRH Plus (22)</strong></td>
<td></td>
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<td></td>
<td></td>
</tr>
<tr>
<td>Premium Rate</td>
<td>MIN(999, Base Premium Rate * Unit Structure Discount Factor Multiplicative Optional Rate Adjustment Factor + Additive Optional Rate Factor + PRH Plus Add On Rate)</td>
<td></td>
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</tr>
<tr>
<td><strong>PRH Revenue (23)</strong></td>
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</tr>
<tr>
<td>Premium Rate</td>
<td>MIN(999, Base Premium Rate * Unit Structure Discount Factor Multiplicative Optional Rate Adjustment Factor + Additive Optional Rate Factor + PRH Revenue Add On Rate)</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Section 11: Total Premium Amount, Subsidy Amount and Producer Premium Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>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.</td>
</tr>
<tr>
<td>Preliminary Total Premium</td>
</tr>
<tr>
<td>Total Premium Amount</td>
</tr>
<tr>
<td>Subsidy Amount</td>
</tr>
<tr>
<td>Producer Premium Amount</td>
</tr>
</tbody>
</table>
### Section 12: Beginning Farmer Rancher, Veteran Farmer Rancher, Conservation Compliance and Native Sod Subsidy

<table>
<thead>
<tr>
<th>Section 12: Beginning Farmer Rancher, Veteran Farmer Rancher, Conservation Compliance and Native Sod Subsidy</th>
<th>Base Subsidy Amount</th>
<th>BFR/VFR Subsidy Amount</th>
<th>CC Subsidy Reduction Percent</th>
<th>Native Sod Subsidy Amount</th>
<th>CC Subsidy Reduction Amount</th>
<th>Subsidy Amount</th>
<th>Producer Premium Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Section 12: Beginning Farmer Rancher, Veteran Farmer Rancher, Conservation Compliance and Native Sod Subsidy</td>
<td>= Total Premium Amount * Subsidy Percent</td>
<td>= Total Premium Amount * 0.10 *(1 - CC Subsidy Reduction Percent)</td>
<td>= Base Subsidy Amount * CC Subsidy Reduction Percent</td>
<td>= Total Premium Amount * 0.50</td>
<td>= Base Subsidy Amount + BFR/VFR Subsidy Amount - Native Sod Subsidy Amount - CC Subsidy Reduction Amount</td>
<td>= Total Premium Amount - Subsidy Amount</td>
<td>= Total Premium Amount - Subsidy Amount</td>
</tr>
<tr>
<td>Section 12: Beginning Farmer Rancher, Veteran Farmer Rancher, Conservation Compliance and Native Sod Subsidy</td>
<td>Internal</td>
<td>Internal</td>
<td>P11</td>
<td>Internal</td>
<td>P11</td>
<td>Internal</td>
<td>P11</td>
</tr>
<tr>
<td>Section 12: Beginning Farmer Rancher, Veteran Farmer Rancher, Conservation Compliance and Native Sod Subsidy</td>
<td>9999999999</td>
<td>9999999999</td>
<td>76</td>
<td>9.9999</td>
<td>11</td>
<td>9999999999</td>
<td>94</td>
</tr>
<tr>
<td>Section 12: Beginning Farmer Rancher, Veteran Farmer Rancher, Conservation Compliance and Native Sod Subsidy</td>
<td>Round to whole number</td>
<td>Round to whole number</td>
<td>None</td>
<td>Round to whole number</td>
<td>CC Subsidy Reduction Amount. If Applicable; else 0. 0.10 (10%).</td>
<td>Subsidy Amount cannot exceed Total Premium Amount. Subsidy Amount will be cupped at $0.</td>
<td>Round to whole number</td>
</tr>
</tbody>
</table>

- **Base Subsidy Amount** = Total Premium Amount * Subsidy Percent
- **BFR/VFR Subsidy Amount** = Total Premium Amount * 0.10 *(1 - CC Subsidy Reduction Percent)
- **CC Subsidy Reduction Percent** = Base Subsidy Amount * CC Subsidy Reduction Percent
- **Native Sod Subsidy Amount** = Total Premium Amount * 0.50
- **Subsidy Amount** = Base Subsidy Amount + BFR/VFR Subsidy Amount - Native Sod Subsidy Amount - CC Subsidy Reduction Amount
- **Producer Premium Amount** = Total Premium Amount - Subsidy Amount