



LIVESTOCK RISK PROTECTION (LRP) FED CATTLE

The Livestock Risk Protection Insurance Plan — Fed Cattle (LRP-Fed Cattle) is designed to insure against declining market prices.

Farmers may choose from a variety of coverage levels and insurance periods that correspond with the time their market-weight cattle would normally be sold.

Farmers may buy LRP-Fed Cattle throughout the year from a

ProAg approved livestock insurance agent. Premium rates, coverage prices, and actual ending values are posted daily by the Risk Management Agency (RMA) online.

The farmer may choose a coverage price ranging from 70-100% of the Expected Ending Value. At the end of the insurance period, if the actual ending value is below the coverage price, the farmer may receive an indemnity payment for the difference between the coverage price and actual ending value.

AVAILABILITY

A Livestock Risk Protection Insurance Policy application must be submitted. Once accepted, it is considered a continuous policy. The specific coverage endorsements are not continuous and are only effective for the period stated.

**UP TO
12,000
HEAD**

**WEIGHING UP TO
1,600 LB
AT PERIOD END**

**ANNUAL LIMIT
25,000 HEAD
PER FARMER/CROP YEAR**

The farmer may buy specific coverage endorsements for up to 12,000 head of heifers and steers (weighing between 1,000 and 1,600 pounds) that will be marketed for slaughter near the end of the insurance period. The annual limit for LRP-Fed Cattle is 25,000 head per farmer for each crop year (July 1 to June 30).



The length of insurance coverage available for each specific coverage endorsement is 13, 17, 21, 26, 30, 34, 39, 43, 47, or 52 weeks.



SUBSIDY LEVELS

LRP-Fed Cattle insurance is a federally subsidized product available in all counties in all states.

Coverage level	70% - 79.99%	80% - 84.99%	85% - 89.99%	90% - 94.99%	95% - 100%
Subsidy	55%	50%	45%	40%	35%

See more benefits at ProAg.com/LRPInsurance.

BUYING A POLICY

The LRP-Fed Cattle program's coverage prices, rates, actual ending values and per hundredweight cost of insurance may be viewed on the RMA website at www.rma.usda.gov/tools/livestock.html. The actual ending values are based on weighted prices from USDA's Agricultural Marketing Service. Actual ending values are posted on the RMA's website at the end of the insurance period.

LRP coverage sales are typically offered every market trading day. These begin in the afternoon, shortly after market close and run until exactly 8:25 a.m. CST the following morning.

LRP-Fed Cattle insurance can be purchased through a ProAg certified livestock insurance agent. An application can be filled out at any time. However, insurance does not attach until the farmer buys a specific coverage endorsement. The premium billing date is the first day of the month following the end date for the specific coverage endorsement and is listed in the Actuarial Documents. The farmer may buy multiple specific coverage endorsements with one application. Insurance coverage starts the day the farmer buys a specific coverage endorsement and RMA approves the purchase.

PREMIUM CALCULATION EXAMPLE:

An operation has 50 head of fed cattle and expects to market the fed cattle at a target weight of 11 cwt each. The insured share is 100%. The expected ending value is \$68.42 per live cwt and the farmer selects a coverage price of \$65 per live cwt. For this coverage price the rate is 1.3990%. The premium subsidy is 35%. The premium is calculated by:

- | | |
|---|--|
| <p>1 50 head
x 11 cwt
= 550 cwt</p> <p>2 550 cwt.
x \$65 coverage price
= \$35,750</p> <p>3 \$35,750
x 1.00 insured share
= \$35,750 insured value</p> | <p>4 \$35,750
x .013990 rate
= \$500 total premium</p> <p>5 \$500
x .35 farmer premium subsidy percentage
= \$175</p> <p>6 \$500 total premium
- \$175 premium subsidy
= \$325 farmer premium</p> |
|---|--|

INDEMNITY CALCULATION EXAMPLE:



For the above operation with 50 head of fed cattle, a target weight of 11 cwt, an insured share of 100%, and a coverage price of \$65 per live cwt, the actual ending value is equal to \$60 per live cwt. Since \$60 is less than the coverage price of \$65, an indemnity is due.

Indemnity is calculated by:

- | | |
|---|--|
| <p>1 50 head
x 11 cwt
= 550 cwt</p> <p>2 \$65 coverage price
- \$60 actual ending value
= \$5/cwt</p> | <p>3 550 cwt
x \$5/cwt
= \$2,750</p> <p>4 \$2,750
x 1.00 insured share
= \$2,750 indemnity payment</p> |
|---|--|

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Agriculture is America's most important industry, delivering essential food, fuel and fiber to the world. ProAg is proud to protect American farmers and ranchers with innovative crop insurance solutions — bringing together industry-leading resources and personal service to deliver superior experiences for agents and policyholders.

Many of our team members are farmers and ranchers, bringing important insights, experience and compassion to our work.

Together with our agency partners, we help policyholders navigate risks, recover financially from unexpected perils and grow with confidence.

Everything we do today helps us prepare for tomorrow. Combining industry knowledge, confidence, an A++ financial rating from A.M. Best and support from our parent company, Tokio Marine HCC, we make strategic moves to ensure we'll be there for policyholders year after year.



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