



RPowerD™

*Greater flexibility in marketing crops by providing
added protection from fluctuating prices*



for all the *great* you do®

RPowerD™

Overview

RPowerD allows greater flexibility in marketing crops and added protection from fluctuating prices. By providing optional price discovery methods, RPowerD enables producers to potentially receive additional policy benefits. Optional price discovery methods include:

- Individual coverage up to 86%, 90% or 95%
- Current market price
- Option to elect one or more price discovery periods
- Ability to customize price and liability
- ECO and SCO offsets available
- Flexibility to “buy-up” your RPowerD price throughout the season

Eligibility

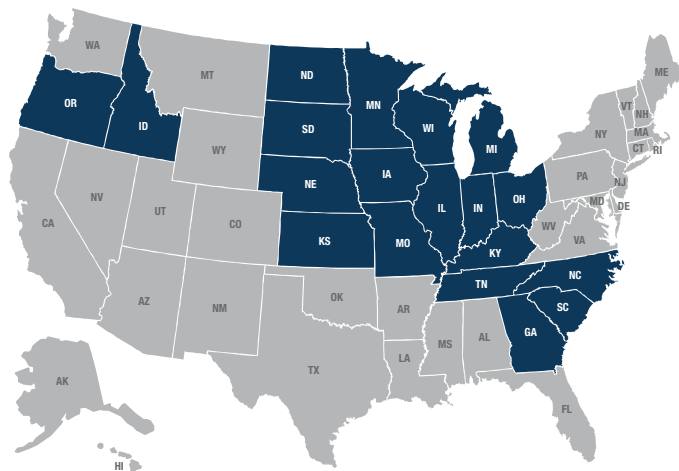
Currently available for corn and soybeans, the RPowerD product allows producers to lock-in the current market price, defined as the previous day's closing price as stated in the premium quoting tool. It also offers producers the option to choose additional price discovery periods. First half-month, last half-month and full month interval price discovery periods are available through the following decision dates:

- 5th day of the month — First half-month interval
- 20th day of the month — Last half and full month intervals

The difference between the highest alternative price discovery elected under RPowerD and the projected Spring price is limited to the below amounts. Alternatively, producers may choose from several MPCl price cap options that are less than these policy limits.

- \$1.20 Corn (\$0.05 increments)
- \$2.50 Soybeans (\$0.10 increments)

RPowerD is available in most counties of the highlighted states below where there is an existing Revenue Protection offer for the eligible crop.



The producer must pick the coverage level of Revenue Protection (RP) insurance plan for the insured crop before their first alternative price discovery method is chosen through RPowerD. While the producer will not be bound to this selection for their MPCl purchase later in the spring, RPowerD will determine benefits based on this initial choice. Additionally:

- RPowerD coverage applies at the enterprise unit level
- Producers must declare their intended acres for each crop at the time of sign-up
- Producers must insure all of their acres of a crop in a county

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Policy Provision Highlights

- Producer must select at least one Price Discovery Method when a policy is purchased and may select additional price discovery periods until the RMA sales closing date of the applicable crop in their county.
- RPowerD must be purchased annually and does not renew automatically.
- No purchase will be allowed when previous policy premiums remain outstanding.
- Producer must provide the actual production and insured acres for the current crop year by type, practice and unit, no later than 30 days after the earlier of the harvest completion date or the end of the insurance period.

It is possible that the projected and harvest prices established under CEPP will be greater than any of the price discovery options chosen by the producer under RPowerD. In this situation, the RPowerD premium will still be due, but no RPowerD indemnity will be paid. In other words, there is no RPowerD liability under these circumstances.

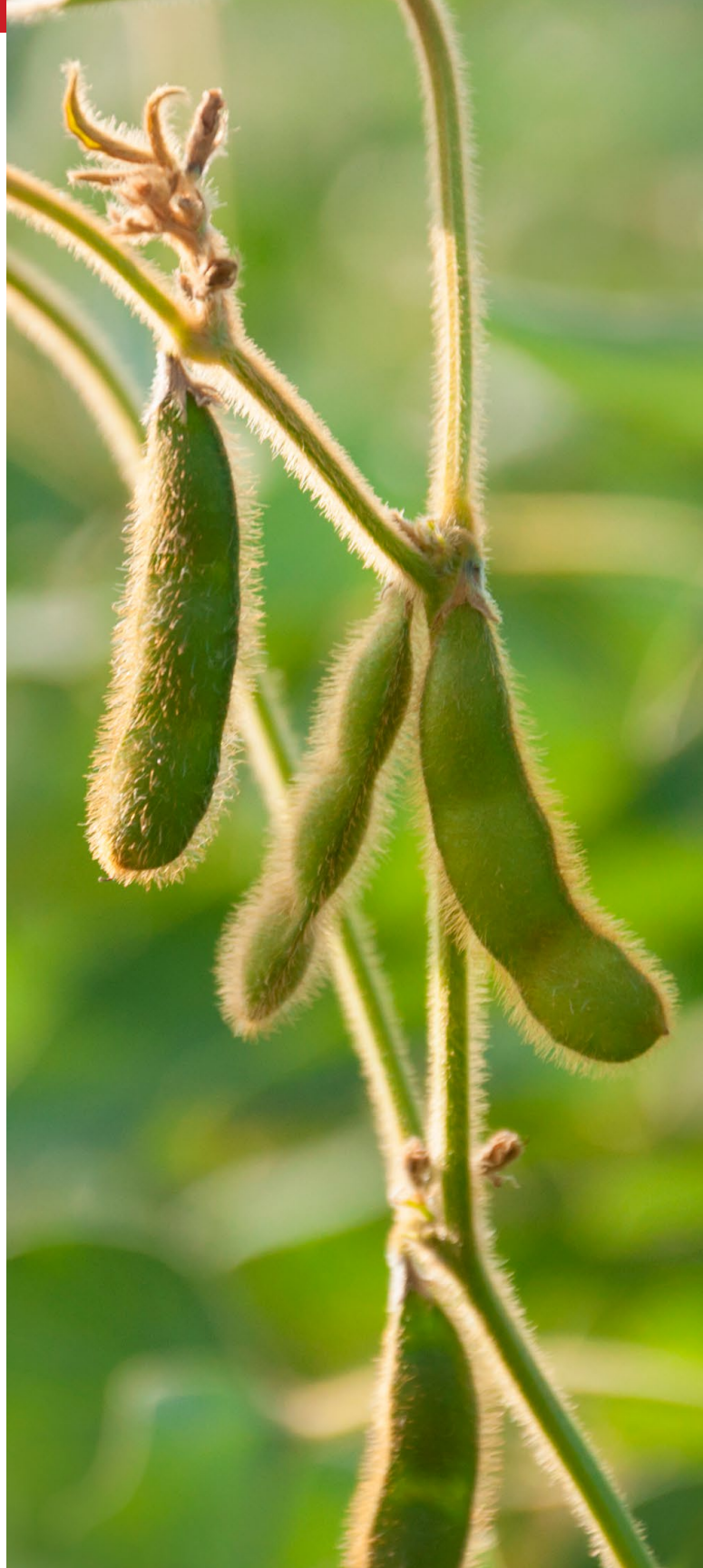
It is also possible that although the RPowerD price could be higher than the projected or harvest prices established under the CEPP, the value of the production-to-count might exceed the RPowerD trigger revenue. In that case, no indemnity would be owed.

Note: Failure to purchase any MPCl insurance coverage on or before the sales closing date established by RMA will result in the cancellation of this policy for the crop year.



SCO and ECO Offsets

- Insureds have the option to credit any SCO (Supplemental Coverage Option) or ECO (Enhanced Coverage Option) indemnity(ies) toward their RPowerD indemnity.
- This offset reduces the premium cost of RPowerD while taking advantage of flexible pricing options alongside higher coverage levels available through area-based endorsements.
- Keep in mind, SCO and ECO indemnities can't be calculated until the USDA's Risk Management Agency (RMA) releases county-level yield data—usually around June 1 of the following year. Once that data is available, any approved RPowerD indemnity will be issued within 30 days.
- All SCO and ECO offsets are calculated using a 100% protection factor, regardless of the protection factor elected by the insured on their endorsement.
- Insureds do not need to match their RPowerD coverage level to qualify for SCO or ECO offsets. For example, a grower can choose a lower RPowerD coverage level (like 70% or 75%) and still elect:
 - an SCO offset,
 - an ECO offset at 86–90%, or
 - an ECO offset at 86–95%.



The below analysis tools for RPowerD are available on the Watts and Associates agent eVantage website agentevantage.com.

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Simple Analysis of Price & Yield Scenarios

What If			Premiums	
TA: ☒ Yes ☐ No	Adj Yield:	225	RPowerD:	\$40.54
	RPowerD Price:	\$6.50	ECO:	Opt-Out
	MPCI Projected Price:	\$5.00	SCO:	Opt-Out
	Harvest Price:	\$4.75	RP EU: ?	\$10.82
	Final Farm Yield:	230	Total:	\$51.36
	Final RMA County Yield:	200.0		

Maximum of RP or RPowerD Revenue Trigger (\$/ac)		\$1,264.80
RP Crop Insurance Revenue ?		\$1,092.50
RP EU Indemnity Offset ?		\$0.00
SCO Offset ?		NA
ECO Offset ?		NA
RPowerD Indemnity/Ac ?		\$116.75
MPCI Projected Price		\$5.00
Price Movement Limit		\$1.20
Calculated RPowerD Price ?		\$6.20
Total Crop Insurance Revenue		\$1,209.25

RPowerD Matrix Calculator Tool RP Profit Matrix

Year	Harvest Revenue	Prem: \$40.54	\$/ac of Subsidy: \$33 Price Trigger: \$4.25 Yield Trigger: 204.0 Revenue Trigger: \$1,020 Est Prem: \$29.14 RP(85)
		RPowerD(85/85)	
2013	\$1,002.23	\$0.00	\$385.05
2014	\$749.71	\$106.80	\$336.17
2015	\$1,092.62	\$87.37	\$32.11
2016	\$1,162.65	\$22.86	\$91.10
2017	\$1,079.03	\$23.11	\$174.23
2018	\$1,304.33	\$0.00	\$0.00
2019	\$1,291.49	\$3.99	\$0.00
2020	\$1,225.07	\$23.70	\$27.01
2021	\$1,873.12	\$0.00	\$41.29
2022	N/A	N/A	N/A
Net \$/ac/yr Cash Flow: Frequency of claims:		\$(13.76) 6	\$79.55 7

Historical Indemnity Analysis with Net Dollars Per Acre Per Year on Average Cash Flow Comparison

Farm Yields	166	178	190	202	214	226	248	264	276
County Yields	148	159	170	180	191	202	215	236	247
\$9.33	\$690.58	\$690.58	\$690.58	\$690.58	\$783.88	\$895.84	\$1,026.46	\$1,250.38	\$1,362.34
\$8.59	\$539.62	\$539.62	\$539.62	\$539.62	\$625.52	\$728.60	\$848.86	\$1,055.02	\$1,158.10
\$7.85	\$388.66	\$388.66	\$388.66	\$388.66	\$467.16	\$561.36	\$671.26	\$859.66	\$953.86
\$7.11	\$237.70	\$237.70	\$237.70	\$237.70	\$308.80	\$394.12	\$493.66	\$694.30	\$749.62
\$6.37	\$86.74	\$86.74	\$86.74	\$86.74	\$150.44	\$226.88	\$316.06	\$468.94	\$545.38
\$5.66	\$17.38	\$17.38	\$17.38	\$17.38	\$48.68	\$111.62	\$193.66	\$334.30	\$404.62
\$5.36	\$(33.62)	\$(33.62)	\$(33.62)	\$(33.62)	\$16.82	\$25.34	\$73.96	\$202.30	\$266.62
\$4.85	\$(70.34)	\$(70.34)	\$(70.34)	\$(70.34)	\$(61.39)	\$(32.29)	\$1.66	\$67.66	\$125.86
\$4.35	\$(70.34)	\$(70.34)	\$(70.34)	\$(70.34)	\$(70.34)	\$(70.34)	\$(58.34)	\$(8.14)	\$19.96

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Example

1. Let's assume the following prices:

CEPP Spring Projected Price	\$5.25
Dec 1- Dec 31 Alternative Price Discovery Period	\$5.10
April 1 - April 30 Alternative Price Discovery Period	\$5.50
RMA Harvest Price	\$5.50

The indemnity payable for the RP insurance plan is \$120,0000.

The April 1- 30 Alternative Price Discovery price of \$5.50 is the highest of the alternative or projected prices.

2. Now let's assume that that our producer selected a **RPowerD** price cap of \$.25. Since the \$5.50 highest projected price is greater than the \$5.25 CEPP projected price but less than or equal to the maximum price movement limit (the CEPP price + the RpowerD cap), *an indemnity may be payable*.

RPowerD online

All premium estimates are provided through a secure interactive web portal. Agents can help a grower get a quote, customize coverage and even complete an application through this portal.

3.	Let's assume our producer's production-to-count is 150,000 bushels, and that he has 200 APH at .90 coverage level.	200 <u>x .90</u> 180.0 bushels
4.	Now multiply bushels by the \$5.50 highest price discovery under RPowerD.	180.0 <u>x \$5.50</u> \$990.00
5.	For this example, our producer has 1,000 acres of corn to insure in the county.	\$990.0 <u>x 1,000</u> \$990,000
6.	Now, multiply the original production-to-count by the approved RMA harvest price.	150,000 <u>x \$5.00</u> \$750,000
7.	Subtract from highest projected price calculation.	\$990,000 <u>- \$750,000</u> \$240,000
8.	Subtract the indemnity offsets calculated from the underlying RP and ECO Plans.	\$240,000 <u>-\$125,000</u> \$115,000
9.	Multiply by the Liability Adjustment factor*.	\$115,000 <u>x 1</u> \$115,000

The RPowerD indemnity for this example is

\$115,000

**The Liability Adjustment factor is chosen by the insured from a given range, impacting premium and loss payments.*



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