



Issue: 180816a NAU

MPowerD[™] - Estimate MP-HPO Base Policy Premium Credit

August 21, 2018

All the tools an agent needs to learn, analyze, and sell MP-HPO are located in the MPowerD estimator at <u>www.agentevantage.com</u>. You can see more detail from the previous RPG about Print Packets <u>here</u>.

The Margin Policy base policy premium credit is designed to credit back the cost of MP premium on duplicate risks covered by both the Margin Protection and the Base Policy. Actual MP credit will only be known once the Base Policy guarantee and premium is known.

The Maximum Margin Protection Premium Credit for a Base Policy is the lessor of: 70% of the total unsubsidized premium on the Base Policy x MP producer paid percent of the total MP premium or; 70% of the total unsubsidized premium on the Margin Protection Policy x MP producer paid percent of the total MP premium. The minimum MP unsubsidized total premium will be at least \$0.50/acre.

2018 farm yields are not considered in the modeled relationship between farm and county yields used in the MP credit calculation. The ten most recent year's yields between 1994 and 2017 will be used in the modeling relationship between farm and county yields used in the MP credit calculation. MP premium credits are calculated on Unit by Unit basis and then summed.

Protecting Farm Wealth. MPowerD Premium Estimator for 2019 Crop Year								
Esti		Actuarial Information				Tools		
=	Margin Protection Premium Marg		in Scenario Calculator		Historical Crop Information			
Margin Protection 🕖	Underlying Pl	an: MP-HPO Vola	tility: 16.52 %	Non-Irrigate	ed			
MPowerD & MP Coverage 95 % Note: The estimate of MP Pre								D Dramium
Protection Factor	120 %		Credit in this part of Agent eVantage is based on the Projected Price and					
Projected Price	\$4.04							
Expected County Yiel	163.7		Volatility shown.					
Projected Cost Per Ad	: 🕡			\$317.69				Once lower
Liability Per Ac 🕡				\$753.94				section is set
Producer Premium				\$42.44				up click this button
Producer MP Premiur	n Credit			\$14.57				
Calculate Estimated Premium Credit Choose "Yes" to Estimate Base Policy Credit Calculate Premium Credit Historical weighted average actual farm yields on this crop year's intended acres O Link opens Spreadsheet to calculate weighted								
Non-Irrigated - Historical Farm Yields C Default Yields in this section are average yields from AIP Yield Report								
2017 185.0	2016 188.0	historical MP	county yiel roducer's we		013	187.0	Approved Y	ield
2012 69.0	2010 188.0	average harves	st yields and	estimate of	008	160.0	180	
		2019 weighte	ed average A Yield.	pproved				
Margin Protection Inform			neiu.		ļ			
Base MPCI Insurance Plan MPCI Coverage Level Choose Base Policy type and coverage level.								
Print	Print F	Package						

Next week's RPG will review the Analytic Tools section of <u>www.AgenteVantage.com</u> where agents can do "What-if" estimates of MP credit based on various Base Policy Projected Price and Volatility scenarios



NAU Country Insurance Company Corporate Phone: 763.427.3770 Toll Free: 800.942.6557



RPowerD is a supplemental private insurance product, not part of federal crop insurance. This information is provided by and is the Proprietary Property of Watts and Associates, Inc. who is solely responsible for the representations made herein. All information is believed to be reliable but cannot be guaranteed. Watts and Associates, Inc. has developed this proprietary material for the sole use of its customers and has exclusive ownership rights in part or all of its format and content. The content of this material, regardless of the format in which it is presented, including orally, in print, or electronically, may not be further Disseminated. This material is protected by law. Copyright © 2018 Watts & Associates, Inc. of Billings, MT. All Rights Reserved. © 2018 NAU Country Insurance Company. All rights reserved. NAU Country Insurance Company is an equal opportunity provider. QBE and the links logo are registered service marks of QBE Insurance Group Limited. NAU is a registered service mark of NAU Country Insurance Company.