

Revenue Accelerator Max Protection



Farmers Mutual Hail
Insurance Company of Iowa

HOW DOES RAMP YIELD WORK?

RAMP Yield (RY) is a plan that pays based on where the production to count (harvested bushels) falls within the selected coverage band.

HOW RAMP BAND IS DETERMINED

The chart to the right lists the available options for an insured whose MPCl policy is at the 85% level. Options vary by MPCl level.

1. Select from available options applicable to the MPCl Coverage
2. Multiply the approved yield by the upper percentage of the coverage band
3. Multiply the approved yield by the lower percentage of the coverage band
4. Subtract the results of (3) from the results of (2) to determine the total bushels in the band

RAMP Yield Band of Coverage: 95-85% APH: 200 bu./acre

$$200 \text{ bu./acre} \times 95\% = \mathbf{190 \text{ bu.}}$$

$$200 \text{ bu./acre} \times 85\% = \mathbf{170 \text{ bu.}}$$

RAMP band of coverage 190 bu. to 170 bu.

$$190 \text{ bu.} - 170 \text{ bu.} = \mathbf{20 \text{ bu. Total Bushels in Band}}$$

MPCl Level	Upper Percentage of Coverage Band	Lower Percentage of Coverage Band
85%	95%	85%
	95%	50%
	95%	0%
	90%	80%
	90%	50%
	90%	0%
	85%	75%
	85%	50%
85%	0%	

Options available for insureds with 85% MPCl coverage

HOW RAMP YIELD COVERAGE IS DETERMINED

The applicant determines how much coverage is needed. The applicant selects the limit of insurance per acre by using one of two methods: the applicant selects the limit of insurance per acre from a range of \$50 to \$150 per acre; or the applicant determines the limit of insurance per acre following the steps below.

1. Select a percentage of the MPCl projected price. The percent of the projected price can be a minimum of 50% up to 100% in 5% increments.
2. Multiply the percentage of the MPCl projected price by the MPCl projected price.
3. Multiply the result of (2) by the total bushels in band and the share.

Percentage of MPCl Projected Price: 80% Share: 100%

MPCl Projected Price: \$4.00/acre Total Bushels in Band: 20

$$80\% \times \$4.00 = \mathbf{\$3.20/acre}$$

$$\$3.20 \times 20 \times 100\% = \mathbf{\$64.00 \text{ Insurance per Acre}}$$

This worksheet is for illustrative purposes only and is not a contract. It is intended to provide a general overview of the plan described. Only the insurance policy can give the actual terms, coverage, amounts, conditions and exclusions.

HOW RAMP YIELD INDEMNITY IS DETERMINED

Follow the steps below.

1. Determine the total RAMP limit of insurance.
2. Divide your production to count per acre by your approved yield bushels.
3. Subtract the results of (2) from the upper percentage of the coverage band.
4. Divide the result of (3) by the spread in the coverage band.
5. Take the result in (4) and multiply by the total RAMP limit of insurance per acre to determine the indemnity payable.

Coverage Band: 95%-85% Approved Yield Bushels: 200 bu./acre

Acres: 80 Share: 100%

Production to Count: 180 bu./acre RAMP Coverage Per Acre: \$64/acre

$$\$64/acre = \mathbf{\text{Total Limit of Insurance per Acre}^*}$$

$$180 \text{ bu./acre} \div 200 \text{ bu./acre} = \mathbf{.90}$$

$$.95 - .90 = \mathbf{.05}$$

$$.05 \div .10 = \mathbf{.50}$$

$$.50 \times \$64/acre = \mathbf{\$32.00 \text{ per Acre Indemnity Payment}}$$

**The total Insurance of the Crop (MPCl and RAMP Coverage) cannot exceed the total value of the crop.*

HOW DOES RAMP REVENUE WORK?

RAMP Revenue (RR) is a plan that pays based on where the harvest revenue falls within the selected coverage band.

HOW RAMP BAND IS DETERMINED

The chart to the right lists the available options for an insured whose MPCl policy is at the 85% level. Options vary by MPCl level.

1. Select from available options applicable to the MPCl Coverage
2. Multiply the approved yield by the upper percentage of the coverage band
3. Multiply the approved yield by the lower percentage of the coverage band
4. Subtract the results of (3) from the results of (2) to determine the total bushels in the band

RAMP Yield Band of Coverage: 95-50% APH: 200 bu./acre

200 bu./acre x 95% = **190 bu.**

200 bu./acre x 50% = **100 bu.**

RAMP band of coverage 190 bu. to 100 bu.

190 bu. - 100 bu. = **90 bu. Total Bushels in Band**

MPCI Level	Upper Percentage of Coverage Band	Lower Percentage of Coverage Band
85%	95%	85%
	95%	50%
	95%	0%
	90%	80%
	90%	50%
	90%	0%
	85%	75%
	85%	50%
	85%	0%

Options available for insureds with 85% MPCl coverage

HOW RAMP REVENUE INDEMNITY IS DETERMINED

Follow the steps below.

1. Determine the total RAMP limit of insurance.
2. Multiply the production to count by the MPCl harvest price to determine the harvest revenue.
3. Divide the result of (2) by the approved yield revenue.
4. Subtract the result in (3) from the upper percentage of the coverage band.
5. Divide the result in (4) by the spread in the coverage band.
6. Take the result in (5) and multiply by the total limit of insurance per acre to determine the indemnity payable.

Spring Price: \$4.00	Approved Yield: 200 bu./acre
Coverage Band: 95%-50%	Approved Yield Revenue: \$800/acre
Acres: 80	MPCI Harvest Price: \$3.50/bu.
Share: 100%	Coverage Per Acre: \$100/acre
Production to Count: 137.5 bu./acre	

\$100/acre = **Total Limit of Insurance per Acre***

137.5 bu./acre x \$3.50/bu. = **\$481.25/acre**

\$481.25/acre ÷ \$800/acre = **.6016**

.95 - .6016 = **.3484**

.3484 ÷ .45 = **.7742**

.7742 x \$100/acre = **\$77.42 per Acre Indemnity Payment**

*The total Insurance of the Crop (MPCI and RAMP Coverage) cannot exceed the total value of the crop.

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