NAU Country
A QBE Insurance Company

RPG Revenue Power Guide

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Welcome to RPowerD™

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RPowerD™ Liability Adjustment Factor

By accurately selecting the Liability Adjustment Factor when quoting a RPowerD policy, producers who have forward marketed, placed in a marketing pool, or hedged part of their crop can save money on premium by eliminating the doubling up of revenue protection on bushels that have already been forward contracted, and thus have a price floor.

A Liability Adjustment Factor Calculator is available by clicking the Excel icon link in www.agentevantage.com RPowerD Estimator. A video on how to use the calculator is located at this link.

Using the Liability Adjustment Factor calculator to create the example below, we see a 200 bu/ac approved yield with RP 85% and RPowerD 85% the policy trigger is 170 bu/ac. The producer has sold 50 bushels per acre which is 30% of his guaranteed bushels (25% of his expected crop). This means he can use a 70% Liability Factor when buying his RPowerD™ policy.

Liability Adjustment Factor bushel calculator worksheet helps the agent determine the correct factor use when quoting RPowerD policies for producers who want to limit their downside safety net coverage to un-marketed guaranteed bushels only.

The tan cells indicate editable input values — 1/8/2018

Crop	Corn	Policy holder name	Agent name		Crop year	2018
	200.0	Approved Yield (bu/ac)		200.0	Approved Yield (bu/ac)	
x	85%	RP Coverage Level	x	85%	RPowerD Coverage Level	
	170.0	Indicated RP Policy Bushel Trigger (bu/ac)		170.0	RPowerD Policy Bushel Coverage (bu/ac)	
-	50.0	Crop Forward Contracted (bu/ac)				
=	120.0	non-forward marketed bushels/acre with downside revenue risk and opportunity to benefit from a RPowerD policy				

non-forward marketed grain (bu/ac)		RPowerD Policy Bushel Coverage (bu/ac)		**Liability Factor to use on RPowerD Quote**
120.0	/	170.0	=	**70%**

Producer with marketed saved 25% of expected crop forward
30% on their RPowerD policy when using the correct Liability Factor.

When the RPowerD Coverage level matches the indicated RP coverage level, for every lost bushel (less than 170 bu/ac produced) the producer will be paid the higher of the: Projected Price, Harvest Price, or RPowerD price (up to the Max Price Movement selected). Ultimately producers will get paid the forward contract price on contracted bushels that were guaranteed by the RP policy. If they have a bushel shortfall and manage the cancelation of the grain contract effectively, the RP policy's Harvest Price will cover any futures price differences between the sale price and the cancelation price should the Harvest Price end up being higher than the Projected or RPowerD price.

When the RPowerD coverage level exceeds the RP coverage level and the harvest price is at or below the RPowerD Price, the producer will be paid the RPowerD price on each bushel below the RPowerD bushels covered up to the policy's liability limit. If the Harvest Price is over the RPowerD price the bushel trigger drops relationally to the amount thereby effectively reducing the RPowerD bushel trigger the same way a RP-HPE policy works.

Adjusting the Liability Factor of the RPowerD™ policy to match the percent of guaranteed bushels needing coverage will reduce the policy cost but will not reduce the payout triggers.

RPowerD™ revenue powerd
Preserving Farm Wealth.

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