


## MPowerD™ - What-if analysis of MP Base Policy Premium Credit

August 23, 2018

All the tools an agent needs to learn, analyze, and sell MP-HPO are located in the MPowerD estimator at [www.agentevantage.com](http://www.agentevantage.com). You can learn about creating a MP or MP-HPO quote with an estimate of the Base Policy credit if the Base Policy's Projected Price and Volatility matches the MP policy's from the previous RPG [here](#).

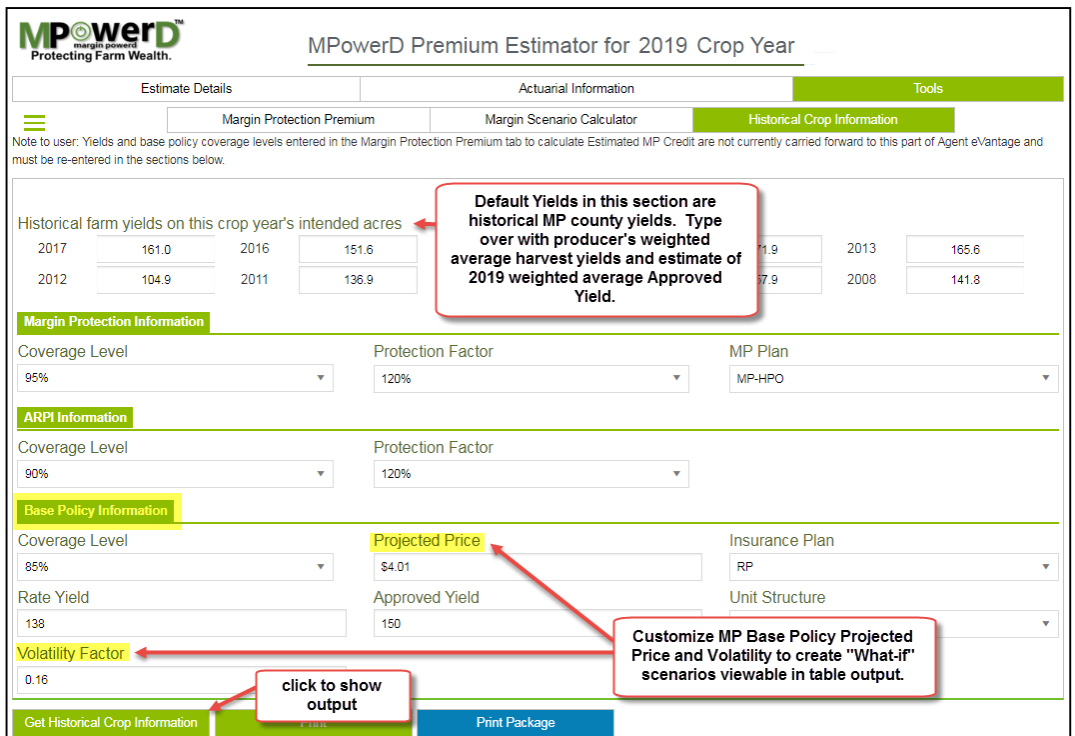
From the historical Projected Price table below, one can clearly see the Base Policy Projected Price will not match the MP Projected Price. Agents can evaluate "What-if" scenarios of estimated MP Base Policy Premium Credit in the "Historical Crop Information" section of the MPowerD estimator using various Projected Prices and Volatilities for the MP Base Policy.

Remember, the Margin Policy base policy premium credit is designed to credit back the cost of MP premium on duplicative 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 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. Actual MP premium credits will be calculated on Unit by Unit basis and then summed.

Click the  icon in the table output to calculate premiums and MP Base Policy Premium Credits for all the policies and coverage levels you want to compare.

Please contact your Rep to schedule a local producer meeting and/or review all the features of the MPowerD estimator and analytic resources available within [www.AgentVantage.com](http://www.AgentVantage.com) to help your producers take less risk and make more revenue.

	MP Projected		RP Projected		MP Premium to RP Projected Price	Absolute Value of Price Change	MP Projected		RP Projected		MP Premium to RP Projected Price	Absolute Value of Price Change
	MP Projected	RP Projected	MP Projected	RP Projected	MP Premium to RP Projected Price	Absolute Value of Price Change	MP Projected	RP Projected	MP Premium to RP Projected Price	Absolute Value of Price Change		
1996	\$2.65	\$3.08	\$2.29	\$2.73	-\$0.43	\$0.43	\$6.29	\$7.23	-\$0.94	\$0.94		
1997	\$3.02	\$2.73	\$2.29	\$2.73	\$0.29	\$0.29	\$7.26	\$6.97	\$0.29	\$0.29		
1998	\$2.69	\$2.84	\$2.29	\$2.84	-\$0.15	\$0.15	\$6.34	\$6.64	-\$0.30	\$0.30		
1999	\$2.48	\$2.40	\$2.29	\$2.40	\$0.08	\$0.08	\$5.77	\$5.11	\$0.66	\$0.66		
2000	\$2.49	\$2.51	\$2.29	\$2.51	-\$0.02	\$0.02	\$5.20	\$5.32	-\$0.12	\$0.12		
2001	\$2.34	\$2.46	\$2.29	\$2.46	-\$0.12	\$0.12	\$5.27	\$4.67	\$0.60	\$0.60		
2002	\$2.53	\$2.32	\$2.29	\$2.32	\$0.21	\$0.21	\$4.87	\$4.50	\$0.37	\$0.37		
2003	\$2.54	\$2.42	\$2.29	\$2.42	\$0.12	\$0.12	\$5.22	\$5.26	-\$0.04	\$0.04		
2004	\$2.43	\$2.83	\$2.29	\$2.83	-\$0.40	\$0.40	\$5.43	\$6.72	-\$1.29	\$1.29		
2005	\$2.59	\$2.32	\$2.29	\$2.32	\$0.27	\$0.27	\$5.93	\$5.53	\$0.40	\$0.40		
2006	\$2.53	\$2.59	\$2.29	\$2.59	-\$0.06	\$0.06	\$6.12	\$6.18	-\$0.06	\$0.06		
2007	\$2.90	\$4.06	\$2.29	\$4.06	-\$1.16	\$1.16	\$6.16	\$8.09	-\$1.93	\$1.93		
2008	\$3.96	\$5.40	\$2.29	\$5.40	-\$1.44	\$1.44	\$8.91	\$13.36	-\$4.45	\$4.45		
2009	\$6.10	\$4.04	\$2.29	\$4.04	\$2.06	\$2.06	\$12.54	\$8.80	\$3.74	\$3.74		
2010	\$3.71	\$3.99	\$2.29	\$3.99	-\$0.28	\$0.28	\$9.20	\$9.23	-\$0.03	\$0.03		
2011	\$4.46	\$6.01	\$2.29	\$6.01	-\$1.55	\$1.55	\$10.12	\$13.49	-\$3.37	\$3.37		
2012	\$6.56	\$5.68	\$2.29	\$5.68	\$0.88	\$0.88	\$13.61	\$12.55	\$1.06	\$1.06		
2013	\$6.51	\$5.65	\$2.29	\$5.65	\$0.86	\$0.86	\$13.42	\$12.87	\$0.55	\$0.55		
2014	\$5.09	\$4.62	\$2.29	\$4.62	\$0.47	\$0.47	\$11.97	\$11.36	\$0.61	\$0.61		
2015	\$4.03	\$4.15	\$2.29	\$4.15	-\$0.12	\$0.12	\$10.33	\$9.73	\$0.60	\$0.60		
2016	\$3.98	\$3.86	\$2.29	\$3.86	\$0.12	\$0.12	\$8.75	\$8.86	-\$0.11	\$0.11		
2017	\$3.74	\$3.87	\$2.29	\$3.87	-\$0.13	\$0.13	\$9.38	\$10.19	-\$0.81	\$0.81		
Average					-\$0.02	\$0.51					-\$0.21	\$1.02



The screenshot shows the MPowerD Premium Estimator interface. Key sections include:

- Historical farm yields table:** A table with columns for years (2017, 2016, 2015, 2014, 2013, 2012, 2011, 2010, 2009, 2008) and yield values. A red box highlights the table with the text: "Default Yields in this section are historical MP county yields. Type over with producer's weighted average harvest yields and estimate of 2019 weighted average Approved Yield."
- Margin Protection Information:** Fields for Coverage Level (95%), Protection Factor (120%), and MP Plan (MP-HPO).
- ARPI Information:** Fields for Coverage Level (90%) and Protection Factor (120%).
- Base Policy Information:** Fields for Coverage Level (85%), Projected Price (\$4.01), Insurance Plan (RP), Rate Yield (138), Approved Yield (150), and Unit Structure.
- Volatility Factor:** Field with value 0.16. A red box highlights this field with the text: "Customize MP Base Policy Projected Price and Volatility to create 'What-if' scenarios viewable in table output."
- Buttons:** "Get Historical Crop Information", "click to show output", and "Pmt Package".

Next week's RPG will review the Analytic Tools section of [www.AgentVantage.com](http://www.AgentVantage.com) 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

