Key FCIP features

- Protects your forward contract from the associated costs of non-delivery of grain due to insurable causes.
- Prevents you from having to use your Revenue Protection (RP) plan indemnity payments to pay for covered costs of non-delivery of grain.
- Reduces market risk that exists today. The FCIP plan encourages actual farm to market product sales at profitable levels.
- Allows you to take advantage of not having to pick a time period of price protection! FCIP is based upon the date you make the sale.
- Receive price protection at the time of sale by locking into a futures price at any time versus waiting for a monthly average.
- Includes prevented planting as an insured cause of loss. Coverage, also includes, price buy-out costs associated with prevented planting.
- Select the coverage level you desire without having to match the coverage level on your MPCI policy.

NAU Country
A QBE Insurance Company

www.naucountry.com

Our commitment to you

We take pride in being a customer-focused organization through our expertise, engagement, and insight. Our commitment to service has never wavered and with our parent company, QBE Insurance Group, we can provide the best financial stability.

For more information about the policies described in this brochure, contact your agent today.

NAU Country Insurance Company
7333 Sunwood Drive | Ramsey, MN 55303
1.888.NAU.MPCI

This brochure is only an overview of the described product. It does not include all features, exclusions, or limitations. Consult your agent or the policy provisions for further details.

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NAU Country
A QBE Insurance Company

Ensure your opportunity for profit with NAU Country!

Forward Contract Insurance Protection (FCIP).

Ensuring your opportunity for profit is better than insuring for a loss!

NAU Country presents the opportunity to protect your crop from the start! With our supplemental plan, Forward Contract Insurance Protection (FCIP), you'll be able to take advantage of the market conditions as they happen. FCIP will ensure you the opportunity to market for success.

Forward Contract Insurance Protection (FCIP)

FCIP will provide an indemnity to you in the event you're not able to deliver contracted bushels insured under an Multi-Peril Crop Insurance (MPCI) policy. FCIP fills a void, offering protection for you, if you have signed forward contracts, but are then exposed to penalties for non-delivery on those contracts.

FCIP allows you the opportunity to price your commodity when you can turn a profit. You will be able to lock into daily prices versus waiting for an average monthly price. You will feel confident in knowing you have the needed protection in the case you're not able to deliver your commodity due to an insured cause of loss! Proactively ensure your opportunity by making a decision immediately on pricing versus insuring against the possibility of a loss.

"Using your Revenue Protection indemnity payments to settle with the elevator is not the way to make money in farming. This will be the factor that gives you the confidence to make those early season cash sales."

- NAU Country Agent

FCIP coverage

FCIP coverage can only be purchased for corn or soybeans covered by a Yield or Revenue Protection policy. Crops must be grown for grain. The available FCIP coverage levels are 50%, 55%, 60%, 65%, and 70%. Refer to the policy provisions for other restrictions.

Eligible states include:

- Illinois
- Indiana
- Iowa
- Minnesota
- Michigan
- Nebraska
- Ohio
- South Dakota
- Wisconsin

Put your mind at ease with the thoughts of early season cash sales. A combination of RP and FCIP will ensure you the opportunity to capture the best return over production costs with risk comfort.

FCIP examples

For the following scenario, assume your underlying plan is an 80/100 Revenue Protection (RP) policy. The Actual Production History (APH) is 200 bu. of corn for your entity unit. You have contracts in place to forward contract 70% of your grain and you purchased the 70% FCIP policy.

The RMA projected price =	$4.50
The contract price =	$5.00
The RMA harvest price =	$6.00

You suffer a loss of production as you were only able to harvest an average of 120 bu. across your entire entity unit which grew corn in three counties.

You had forward contracted 140 bu. during the contract period for December delivery of the current year.

An example of the FCIP indemnity calculation is as follows:

FCIP: 200 bu. x 70% = 140 bu. trigger yield
RP: 200 bu. x 80% = 160 bu. trigger yield

Two requirements to collect an FCIP indemnity:

- **You must suffer a loss under your RP policy as well as your FCIP policy.**
  E.g. The RP policy had a trigger yield of 160 bu. and the FCIP policy had a trigger yield of 140 bu. You were able to produce only 120 bu., so this requirement has been met.
- **You must be unable to fill your forward contracts.**
  E.g. You have forward contracted 140 bu. but are unable to fill the contract as a result of harvesting only 120 bu.

FCIP payment: 140 bu. - 120 bu. = 20 bu. short
20 bu. x $1.00 ($6.00 RMA harvest price - $5.00 Contract Price) = $20/acre

RP payment: 160 bu. - 120 bu. = 40 bu. short
40 bu. x $6.00 RMA harvest price = $240/acre