

RPowerD™ - Create a shallow loss of coverage quote

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Grandma used to say, “There are a lot of ways to skin a cat.” Although the literal idea of it is repulsive, we all understood the meaning. There are often multiple paths to the same destination. This is the case if your destination is providing your producer with shallow loss, low deductible, or banded coverage. RPowerD can get the job done while also offering additional opportunities to manage the price component of the revenue equation which are not available in other products.

The grid below shows you how to set up a 85-95 band of coverage quote that will use Projected Price to establish the minimum revenue trigger and liability. RPowerD always uses Enterprise Units.

	Corn	Soybeans
Max Price Mvmt	N/A	N/A
Market Price	Opt-out	Opt-out
APC	\$0.00	\$0.00
Liability Adjustment Factor	100%	100%
Acres	110% of max planted in last 4 yrs	
MPCI Coverage Level	85%	85%
RPowerD Coverage Level	95%	95%
<u>Alternative Price Discovery Periods</u>		
No Intervals Selected		

E.g., Projected Price of \$4.00 x 180 bu approved yield/acre x 95% coverage = \$684/acre Revenue Trigger.

Projected Price of \$4.00 x 180 bu approved yield/acre x 85% coverage = \$612/acre lower band.

So, liability is \$72/acre (\$684 - \$612). The first dollar of payment happens when the harvest yield x harvest price is less than the \$684/acre 95% coverage level Revenue Trigger. Max payout is the liability.

It's pretty simple to set up RPowerD coverage that meets the minimum revenue desired by your producer. RPowerD is available from 70-95% in 1% increments so agents and producers have lots of flexibility to create ranges of coverage.

Additionally, RPowerD offers three ways to establish the minimum price that will be used to create the Revenue Trigger. The quote set up of the example above simply uses the Projected Price. This is created as the floor price by choosing \$0.00 Additional Price Coverage (APC).

The last Revenue Power Guide discussed the advantages of using Alternative Price Discovery Periods. You can access that RPG [here](#).

Also, a producer can use Market Price “Opt-in” to set the minimum crop insurance price at the previous trading session’s closing price and have a two trading session lookback to make a policy buying decision. This approach is reviewed in the RPG you can access [here](#).

Finally, producers can choose APC to lock in a guaranteed premium over the Projected Price. Producers can use one, two, all, or none of these pricing options. The RPowerD Revenue Trigger will be calculated from the highest price of any of the methods used. APC is reviewed in the RPG found [here](#).

Agents can now introduce the main features and benefits of RPowerD by playing the new four minute “Introduction to RPowerD” video for groups or individuals. The Introduction to RPowerD video can be viewed or download under the Training tab on www.AgenteVanatqge.com as shown in the RPG at this [link](#).

View previous RPowerD newsletters on the [NAU Country website](#).



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