



### THE RAIN AND HAIL DIFFERENCE

The Rain and Hail Difference is what sets us apart from other agricultural insurance providers. Our commitment to always provide the best service possible to the American farmer and rural America, and our belief in a strong safety net for America's agricultural communities, make us a leader in the industry.

### UNMATCHED CLAIMS SERVICE

Response in a loss situation brings out the true character of the company. Time and time again, Rain and Hail is there for our customers when they need us by providing: tools to quickly and easily submit claims, prompt and accurate claims adjustment, and expedited claim payments.

### FULL RANGE OF PRODUCTS AND SERVICES

Rain and Hail offers the agricultural insurance products you need to properly protect your operation, including: Multiple Peril, Crop-Hail, and Specialty Crop Lines. For more information, visit [www.RainHail.com](http://www.RainHail.com) or contact your local Rain and Hail Insurance Professional.

### ABOUT US

Chubb is the world's largest publicly traded property and casualty insurer. With operations in 54 countries, Chubb provides commercial and personal property and casualty insurance, personal accident and supplemental health insurance, reinsurance and life insurance to a diverse group of clients. The company is distinguished by its extensive product and service offerings, broad distribution capabilities, exceptional financial strength, underwriting excellence, superior claims handling expertise and local operations globally.

Chubb's core operating insurance companies maintain financial strength ratings of AA from Standard & Poor's and A++ from A.M. Best.



**PASTURE,  
RANGELAND,  
FORAGE (PRF)**



**MPCI**

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## ABOUT PASTURE, RANGELAND, FORAGE RAINFALL INDEX (PRF-RI)

Pasture, Rangeland, Forage Rainfall Index (PRF-RI) covers a deviation below normal average rainfall. It's an area-based plan that operates on 17 x 17 grids that are formed in line with the equator. Simply put, it covers lack of normal rainfall in two month insurance periods on a much smaller grid-basis, versus a county-based plan.

Coverage is available under PRF from two crop types: Grazing and Haying.

PRF is available in the 48 contiguous states.

## HOW IT WORKS

Rainfall produces forage that feeds livestock. Without that forage, you may be forced to sell that livestock lighter than expected or spend a lot of money supplementing that food supply. Either outcome cuts into cash flow and at the end of the day hurts your business.

Coverage is based on the experience of a grid rather than individual farms. Losses are paid when the grid's accumulated index, known as the final grid index, falls below the insured's trigger grid index.

PRF-RI covers losses caused by one thing: lack of precipitation.

You choose:

- Coverage level (70% to 90%, in 5% increments - CAT is not available)
- Productivity factor (60% to 150%, in 1% increments)
- Index Intervals (You choose at least two 2-month periods where precipitation is important to your business.)

## UNDERSTANDING INDEX INTERVALS

The Special Provisions may contain minimum/maximum limitations on the percentage of acreage that may be insured in any one interval.

The expected grid index shown on the actuarial documents multiplied by the selected coverage level is the trigger grid index.

## RAINFALL INDEX INTERVAL PERIODS

The crop year begins January 1 and ends December 31. The RI has 11 flexible, two-month time periods that cannot overlap. A minimum of two intervals (four months total) per crop year must be insured under the RI program.

INDEX INTERVALS	START DATE	END DATE
(625) Index Interval	January 1	February 28
(626) Index Interval	February 1	March 31
(627) Index Interval	March 1	April 30
(628) Index Interval	April 1	May 31
(629) Index Interval	May 1	June 30
(630) Index Interval	June 1	July 31
(631) Index Interval	July 1	August 31
(632) Index Interval	August 1	September 30
(633) Index Interval	September 1	October 31
(634) Index Interval	October 1	November 30
(635) Index Interval	November 1	December 31

## IRRIGATED COVERAGE

Coverage for Irrigated Haying practice is available in some states. This coverage is designed to cover above normal irrigation expenses when normal precipitation shortfalls are observed within an insured grid. The protection values for the irrigated practice will be lower than non-irrigated due to the fact that it only is providing protection for additional irrigation expenses.

## DATES TO REMEMBER

The sales closing date and the acreage reporting date are December 1 preceding the start of the crop year. The contract change date for all states and counties is August 31.

## BREAKING IT DOWN

The grid ID number, which corresponds with the location of the insured cropland, is determined by using the RMA website. A rainfall grid is the acreage within each approximate 0.25 x 0.25 degree gridded area established by NOAA and identified by longitude and latitude. These grids are approximately 17 x 17 miles at the equator.

The grid is utilized to determine the expected grid index and the final grid index, which are used in premium and loss calculation. The grid ID number will be reported on the acreage report.

A coverage unit is all insured acres within a grid ID for each crop type and index interval.

## FIGURING OUT PROTECTION BY ACRE

The coverage for PRF is a selected dollar amount of protection per acre. The actuarial will contain the county base value per acre by crop type.

- County base value = \$39.00 (Published in the county actuarial by crop type.)
- Coverage level = 90% level (Elected by the grower.)
- Productivity factor = 120% (Grower selects a number between 60% and 150%.)
- $\$39.00 \times 0.90 \times 1.20 = \$42.12$  is the dollar amount of protection per acre.
- The dollar amount of protection per acre will apply to all insured acres by crop type for the county.

## LOSS PAYMENTS

- Indemnities are based on the deviation from normal for each grid. Precipitation data will be determined by the National Oceanic and Atmospheric Climate Prediction Center (NOAA CPC). The data is not based on individual farms or ranches or specific weather stations in the general area.
- A payment may be made only if the final grid index for the insured unit is less than the grower's trigger grid index.
- The payment will be equal to the payment calculation factor multiplied by the policy protection per unit.

## EXAMPLE

County Base value = \$39

Coverage value = 90%

Productivity factor = 120%

Dollar amount of protection is  $\$39 \times 90\% \times 120\% = \$42.12$  per acre

Assume the Expected Grid Index is 100. The trigger grid index would be 90 (90% x 100). Assume FCIC publishes the Final Grid Index as 82. The Final Grid Index is below the Trigger Grid Index, so there is an indemnity for this grid. The payment calculation factor is the difference between the Trigger Grid Index and the Final Grid Index divided by the Trigger Grid Index. For this example  $(90 - 82) \div 90 = 0.089$ . The payment per insured acre would be the payment calculation factor multiplied by the dollar amount of protection.  $\$42.12 \times 0.089 = \$3.75$  per acre.

RI is an area-based plan of insurance. As such, it is possible to suffer a loss on an individual operation and not receive an indemnity payment. It is also possible to receive an indemnity payment and not suffer a loss on an individual operation.