Crop-Hail Production Plan (CHPP) Underwriting Guidelines

- This endorsement does not provide coverage on an acre basis.
- **Crop-Hail Production Plan Limit of Insurance** - The difference between the CHPP guarantee and the MPCI production guarantee is multiplied by the CHPP price election, multiplied by the CHPP price election modifier, multiplied by your share in the crop. If multiple CHPP price elections or CHPP price election modifiers exist within a single CHPP unit, the CHPP limit of insurance will be calculated separately for the associated acreage and then totaled to determine the CHPP limit of insurance for the CHPP unit.
- The CHPP limit of insurance for each CHPP unit is based on the units' ability to produce at least the CHPP guarantee for the insured crop(s) prior to damage by insured or uninsured perils.
- All acreage of the insured crop(s) grown in the applicable county(ies) insured in which you have an insurable interest must be insured under this endorsement. Acreage which is prevented from being planted is not insurable.
- **The crop acreage insured under this endorsement must also be insured under a MPCI policy.** Any subsequent cancellation or termination of the underlying MPCI policy for any crop(s) and/or county(ies), during the same year for which coverage is in effect under this endorsement, will result in automatic cancellation of the coverage provided under this endorsement for the same crop(s) and/or county(ies).
- There will never be a payable loss for any CHPP unit if the CHPP production to count from the CHPP unit exceeds the CHPP guarantee for the CHPP unit.
- The CHPP limit of insurance for each CHPP unit under this endorsement will be determined from the information reported by you for your MPCI policy for the same acreage. If you do not report all of the required information from your MPCI policy by the published acreage reporting due date(s) for such coverage, we reserve the right to determine, by CHPP unit, the required information or to deny coverage on such units. If you have misreported any information to us, or if we determine any information is incorrect or has changed, we reserve the right to adjust the CHPP limit of insurance for each CHPP unit accordingly based on the information we determine to be correct.
- Green Snap or Wind Coverage Option: In consideration of the additional premium at which this coverage option is written, your coverage is amended to include direct loss to your corn described in the Schedule of Insurance caused by wind. **Application for coverage under this option must be made by June 15 of the current crop year,** unless otherwise agreed to by us.
  a. May not be available in all states/counties. See state specific underwriting rules.
  b. Additional premium:
     Green Snap - 25% of the applicable CHPP rate
     Wind Coverage - 50% of the applicable CHPP rate
- Extra harvest expense coverage is available with the CHPP.
- We do not cover the actual cost of replanting or any expense incurred to replant. When any acre of crop is damaged by hail to the extent that replanting is necessary, as determined by us, and replanting to the same crop is feasible under the growing conditions where such crop is grown, any potential replanting loss under this endorsement is limited to any percentage of loss due to a delay in replanting, if any, published in the applicable crop loss adjustment procedures or in the Special Provisions. If the replanted crop is subsequently damaged by hail, the hail loss will be determined by multiplying the percentage of loss by the coverage remaining after accounting for the percentage of loss due to delay. Any amount payable due to a delay in replanting will be calculated on a CHPP unit basis.

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
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Full Range of Products and Services

Rain and Hail offers the agricultural insurance products you need to properly protect your operation, including:

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- Crop-Hail
- Specialty Crop Lines

For more information, visit www.RainHail.com or contact your local Rain and Hail Insurance Professional.

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With more than $150 billion in assets and $37 billion of gross written premiums in 2014* on a pro forma basis, Chubb's core operating insurance companies maintain financial strength ratings of AA from Standard & Poor's and A++ from A.M. Best.

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*Pro forma December 31, 2014 ACE and Chubb

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Crop-Hail

CHPP

Crop-Hail Production Plan

Rain and Hail
A Chubb Company

The purpose of the Crop-Hail Production Plan (CHPP) endorsement is to cover on a CHPP unit basis the portion of the crop not insured under your Multiple Peril Crop Insurance (MPCI) policy.

Availability

Production Plan is available in the following states: CO, IA, ID, IL, IN, KS, MN, MO, MT, ND, NE, OH, SD, WI and WY

Crops*

Corn, popcorn, dry beans, soybeans, sunflowers and wheat as specified in the state specific guidelines

**Check availability by crop by state.*

CHPP Yield Modifiers

100%, 105%, 110%, 115%, 120%

CHPP Price Election Modifiers

25% to 100%, in 5% increments, of the MPCI price election

Unit Options

Unit options are based on the unit structure of the underlying MPCI policy, with two exceptions:

- By center pivot
- Underlying optional unit for CAT coverage, enterprise or whole-farm units

To qualify for the above exceptions, the insured must harvest units separately and records must be maintained by individual CHPP units.

Determining Coverage (CHPP Limit of Insurance)

Example

Crop: Irrigated Corn
Acres: 100

MPCI Policy:

MPCI Approved Yield Per Acre: 150 bushels

MPCI Coverage Level: 75%

MPCI Price Election: $6.00 per bushel

Insured Interest: 100%

Crop-Hail Production Plan (CHPP) Elections:

CHPP Yield Modifier: 110%

CHPP Price Election: $6.00

CHPP Price Election Modifier: 100%

MPCI Approved Yield	x	CHPP Yield Modifier	x	Acres	=	**CHPP Guarantee**
150	x	1.10	x	100	=	16,500.00

MPCI Approved Yield	x	MPCI Level	x	Acres	=	**MPCI Production Guarantee**
150	x	0.75	x	100	=	11,250.00

CHPP Guarantee	-	**MPCI Production Guarantee**	x	CHPP Price Election	x	CHPP Price Election Modifier	x	Insured Interest	=	**CHPP Limit of Insurance**
16,500.00	-	11,250.00	x	$6.00	x	1.00	x	1.00	=	$31,500

Calculating a Loss

1. There will never be a payable loss for any CHPP unit if the CHPP production to count from the CHPP unit exceeds the CHPP guarantee for the CHPP unit.
2. The amount payable for the CHPP unit will be determined as follows:
   a. Multiply the CHPP guarantee by the weighted average percentage of loss, multiplied by the CHPP price election, multiplied by the CHPP price election modifier, multiplied by your share in the crop to determine the hail deficiency for the CHPP unit.
   b. Calculate the production deficiency for the CHPP unit by subtracting the CHPP production to count from the CHPP guarantee, then multiplying the result by the CHPP price election, multiplied by the CHPP price election modifier, multiplied by your share in the crop.
   c. Determine the lesser of the hail deficiency from 2.a. or the production deficiency from 2.b.

In no event will the loss payable exceed 100% of the CHPP limit of insurance for the CHPP unit.

Example 1

Crop-Hail Percent of Loss = 40% Unit Weighted Average Percentage of Loss

How the Weighted Percent of Loss for a Unit is calculated:

100 acres in the unit, Count 1 = 34%, Count 2 = 55%, Count 3 = 28%, and Count 4 = 43%

The weighted average is the sum of the determined percent of loss of each count in relation to the entire unit.

(34% x 25%)	+	(55% x 25%)	+	(28% x 25%)	+	(43% x 25%)	=	40%
8.50%	+	13.75%	+	7%	+	10.75%	=	40%

CHPP Guarantee	x	Weighted Average Percentage of loss	x	CHPP Price Election	x	CHPP Price Election Modifier	x	Share	=	Hail Deficiency
16,500	x	0.40	x	$6.00	x	1.00	x	1.00	=	$39,600

Harvested/Appraised CHPP production to count = 9,240

CHPP Guarantee	-	CHPP Production to Count	x	CHPP Price Election	x	CHPP Price Election Modifier	x	Share	=	Production Deficiency
16,500	-	9,240	x	$6.00	x	1.00	x	1.00	=	$43,560

The Hail deficiency is the lesser of, however the amount payable would be the **CHPP Limit of Insurance, $31,500.**

Example 2

Crop-Hail Percent of Loss = 20% Unit Weighted Average Percentage of Loss

How the Weighted Percent of Loss for a Unit is calculated:

100 acres in the unit, Count 1 = 23%, Count 2 = 38%, Count 3 = 19%, and Count 4 = 0%

The weighted average is the sum of the determined percent of loss of each count in relation to the entire unit.

(23% x 25%)	+	(38% x 25%)	+	(19% x 25%)	+	(0% x 25%)	=	20%
5.75%	+	9.50%	+	4.75%	+	0%	=	20%

CHPP Guarantee	x	Weighted Average Percentage of loss	x	CHPP Price Election	x	CHPP Price Election Modifier	x	Share	=	Hail Deficiency
16,500	x	0.20	x	$6.00	x	1.00	x	1.00	=	$19,800

Harvested/appraised CHPP production to count = 13,500

CHPP Guarantee	-	CHPP Production to Count	x	CHPP Price Election	x	CHPP Price Election Modifier	x	Share	=	**Production Deficiency**
16,500	-	13,500	x	$6.00	x	1.00	x	1.00	=	$18,000

The amount payable would be the **Production Deficiency, $18,000** which is less than the Hail Deficiency and it does not exceed the CHPP limit of insurance for the unit of $31,500.