



LIVESTOCK RISK PROTECTION (LRP) LAMB

The Livestock Risk Protection Insurance Plan for Lamb (LRP-Lamb) is designed to insure against unexpected declines in market prices. Sheep producers may choose from a variety of coverage levels and insurance periods that match general feeding, production and marketing practices.

You may buy LRP-Lamb insurance throughout the year from a ProAg approved livestock insurance agent. Premium

rates, coverage prices and actual ending values are posted online weekly. You may choose coverage prices ranging from 80 to 95 percent of the expected ending value. At the end of the insurance period, if the actual ending value is below the coverage price, you may receive an indemnity payment for the difference between the coverage price and actual ending value.

Availability

A Livestock Risk Protection insurance policy application must be submitted. Once accepted, it is considered a continuous policy.

The specific coverage endorsements are not continuous and are only effective for the period stated therein. The number of lambs insured under a specific coverage endorsement is limited to 2,000 head. The annual limit for LRP-Lamb is 28,000 head per producer for each reinsurance year (July 1 to June 30). All insured lambs must be located in a state that is approved for LRP-Lamb at the time you buy insurance.

The length of insurance coverage available for each specific coverage endorsement is 13, 26 or 39 weeks. Lambs covered under the policy are feeder or slaughter lambs that are expected to weigh between 50 and 150

pounds by the ending period and be of an age that qualifies for the Agriculture Marketing Service grade standards definition of live lambs. At the time coverage begins, lambs must also be currently owned (already born) and not subject to any agreement with any buyer or potential buyer to buy the lambs (or meat from them) at a specified price until 30 days or less from the policy end date.

LRP-Lamb insurance is available in: Arizona, California, Colorado, Idaho, Illinois, Indiana, Iowa, Kansas, Michigan, Minnesota, Missouri, Montana, Nebraska, Nevada, New Mexico, North Dakota, Ohio, Oklahoma, Oregon, Pennsylvania, South Dakota, Texas, Utah, Virginia, Washington, West Virginia, Wisconsin and Wyoming.



Not all coverages or products may be available in all jurisdictions. The description of coverage in these pages is for informational purposes only. Actual coverages will vary based on the terms and conditions of the policy issued. The information described herein does not amend, or otherwise affect, the terms and conditions of any insurance policy issued by ProAg or any of its subsidiaries.

ProAg is an equal opportunity provider. In accordance with Federal law and U.S. Department of Agriculture (USDA) civil rights regulations and policies, the USDA, its Agencies, offices, and employees, and institutions participating in or administering USDA programs are prohibited from discriminating on the basis of race, color, national origin, religion, sex, gender identity (including gender expression), sexual orientation, disability, age, marital status, family/parental status, income derived from a public assistance program, political beliefs, or reprisal or retaliation for prior civil rights activity, in any program or activity conducted or funded by USDA (not all bases apply to all programs).

Buying a Policy

The LRP-Lamb program's coverage prices, rates, actual ending values and per hundredweight cost of insurance may be viewed on the RMA website at www.rma.usda.gov/tools/livestock.html. The actual ending values are based on weighted prices from the USDA's Agricultural Marketing Service. Actual ending values are posted on the RMA's website at the end of the insurance period.

LRP coverage sales are typically offered on a weekly basis. LRP-Lamb coverage will be offered for sale each week following the posting of rates Monday morning through approximately 7:00 p.m. CST.

LRP-Lamb insurance can be purchased through a ProAg certified livestock insurance agent. You can fill out an application at any time. However, insurance does not attach until you buy a specific coverage endorsement. You may buy multiple specific coverage endorsements with one application. Your insurance coverage starts the day you buy a specific coverage endorsement and RMA approves the purchase. You must pay the insurance premium the day you buy insurance coverage in order for coverage to start.

Premium Calculation Example:

An operation has 50 head of lambs and expects to market the lambs at a target weight of 1.30 cwt each. The insured share is 100 percent. The expected ending value is \$90.00 per live cwt and the producer selects a coverage price of \$85.50 per live cwt. For this coverage price, the rate is 1.997%. The premium subsidy is 20 percent. The premium is calculated by:

- > (1) 100 head times 7.5 cwt equals 750 cwt.
- > (2) 65 cwt times the coverage price of \$85.50 equals \$5,558.
- > (3) \$5,558 times the insured share of 1.00 equals an insured value of \$5,558.
- > (4) \$5,558 times the rate of 0.01997 equals \$111 total premium.
- > (5) \$111 times the producer premium subsidy percentage of 0.20 equals \$22.00.
- > (6) Subtracting \$22.00 from \$111 equals the producer premium of \$89.00



Indemnity Calculation Example:

For the above operation with 50 head of lambs, a target weight of 1.30 cwt, an insured share of 100 percent, and a coverage price of \$85.50 per cwt, the actual ending value is equal to \$80 per cwt. Since \$80 is less than the coverage price of \$85.50, an indemnity is due. Indemnity is calculated by:

- > (1) 50 head times the 1.30 cwt target weight equals 65 cwt.
- > (2) Subtracting the actual ending value of \$80 from the coverage price of \$85.50 equals \$5.50/cwt.
- > (3) Multiplying 65 cwt. by \$5.50/cwt. equals \$358.
- > (4) Multiplying \$358 by the insured share of 1.00 equals an indemnity payment of \$358.

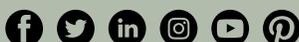
Come experience the ProAg difference today.

ProAg is on a singular mission to meet the risk-management needs of the American farmer and rancher. As a strong and progressive company, we provide support and guidance to the agents who serve those producers, helping them expand and strengthen their businesses. Because many of us are farmers and ranchers ourselves, we have a firsthand understanding of production agriculture and the risks inherent in the profession. No organization is more knowledgeable about agricultural risk management than ProAg.

As one of the first companies in the crop insurance industry, ProAg is built on a strong foundation of experience and backed by the support and resources of a leading global parent company, Tokio Marine HCC. Contact us to learn more.



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