



LIVESTOCK RISK PROTECTION (LRP) SWINE

The Livestock Risk Protection Insurance Plan for Swine (LRP-Swine) is designed to insure against declining market prices. Farmers may choose from a variety of coverage levels and insurance periods that correspond with the time their hogs would normally be marketed.

The farmer may buy LRP-Swine insurance throughout the year from a trusted ProAg approved livestock insurance agent. Premium rates, coverage prices and actual ending values are posted online daily by the Risk Management Agency (RMA) at www.rma.usda.gov.

The farmer may choose a coverage price ranging from 70-100% of the Expected Ending Value. At the end of the insurance period, if the actual ending value is below the coverage price, the farmer may receive an indemnity payment for the difference between the coverage price and the actual ending value.

AVAILABILITY

A Livestock Risk Protection insurance policy application must be submitted. Once accepted, it is considered a continuous policy. LRP-Swine is available in all counties in all states. The specific coverage endorsements are not continuous and are only effective for the period stated therein. The swine eligible for coverage may be unborn on the effective date but must be born before the end date.

**UP TO
70,000
HOGS**

**ANNUAL LIMIT
750,000 HOGS
PER FARMER/CROP YEAR**

**CROP YEAR
JULY 1 TO
JUNE 30**

The farmer may buy specific coverage endorsements for up to 70,000 hogs that are expected to reach market weight near the end of the insurance period. The annual limit for LRP-Swine is 750,000 hogs per farmer for each crop year (July 1 to June 30).



Swine born before the specific coverage endorsement effective date is offered for 13, 17, 21, 26, 30-week periods, and unborn swine before the specific coverage endorsement effective date is offered for 30, 34, 39, 43, 47, and 52-week periods.



SUBSIDY LEVELS

LRP-Swine insurance is a federally subsidized product available in all counties in all states.

Coverage level	70% - 79.99%	80% - 84.99%	85% - 89.99%	90% - 94.99%	95% - 100%
Subsidy	55%	50%	45%	40%	35%

See more benefits at ProAg.com/LRPInsurance.

BUYING A POLICY

The LRP-Swine 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 price series data 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 every market trading day. These begin in the afternoon, shortly after market close and run until exactly 8:25 a.m. CST the following morning.

LRP-Swine insurance can be purchased through a ProAg certified livestock insurance agent. An application can be filled out at any time. However, insurance does not attach until the farmer buys a specific coverage endorsement. The farmer may buy multiple specific coverage endorsements with one application. Insurance coverage starts the day the farmer buys a specific coverage endorsement and RMA approves the purchase.

Premium is billed by the premium billing date; the first day of the month following the end date for the specific coverage endorsement.

PREMIUM CALCULATION EXAMPLE:

An operation has 1,000 head of hogs and expects to market the hogs at 2.50 cwt. each. Therefore, the target weight is 2.50 times the lean weight conversion factor of .74, which is 1.85 cwt. The insured share is 100%. The expected ending value is \$55.00 dollars per cwt and the farmer selects a coverage price of \$52.25 per cwt (on a lean cwt basis). For this coverage price, the rate is 2.8708%. The premium subsidy is 35%. The premium is calculated by:

- | | |
|---|--|
| <p>1 1,000 head
x 1.85 cwt
= 1,850 cwt</p> <p>2 1,850 cwt.
x \$52.25
coverage price
= \$96,663</p> <p>3 \$96,663
x 1.00 insured
share
= \$96,663
insured value</p> | <p>4 \$96,663
x .028708 rate
= \$2,775 total premium</p> <p>5 \$2,775
x .35 farmer
premium subsidy
percentage
= \$971</p> <p>6 \$2,775 total premium
- \$971 premium
subsidy
= \$1,804
farmer premium</p> |
|---|--|

INDEMNITY CALCULATION EXAMPLE:



For the above operation with 1,000 head of hogs, a target weight of 1.85 cwt., an insured share of 100%, and a coverage price of \$52.25 per cwt., the actual ending value is equal to \$44.80 per cwt. Since \$44.80 is less than the coverage price of \$52.25, an indemnity is due. Indemnity is calculated by:

- | | |
|---|--|
| <p>1 1,000 head
x 1.85 cwt
= 1,850 cwt</p> <p>2 \$52.25 coverage price
- \$44.80 actual
ending value
= \$7.45/cwt</p> | <p>3 1,850 cwt
x \$7.45/cwt
= \$13,783</p> <p>4 \$13,783
x 1.00 insured share
= \$13,783 indemnity
payment</p> |
|---|--|

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Agriculture is America's most important industry, delivering essential food, fuel and fiber to the world. ProAg is proud to protect American farmers and ranchers with innovative crop insurance solutions — bringing together industry-leading resources and personal service to deliver superior experiences for agents and policyholders.

Many of our team members are farmers and ranchers, bringing important insights, experience and compassion to our work.

Together with our agency partners, we help policyholders navigate risks, recover financially from unexpected perils and grow with confidence.

Everything we do today helps us prepare for tomorrow. Combining industry knowledge, confidence, an A++ financial rating from A.M. Best and support from our parent company, Tokio Marine HCC, we make strategic moves to ensure we'll be there for policyholders year after year.



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