



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 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.



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This institution is an equal opportunity provider and employer.
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ABOUT DAIRY REVENUE PROTECTION (DRP)

DRP covers your dairy operation against loss of quarterly revenue due to a decline in milk prices, a decline in milk production or a combination of both.

DRP is available nationwide all year long.

HOW IT WORKS

DRP uses the futures prices for milk and other dairy commodities and milk production indexed to state or region as a basis for its guarantee.

Similar to Area Risk Protection Insurance, DRP does not insure against loss or destruction of cattle or individual yield risk.

Based on daily prices, you choose:

- Quarterly insurance period(s) to insure
- Value of milk to cover (class and component pricing options)
- Amount of milk to cover for the quarter
- Level of coverage (80 to 95 percent)
- Protection factor (100 to 150 percent)

PRICING OPTIONS

- Class Pricing Option (uses class III and IV milk prices)
- Component Pricing Option (uses a combination of milk components [butterfat, protein, other solids and nonfat solids])

These two pricing options are designed to allow you to customize your price elections to more accurately reflect your own farm level revenue risk.

The class pricing option is based on the quarterly average of the CME class III and class IV milk futures prices weighted to the insured's elections.

The component pricing option uses the Agricultural Marketing Service (AMS) formulas to calculate values for butterfat protein, other solids and nonfat solids. These are based on the quarterly averages of the CME butter, cheese and dry whey futures. By declaring the amount of butterfat and protein in the milk and a component price weighting factor, this option may allow farmers with higher component milk to better reflect the value of that milk in their coverage.

ELECTING COVERAGE

You can purchase coverage for up to five nearby quarters during each sales period. Multiple endorsements may be purchased for the same quarter so long as the same milk is not covered.



SALES PERIOD

Endorsements can be submitted at any time during the crop year as long as there is an insurance offer. Sales may be suspended during the sales period for situations that arise during the sales period in which market conditions adversely change after the fact.

The sales period begins when the coverage prices and rates are published by RMA, generally by 4:30 pm CT and ending at 9:00 am CT the next business day. Purchase on a Friday? Friday's sales end on Sunday morning.

OTHER INSURANCE

With DRP, you can have other livestock policies not authorized under the Act on the insured milk. For example, you can have FSA's Dairy Margin Coverage (DMC) and DRP. The insured may also have both LGM Dairy and DRP, but, only one policy can have endorsements in effect for the quarterly insurance period.

CLAIMS

At the end of the insurance period, the average monthly milk and component prices for the quarter and the actual milk production from USDA's Milk Production Report will be used to calculate an actual milk revenue for the quarter. If the actual milk revenue falls below the final revenue guarantee, you may be paid an indemnity based on the difference.

CLASS GUARANTEE CALCULATION			
EXPECTED PRICE PER CWT		DECLARED/DEFAULT WEIGHTING FACTOR	CALCULATED PRICE PER CWT
Class III	\$15.32	25%	\$3.8300
Class IV	\$15.68	75%	\$11.7600
Total Price per cwt			\$15.5900
COVERED LBS OF MILK		PRICE PER CWT	EXPECTED MILK REVENUE
2,000,000		\$15.5900	\$311,800
Coverage Level			90%
Expected Revenue Guarantee			\$280,620
ACTUAL REVENUE CALCULATION			
ACTUAL PRICE PER CWT		DECLARED/DEFAULT WEIGHTING FACTOR	CALCULATED PRICE PER CWT
Class III	\$13.67	25%	\$3.4175
Class IV	\$13.81	75%	\$10.3575
Total Price per cwt			\$13.7750
COVERED LBS OF MILK		PRICE PER CWT	ACTUAL MILK REVENUE
2,000,000		\$13.7750	\$275,500
INDEMNITY CALCULATION			
Revenue Guarantee			\$280,620
Actual Revenue			\$275,500
Deficiency			\$5,120
Share			1.0000
Protection Factor			1.25
Indemnity			\$6,400

COMPONENT GUARANTEE CALCULATION			
EXPECTED PRICE PER POUND		DECLARED TEST POUNDS	CALCULATED VALUE PER CWT
Butterfat	\$2.53	4.75	\$12.0175
Protein	\$1.70	4.00	\$6.8000
Other Solids	\$0.31	5.70	\$1.7670
Total Value Butterfat, Protein and Other Solids			\$20.5845
Declared Component Weighting Factor			0.50
Value Butterfat, Protein and Other Solids of Total Price			\$10.2923
Non Fat Solids	\$0.88	9.70 (Protein + Other Solids Test Pounds)	\$8.5360
Butterfat			\$12.0175
Total Value Butterfat and Nonfat Solids			\$20.5535
1 - Declared Component Weighting Factor			0.50
Value Butterfat and Nonfat Solids of Total Price			\$10.2768
Total Price per cwt			\$20.5691
COVERED LBS OF MILK		PRICE PER CWT	EXPECTED MILK REVENUE
2,000,000		\$20.5691	\$411,382
Coverage Level			90%
Expected Revenue Guarantee			\$370,244
ACTUAL REVENUE CALCULATION			
ACTUAL VALUE PER POUND		DECLARED TEST POUNDS	CALCULATED VALUE PER CWT
Butterfat	\$2.11	4.75	\$10.0225
Protein	\$1.36	4.00	\$5.4400
Other Solids	\$0.27	5.70	\$1.5390
Total Value Butterfat, Protein and Other Solids			\$17.0015
Declared Component Weighting Factor			0.50
Value Butterfat, Protein and Other Solids of Total Price			\$8.5008
Declared Component Weighting Factor			0.50
Non Fat Solids	\$0.85	9.70 (Protein + Other Solids Test Pounds)	\$8.2450
Butterfat			\$10.0225
Total Value Butterfat and Nonfat Solids			\$18.2675
1 - Declared Component Weighting Factor			0.50
Value Butterfat and Nonfat Solids of Total Price			\$9.1338
Total Price per cwt			\$17.0015
COVERED LBS OF MILK		PRICE PER CWT	ACTUAL MILK REVENUE
2,000,000		\$17.6346	\$352,692
INDEMNITY CALCULATION			
Revenue Guarantee			\$370,244
Actual Revenue			\$352,692
Deficiency			\$17,552
Share			1.0000
Protection Factor			1.50
Indemnity			\$26,328

