Exhibit Name: WFRP Coverage Level Eligibility (Plan Code 76, Commodity Code 0076)
Exhibit Number: P14-7 **Reinsurance Year:** 2017
Record Name: Insurance in Force **Version:** Approved
Record Code: P14 **Release Date:** 1/31/2017

To qualify for higher coverage level the following number of commodities (Qualifying Commodity Count) are required according to underwriting rules:

Coverage Level Percentage	Minimum Number of Agricultural Commodities Produced
50	1
55	1
60	1
65	1
70	1
75	1
80	3
85	3

Revenue from commodities that do not qualify (i.e. do not have the level of required revenue to count) as a commodity for coverage level purposes will be grouped together to determine if the farm is eligible for the 80 and 85 percent coverage level choices. Each commodity will be used only once for coverage level eligibility. Revenue above the revenue requirement for coverage level eligibility will not be applied towards qualifying additional commodities.

Minimum Qualifying Amount (MQA) = Round(Round(Round(1/Total Commodity Count,3) * 0.333,3) * Total Expected Revenue,0)

Example 1:

Commodity 1	$50,000	Eligible
Commodity 2	$35,000	Eligible
Commodity 3	$5,000	Add commodities 3 and 4 revenue to qualify as an additional commodity
Commodity 4	$5,000	

Calculation for this example:
Round(Round(Round(1/4,3) * 0.333,3) * $95,000 (Total Expected Revenue),0) = $7,885 to qualify as a commodity
With addition of revenue from commodity 3 and 4, this grower has 3 commodities and qualifies for all coverage levels.

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Example 2:

The following example provides additional information as to how PASS will handle the validation of coverage level eligibility and determination of Qualifying Commodity Count.

Minimum Qualifying Amount (MQA) = $10,043

Commodity 1	$100,000	Eligible
Commodity 2	$9,950	
Commodity 3	$9,000	
Commodity 4	$21,000	Eligible
Commodity 5	$9,950	

Step 1 - Find all the commodity values >= MQA. For this example commodity values 1 and 4, 2 commodity values met eligibility.

Step 2 - Determine Grouped Revenue for the commodities that did not qualify in Step 1.
Grouped Revenue = Total Expected Revenue - Summed Revenue from eligible commodities.
For this example $149,900 - $121,000 = $28,900 Grouped Revenue.

Step 3 - Determine Grouped Commodity Count. Grouped Commodity Count = ROUNDDOWN(Grouped Revenue/MQA,0).
For this example $28,900/$10,043 = 2 Grouped Commodity Count.

Step 4 - Determine Qualifying Commodity Count. Qualifying Commodity Count = Eligible Commodity Count + Grouped Commodity Count.
For this example 2 + 2 = 4.

Notes:

'Qualifying Commodity Count' will be used in Diversification Factor Formula (Exhibit P19-1 Section 3).

If a Commodity Code equals Potatoes, "0084", then there must be at least 2 qualifying commodities.