



# Price-Flex<sup>®</sup>

## Corn, Cotton, Soybeans and Wheat



### Price-Flex

Price-Flex<sup>\*</sup> is an insurance product that allows greater flexibility in marketing your crops by providing added protection from fluctuating commodity prices. Price-Flex allows the producer to choose alternative price discovery periods, including selecting periods before and after the period defined by the Commodity Exchange Price Provisions (CEPP). An alternative price discovery period may be longer or shorter than those established by the CEPP. The highest projected price for these alternative price discovery periods is used to establish the revenue guarantee for loss purposes if that price exceeds the projected and harvest prices released by RMA.

The producer must first designate either the Revenue Protection (RP) or the Area Revenue Protection (ARP) insurance plan for the insured crop when the application for Price-Flex coverage is signed. While the producer will not be bound to this selection for their MPCI purchase later, Price-Flex will determine the coverage and benefits based on this initial choice.

### Availability

Price-Flex is available for corn, cotton, soybeans, and wheat in all counties where there are either ARP or RP offers for all sales closing dates for the upcoming crop year.

### Policy Highlights

- Price-Flex coverage applies at the enterprise unit level (EU) regardless of MPCI policy unit structure
- Growers must declare their intended acres for each crop at the time of sign-up
- Growers must insure all of their acres of a crop in a county with a minimum of at least 25 acres
- Grower must select at least one Alternative Price Discovery Period when the policy is purchased and may select additional periods until the RMA sales closing date of the applicable crop in their county
- Failure to have an MPCI insurance policy in effect for the crop year will result in no indemnity under the Price-Flex program

\* Price-Flex<sup>®</sup> is a registered trademark of Watts & Associates, Inc.



## The Liability for Price-Flex Will Be:

**For RP** - The positive difference between the Price-Flex liability price (the highest of the producer's selected price discovery period values) and the RP liability price multiplied by the producer's expected yield multiplied by the chosen coverage level.

**For ARP** - The positive difference between the amount of policy protection using the Price-Flex liability price (the highest of the producer's selected price discovery period values) and the ARP liability price.

Price-Flex imposes a limit on the difference in price between the highest designated additional discovery price and the CEPP price. These limits are:

- \$1.25/bu. for corn
- \$0.20/lb. for cotton
- \$1.50/bu. for wheat
- \$2.25/bu for soybeans

Producers may choose from several price cap options that are less than the stated policy limits, and ProAg reserves the right to impose lesser limits at its sole discretion.

## Calculating an Indemnity Example

- **Producer's Price Discovery Period:** December 1 - 31 \$4.25
  - **RMA Projected Price:** February 1 - 28 \$4.00
  - **Producer's Price Discovery Period:** April 1 - 30 \$4.50
  - **RMA Harvest Price:** October 1 - 31 \$3.90
- 180 APH X 80% Coverage Level = 144 Bushel Guarantee
  - 144 X \$4.00 Projected Price = \$576.00 Revenue
  - 144 X \$4.50 Price-Flex = \$648.00 Revenue
  - \$648.00 - \$576.00 = **\$72.00 Potential Price-Flex Coverage/Liability Per Acre**

### Production to Count (PTC) Example:

- Harvested 140 Bushels/Acre
- 140 X \$3.90 = \$546.00 Revenue/Acre
- \$576.00 - \$546.00 = \$30.00 MPCl Indemnity/Acre
- \$648.00 - \$546.00 - \$30.00 = **\$72.00 Price-Flex Indemnity**

### No MPCl Indemnity:

- Harvested 150 Bushels/Acre
- 150 X \$3.90 = \$585 Revenue/Acre
- \$576.00 - \$585.00 = (-\$9.00) No MPCl Indemnity
- \$648.00 - \$585.00 - \$0.00 = **\$63.00 Price-Flex Indemnity**

## Contact Us for Complete Policy Details

See the policy provisions and/or contact your ProAg agent for a complete description of available coverages and their terms and conditions. For more information on how Price-Flex will work for you, go to [ProAg.com/PriceFlex](http://ProAg.com/PriceFlex).

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.

## Come experience the ProAg difference today.

At ProAg, we begin each day with a singular goal—to deliver customer service that exceeds your expectations. Insuring the world's most important industry is both a job and a passion for ProAg employees. We come from agricultural backgrounds, and we employ some of the most experienced crop insurance professionals in the country.

ProAg, as a member of the Tokio Marine HCC group of companies, is positioned as a financially strong and well-capitalized insurer prepared to weather any economic storm. We strive to serve our clients' best interests by remaining singularly focused on our specialized line of business—crop insurance. We stand committed to continuing the principles that ProAg was founded on more than 90 years ago: **Integrity, Loyalty and Customer Service.**

To find your local ProAg agent see [www.ProAg.com/Contact](http://www.ProAg.com/Contact) or call (800) 366-2767. Join our growing conversation on social media by following @ProAgIns.