



Properly filing the AD-1026 form (for compliance with the Highly Erodible Land Conservation (HELC) and Wetland Conservation) with the FSA office is required to qualify for a premium subsidy under LRP.



NAU Country
A QBE Insurance Company

www.naucountry.com

Our commitment to you

We have a reputation for providing the best service. Our commitment to service has never wavered and with our parent, QBE Insurance Group, we can provide the best financial stability as well.

For more information about the process described in this brochure, contact your agent today!

- LRP will be unavailable if the program reaches the national maximum underwriting capacity, as established by FCIC.
- Sales periods run on non-holiday weekdays from the time market closes in the afternoon until 9:00am CST the following morning.

NAU Country Insurance Company
7333 Sunwood Drive | Ramsey, MN 55303
1.888.NAU.MPCI

This brochure is only an overview of the described product. It does not include all features, exclusions, or limitations. Consult your agent or the policy provisions for further details.

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Livestock Risk Protection - Cattle & Swine

Protection against unexpected future declines in the market value of cattle and swine.

Livestock Risk Protection (LRP)

The only peril covered under LRP is unexpected future decline in market value of cattle and swine. A drop in a sale price that a producer receives personally will not create an indemnity under LRP.

LRP coverage sales are typically offered every market trading day. These begin in the afternoon, shortly after market close, and run until 9am CST the following morning.

Coverage is purchased via one time transactions called Specific Coverage Endorsements (SCE). Multiple SCEs can be purchased throughout the year. Terms of coverage indicated on the SCE include: the number of head being covered, CWT/head anticipated at the end of the term, the length of coverage (in weeks), expected value of the livestock in the future, the level of that expected value the producer wishes to insure and the rate of insurance that corresponds with the selected length, and level of coverage.

Eligibility and Requirements

To qualify for LRP, you must have an ownership share in eligible livestock in a NAU Country licensed state:

- Alabama
- Arizona
- Arkansas
- California
- Colorado
- Florida
- Georgia
- Idaho
- Illinois
- Indiana
- Iowa
- Kansas
- Kentucky
- Louisiana
- Michigan
- Minnesota
- Mississippi
- Missouri
- Montana
- Nebraska
- Nevada
- New Mexico
- North Carolina
- North Dakota
- Ohio
- Oklahoma
- Oregon
- South Carolina
- South Dakota
- Tennessee
- Texas
- Utah
- Virginia
- Washington
- West Virginia
- Wisconsin
- Wyoming

Feeder Cattle

Four different types of Feeder Cattle are identified under LRP. There are two weight classes for each of the four types. Terms will vary depending on the type and weight selected. The four available types of Feeder Cattle are Steers 1 & 2, Heifers 1 & 2, Brahman 1 & 2, and Dairy 1 & 2.

The market utilized to determine if losses have occurred on a LRP Feeder Cattle policy is the Chicago Mercantile Exchange (CME). Market prices can be viewed on the website under Cash-Settled Commodity Index (click on Feeder Cattle Daily Index Prices).

Because the CME Index indicated above is an index based on 6.0 - 9.0 cwt steers, any other type/weight chosen will be adjusted in value:

TYPE	CWT Range	% Adjustment from CME
Steer Wt 1	0 - 5.99	110%
Steer Wt 2	6.00 - 8.99	100%
Heifers Wt 1	0 - 5.99	100%
Heifers Wt 2	6.00 - 8.99	90%
Brahman Wt 1	0 - 5.99	100%
Brahman Wt 2	6.00 - 8.99	90%
Dairy Wt 1	0 - 5.99	85%
Dairy Wt 2	6.00 - 8.99	80%

Fed Cattle

Unlike Feeder Cattle, there is no subtype identified under Fed Cattle.

The market utilized to determine if losses have occurred on an LRP Fed Cattle policy is the Agricultural Marketing

	Coverage Levels Potentially Available *	Coverage Lengths Potentially Available **	Maximum Number of Head per SCE/Year	Targeted Weight at end of Coverage
Feeder Cattle, Weight 1	70% - 100%	13, 17, 21, 26, 30, 34, 39, 43, 47, 52	1,000 / 2,000	0 - 5.99 cwt
Feeder Cattle, Weight 2	70% - 100%	13, 17, 21, 26, 30, 34, 39, 43, 47, 52	1,000 / 2,000	6.00 - 8.99 cwt
Fed Cattle	70% - 100%	13, 17, 21, 26, 30, 34, 39, 43, 47, 52	2,000 / 4,000	10.00 - 14.99 cwt
Swine	70% - 100%	13, 17, 21, 26	10,000 / 32,000	1.5 - 2.25 lean cwt

* Not all coverage levels are guaranteed to be available during each sales' period.

**Not all contract lengths are guaranteed to be available during each sales' period.

Service (AMS) 5 Area Weekly Weighted Average Direct Slaughter Cattle (35 - 65% Choice Steers). Fed Cattle is expected to carry a yield grade of 1 - 3 and grade select or higher.

Swine

The market utilized to determine if losses have occurred on a LRP Swine policy is the Chicago Mercantile Exchange (CME). Market prices can be viewed on the website under Cash-Settled Commodity Index (click on Lean Hogs Daily Index Prices).

Swine is considered on a lean (carcass) weight basis. Meaning, we utilize a factor of 74% of the live weight of the animal when selecting terms of coverage.

Indemnity Example

Cattle coverage is calculated using a live hundredweight (cwt) : # of livestock × live cwt × price × share.

For the examples below, assume the insured owns all the livestock.

Cattle

Coverage $500 \times 10 \text{ cwt} \times \$175 = \$875,000$
 Actual value $500 \times 10 \text{ cwt} \times \$170 = (\$850,000)$
 Indemnity $\$25,000$

Swine

Coverage $2000 \times 1.9 \text{ cwt} \times \$122 = \$463,600$
 Actual value $2000 \times 1.9 \text{ cwt} \times \$119 = (\$452,200)$
 Indemnity $\$11,400$