



VARIABLE INTERVAL PRODUCT (VIP™)

OVERVIEW

VIP is a non-federally reinsured, supplemental crop insurance policy that provides the potential for a higher revenue protection guarantee than the base coverage established on the underlying Revenue Protection (RP), Area Revenue Protection (ARP), Margin Protection (MP) or MP with Harvest Price Option (MP-HPO) plans of insurance. Producers may add one or more alternative price discovery periods (intervals), of which the highest would be used to establish the revenue guarantee for loss purposes when applicable. A VIP policy may have a loss if the selected interval's price is higher than the Projected and Harvest Prices.

Endorsement Options

The **Multi-Practice Endorsement** provides more flexibility by giving producers the ability to customize their coverage for irrigated and non-irrigated practices with distinct coverage levels. When more than one practice exists on a policy, losses are paid on an enterprise unit by practice basis (within a county).

NEW! The **Margin Protection Input Cost Endorsement** is available on both the MP and MP-HPO plans and sets a 5% maximum decline on input cost from expected to final cost.

Ask your Sales Manager how to customize your price with the myPrice option! (Not available on MP.)

Requirements

You are required to purchase an MPCI insurance policy for the crop to be insured and to establish insurable interest. If you fail to purchase MPCI coverage, you still owe all premium for the selected periods.

- A producer may choose from several options less than the price limits shown.
- We reserve the right, at our option, to reduce these maximum specific limits during the sales year if needed to satisfy capacity constraints, as well as suspend or restrict sales if trading on the applicable futures exchange is disrupted by events such as movement of prices by the maximum allowable by the exchange that prevents trading at the end of a session, or there is lack of trading.

Coverage will apply to no more than 110% of the greater of:

1. The number of acres you intend to plant, without considering share; or,
2. The greatest number of acres planted under any MPCI policy in your county for the crop in any one of the most recent four calendar years, without considering share. These acres must not be disallowed by the premium quotation tool.

Note: If you are planting in a county where you have no history, you may insure no more than 110% of the intended acres you declared at the time you applied for this policy. You may be required to provide evidence to support your estimate.

Loss Payment

If you elect the RP plan as your MPCI coverage, any loss payment owed will be paid within 30 days after we receive the information required in the policy and we agree with you on the amount of the loss payment. If you elect ARP, MP or MP-HPO as your MPCI coverage, any loss payment owed will be paid within 30 days after we receive the information required in the policy and RMA releases the county revenue for the ARP plan of insurance. The sum of your share of the harvest value of the crop, any indemnity paid under the MPCI program, and the amount of the VIP indemnity cannot exceed the total crop value.

SALES CLOSING

Same as underlying MPCI coverage.

AVAILABILITY

The crops, types and practices for which the RP/ARP/MP/MP-HPO insurance plans are offered in the county are insurable under VIP if offered by the VIP Estimator.

For a complete list of program states, contact your Hudson Crop agent or visit HudsonCrop.com.

** Other coverage restrictions may apply.*

PRICE MOVEMENT LIMITS

Corn - \$1.00 / bu
Wheat - \$1.50 / bu
Soybeans - \$2.00 / bu
Cotton - \$0.20 / lb

HOW VIP WORKS WITH YOUR MPCCI

REVENUE PROTECTION

Projected Price	\$3.97
Harvest Price	\$3.90
Highest Alternative Interval Price	\$4.15
RP Coverage Level	85%
APH	185 bu.
Harvest Production	165 bu.

GUARANTEE

RP GUARANTEE

185 * 85% * \$3.97 = \$624.48

VIP GUARANTEE

185 * 85% * \$4.15 = **\$652.80**

(\$28.32 higher than your MPCCI guarantee!)

CLAIM

FINAL PRODUCTION REVENUE

165 * \$3.90 = \$643.50

(No RP loss as the final revenue exceeds the guarantee.)

VIP PAYMENT

\$652.80 - \$643.50 = **\$9.30 / acre**

MARGIN PROTECTION - HPO

Projected Price	\$4.03
Harvest Price	\$4.75
Expected County Yield	161 bu.
Final County Yield	130 bu.
Expected Input Costs	\$301.55
Final Input Costs	\$275.00
MP Coverage Level	95%
Protection Factor	1.20

CLAIM

MP EXPECTED REVENUE

\$764.75

MP LIABILITY

\$871.82

EXPECTED MARGIN

\$463.20

TRIGGER MARGIN

\$424.96

HARVEST REVENUE

\$617.50

HARVEST MARGIN

\$342.50

MP ESTIMATED LOSS = \$99 / acre

VIP - MARGIN PROTECTION

Interval Price	\$5.00
Price Limit	\$1.00

VIP Capped Price	\$5.00
Liability Adjustment Factor	1.00

W/ INPUT COST ENDORSEMENT

VIP Expected Revenue	\$805.00
Liability	\$193.20
Expected Margin	\$503.45
Trigger Margin	\$463.20
Input Cost	\$286.47
Harvest Margin	\$331.03
VIP Preliminary Indemnity	\$159
VIP Estimated Loss	\$60

W/O INPUT COST ENDORSEMENT

VIP Expected Revenue	\$805.00
Liability	\$193.20
Expected Margin	\$503.45
Trigger Margin	\$463.20
Input Cost	\$275
Harvest Margin	\$342.50
VIP Preliminary Indemnity	\$145
VIP Estimated Loss	\$46

Check the VIP Underwriting Guidelines for ARP and MP scenarios!

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Hudson Crop

7300 West 110th Street, Suite 400 | Overland Park, KS 66210
T 866 450-1445 | F 913 345-1671 | HudsonCrop.com

