



**HUDSON**  
INSURANCE GROUP®

# LIVESTOCK RISK PROTECTION

## FED CATTLE

LRP - Fed Cattle is a federally-reinsured livestock product that provides single peril risk protection against the decline in fed cattle price over the insurance period. Producers may select from a variety of coverage levels and insurance periods to match the time the fed cattle would normally be marketed. This insurance may be purchased throughout the year. Premium rates, coverage prices, and actual ending values are posted online daily. LRP does not insure against death, loss or poor performance. At the end of the insurance period, if the actual ending value is below the coverage price, an indemnity would be paid for the difference.

### Availability

Ownership of insured cattle must be certified by the producer and may be subject to inspection and verification by Hudson Insurance Company.

- Available in all counties in all 50 states.
- Coverage may be purchased after the price guarantee is posted to the RMA site and before 9:00 a.m. CT of the following day.
- Coverage starts the day you buy a SCE and RMA approves the purchase.

### New for 2023

- Producers can insure up to 12,000 head per SCE with a limit of 25,000 head per crop year.
- Increased weight limits for insurable livestock 1,000 #s - 1,600 #s.
- Modified the provisions defining Covered Livestock regarding ownership requirements, insurability and documents required for verification to receive an indemnity.

### Recent Updates

- Increased head limits (see above).
- Modified the livestock ownership requirement to 60 days.
- Premium may be paid at the end of the endorsement period (billing dates per the actuarials).

### Insurable Livestock

The steers and heifers are:

- Expected to grade select or higher
- Expected to have a yield grade of 1 to 3
- Expected to weigh 10 to 16 cwt (live weight)

### PREMIUM SUBSIDY

35% for 95 - 100% Coverage Level  
40% for 90 - 94.99% Coverage Level  
45% for 85 - 89.99% Coverage Level  
50% for 80 - 84.99% Coverage Level  
55% for 70 - 79.99% Coverage Level  
(Premium is due at the end of the endorsement period.)

### COVERAGE PRICES

Between 70% and 100% of the expected ending value

### INSURANCE PERIODS

*Length available per SCE (in weeks)*  
13, 17, 21, 26, 30, 34, 39, 43, 47, 52

### SALES PERIOD

While an application can be completed at any time, insurance does not attach until a SCE is purchased and approved by the RMA. Multiple endorsements may be purchased using a single application.

## By the Numbers

PREMIUM		WHAT IF?				
COMMODITY	Fed Cattle					
TYPE	Steers & Heifers					
ENDORSEMENT LENGTH	30					
NUMBER OF HEAD	100					
TARGET WEIGHT <sup>1</sup>	12.50					
COVERAGE PRICE	\$ 115.15					
INSURED VALUE <sup>2</sup>	\$ 143,938.00					
PREMIUM RATE	0.067955					
TOTAL PREMIUM <sup>3</sup>	\$ 9,781.00					
SUBSIDY <sup>4</sup>	\$ 3,423.00					
PRODUCER PREMIUM <sup>5</sup>	<b>\$ 6,358.00</b>					
\$/CWT	<b>\$ 5.09</b>					
\$/HEAD	<b>\$ 63.58</b>					

Insured chooses Commodity, Endorsement Length and Coverage Price.

<sup>1</sup> Target Weight is the average weight in cwts the insured thinks the animals will be at the end of the coverage period (10 - 14 cwts).

<sup>2</sup> Insured Value = Number of Head x Target Weight x Coverage Price

<sup>3</sup> Total Premium = Insured Value x Premium Rate (Each Coverage Price has its own Premium Rate)

<sup>4</sup> Assuming a 95-100% Coverage level, Premium Subsidy = 35%

<sup>5</sup> Producer Premium = Total Premium - Subsidy

For easy access to the LRP Insurance offerings, find Hudson Crop's LRP Quoter at: <https://eharvest.hudsoncrop.com/lrp>

LOSS/INDEMNITY		WHAT IF?				
COMMODITY	Fed Cattle					
TYPE	Steers & Heifers					
ENDORSEMENT LENGTH	30					
NUMBER OF HEAD	100					
TARGET WEIGHT	12.50					
COVERAGE PRICE	\$ 115.15					
<sup>1</sup> ACTUAL ENDING VALUE	\$ 109.10					
<sup>2</sup> INDEMNITY	<b>\$ 7,563.00</b>					
\$/CWT	<b>\$ 6.05</b>					
\$/HEAD	<b>\$ 75.63</b>					

<sup>1</sup> Actual Ending Value for the day in which the coverage ends and is the price of fed cattle as calculated by the Agricultural Marketing Service (AMS) in a report titled the "5 Area Weekly Weighted Average Direct Slaughter Cattle." The price series is the Live Basis Sales, Steers, "35 - 65% Choice" category.

<sup>2</sup> Indemnity is due if the actual ending value is less than the producer chosen coverage price. Indemnity is calculated by taking the difference between the Actual Ending Value and the Coverage Price (Coverage Price - Actual Ending Value) times the Number of Head insured and the Target Weight.

NON DISCRIMINATION STATEMENT: Hudson Insurance Company is an equal opportunity provider. In accordance with Federal law and U.S. Department of Agriculture (USDA) civil rights regulations and policies, the USDA, its Agencies, offices, and employees, and institutions participating in or administering USDA programs are prohibited from discriminating on the basis of race, color, national origin, religion, sex, gender identity (including gender expression), sexual orientation, disability, age, marital status, family/parental status, income derived from a public assistance program, political beliefs, or reprisal or retaliation for prior civil rights activity, in any program or activity conducted or funded by USDA (not all bases apply to all programs).

The information contained in this brochure is for general information only and shall not modify the terms of any insurance policy.



### Hudson Crop

7300 West 110th Street, Suite 400 | Overland Park, KS 66210  
T 866 450-1445 | F 913 345-1671 | [HudsonCrop.com](https://HudsonCrop.com)

