

## Adjusted Gross Revenue-Lite (AGR-Lite) 61 Underwriting Rules

Effective for 2006 and Succeeding Crop Years

1. This program is offered as a streamlined, whole-farm adjusted gross revenue program. The basic producer qualifications requirements are to have:
  - (a) the farming operation primarily located in an approved county,
  - (b) at least 5 continuous years of tax records on IRS Schedule F1040 form or an equivalent for the period, i.e., 2000-2004 for 2006 crop year, and
  - (c) an AGR-Lite liability of \$1,000,000 or less.
  
2. The AGR-Lite program is limited to producers with an approved Adjusted Gross Revenue guarantee (policy liability) of \$1,000,000 or less. The table below is provided to reflect the maximum adjusted gross revenue limits at the various coverage choices:

Coverage Level/Payment Rate	Approximate Maximum Adjusted Gross Revenue
65/75%	\$2,051,282
65/90%	\$1,709,401
75/75%	\$1,777,777
75/90%	\$1,481,481
80/75%	\$1,666,666
80/90%	\$1,388,888

3. Documents used in servicing an AGR-Lite policy may be found in the AGR Standards Handbook and the AGR-Lite Handbook.
  
4. Premiums may be calculated using the premium calculation software available on the RMA website.
  
5. Available coverage level and payment rate combinations, premium subsidy factors and administrative fees are as follows:

Coverage Level Percentage	Payment Rate Percentage	Minimum Number Ag. Commodities Produced	Premium Subsidy Factor	Policy Fee
65	75 or 90	1	.59	\$30
75	75 or 90	1	.55	\$30
80	75 or 90	3*	.48	\$30

\* To qualify for the 80 percent coverage level, as shown in the chart above, you must produce at least a minimum of 3 qualifying commodities as determined by the premium calculator (available on the RMA web page) and shown on your farm report. The method of calculating the number of qualifying commodities is as follows:

- (1) Divide 1.0 by the number of commodities shown on your farm report and round to 3 decimal places;
- (2) Multiply the result of (1) by 0.333; and
- (3) Multiply the result of (2) by the total expected allowable income shown on your farm report.

Income from commodities expected to produce less than the minimum requirement to count as separate commodities will be grouped together by the premium calculator (available on RMA Website) to determine if the farm is eligible for higher coverage level choices. All commodities must be reported individually on the Annual Farm Report.

6. The sales closing date is 3/15. The cancellation and termination date is 1/31.
7. See section 4 of the Adjusted Gross Revenue-Lite Insurance Policy for applicable filing deadlines for farm, inventory and commodity reports.
8. If a carryover insured cancels the AGR-Lite policy prior to 1/31 and signs a new application by 3/15, the insured will not be covered for any losses that occur earlier than 10 days after the insurance company receives the properly completed application.