



KIPPES INSURANCE AGENCY, INC.

1260 Cathedral
P.O. Box 50
Victoria, KS 67671
Ph. : 785-735-9485

November 2023

Pasture, Rangeland and Forage (PRF) Rainfall Index

The Risk Management Agency's (RMA) pilot insurance policy, Pasture, Rangeland, Forage (PRF) is designed to provide insurance coverage on perennial pasture, rangeland or forage acres, based on precipitation (Rainfall Index). The program helps protect a producer's operation from the risks of forage loss due to lack of precipitation. It's not designed to insure against ongoing or severe drought, as the coverage is based on precipitation expected during specific intervals only.

The Sales Closing Date for PRF is December 1, 2023, so contact us for a quote on your ranch operation's grass today!



PRF Coverage

The Rainfall Index uses National Oceanic and Atmospheric Administration Climate Prediction Center (NOAA CPC) data. You must select at least two, two-month periods where precipitation is important to your operation. These periods are called index intervals. Insurance payments are determined by using NOAA CPC data for the grid(s) and index interval(s) you choose to insure. When the final grid index falls below your "trigger grid index" (expected grid index x coverage level %), an indemnity may be paid.

This insurance coverage is for a single peril - lack of precipitation. Coverage is based on the experience of the entire grid. It is not based on individual farms or ranches or specific weather stations in the general area.

Personal example is on back

Jason's PRF Experience on his own policy

<u>Year</u>	<u>Premium per acre</u>	<u>Payout per acre</u>	<u>Loss Ratio</u>
2023	\$7.34	\$11.88 so far (still one more interval)	162% so far
		<u>+\$10.00</u> \$22.88	Will probably be 300%
2022	\$6.61	\$32.49	492%
2021	\$6.46	\$19.40	300%
2020	\$6.53	\$20.30	311%

This is how Jason's actual policy has performed for the past four years.

*Disclaimer—This is only an example of how Jason's policy has been working. There is no guarantee what the loss ratios or payments will be in the future for your specific grids or intervals.