



## LPI CONTRACT OF INSURANCE

### Summary of Changes Made in 2023

The following document summarizes the changes made to the Livestock Price Insurance (LPI) Contract of Insurance (the “Contract”).

1. The Contract adopted the new style, general order and formatting that was used for the “Reimagining the Crop Insurance Contract of Insurance Project”, which involved a substantially reformed crop insurance Contract of Insurance.
2. The Contract is considerably easier to read and more “user friendly” thanks to the new formatting.
3. All language was updated from Western Livestock Price Insurance (WLPIP) to Livestock Price Insurance (LPI) to reflect rebrand of the program implemented in 2021.
4. Because the Fed Basis Insurance product is no longer available, all references to it have been removed.
5. The definitions for “Owner” and “Fed Cattle” have been revised as per below:

#### “OWNER”

Previous Definition: means a person, or persons who own, or own a portion of, the Insured livestock.

Current Definition: means a person, or persons who has (or have) ownership through financial risk and physical possession, whether it be partial or full legal ownership of, the Insured livestock.

Rationale: This change was made to provide additional clarity surrounding what ownership of livestock means to LPI. This should prevent the risk for double insuring of livestock between seller and buyer (i.e., forward selling for future delivery).

#### “FED CATTLE”

Previous Definition: means bovines that are at least 500 pounds at the Effective Date, are intended by the insured for slaughter, and must reasonably be expected to grade A or better at the time of slaughter.

Current Definition: means bovines that are at least 500 pounds and under 30 months of age at the Effective Date, are intended by the insured for slaughter, and must reasonably be expected to grade A or better at the time of slaughter.

Rationale: This change was made to reinforce the exclusion of mature/cull cows and bulls from being insured in the LPI – Fed program.

6. Clause 13.02 B and 16.06 Data are new additions to the Contract:

**CLAUSE 13.02 B** states the following, “Any amendments to the Contract or Policy must be in writing by AFSC to be effective.”

**CLAUSE 16.06 DATA** states the following, “All data used to calculate Settlement Indexes will not be disclosed for any reason due to contractual obligations.”

*\*Clause 13.02 B and 16.06 Data have always been standard practice. Nevertheless, these clauses have now been incorporated into the revised Contract in order to ensure transparency*