

## Exhibit 2: Rainfall Index Policy Disclaimer

### YOU NEED TO UNDERSTAND THE FOLLOWING:

- THE RAINFALL INDEX IS NOT A PLAN OF INSURANCE AGAINST INDIVIDUAL LOSS. THE TERMS AND CONDITIONS OF THIS PLAN ARE DIFFERENT FROM THOSE OF AN ACTUAL PRODUCTION HISTORY PLAN OF MULTIPLE PERIL CROP INSURANCE.
- FINAL PAYMENT WILL BE MADE ACCORDING TO THE APPLICABLE CROP PROVISIONS. PREMIUM WILL BE DUE 30 DAYS AFTER THE BILLING DATE SPECIFIED IN THE ACTUARIAL DOCUMENTS.
- THIS PLAN OF INSURANCE IS DESIGNED AS A RISK MANAGEMENT TOOL TO INSURE AGAINST A DECLINE IN AN INDEX FOR A DESIGNATED AREA CALLED A GRID, AND IT IS PRIMARILY INTENDED FOR USE BY THOSE PRODUCERS WHOSE CROP PRODUCTION AND PRECIPITATION TENDS TO FOLLOW THE AVERAGE **INTERPOLATED** PRECIPITATION PATTERNS FOR THE GRID. IT IS POSSIBLE FOR YOU TO HAVE LOW CROP PRODUCTION OR LOW PRECIPITATION ON THE ACREAGE THAT YOU INSURE AND STILL NOT RECEIVE A PAYMENT UNDER THIS PLAN. THIS PROGRAM IS BASED UPON GRID INDICES, NOT INDIVIDUAL FARM YIELDS, OR PRECIPITATION TOTALS. THE ONLY INSURABLE CAUSE OF LOSS UNDER THIS POLICY IS HAVING A FINAL GRID INDEX LESS THAN YOUR TRIGGER GRID INDEX. BECAUSE THE PROGRAM IS DESIGNED FOR THE PRODUCERS WHOSE CROP PRODUCTION AND PRECIPITATION TENDS TO FOLLOW THE AVERAGE **INTERPOLATED** PRECIPITATION PATTERNS FOR THE GRID **AND NOT INDIVIDUAL CROP PRODUCTION**, YOU SHOULD REVIEW THE HISTORICAL INDICES, ADDITIONAL TOOLS, AND INFORMATION PROVIDED ON THE RMA WEB SITE TO DETERMINE IF THE PROGRAM IS SUITABLE FOR YOUR RISK MANAGEMENT NEEDS.
- YOU SHOULD CONTINUE TO MAINTAIN ANY AND ALL OF YOUR PRODUCTION RECORDS IN THE EVENT YOU WISH TO PURCHASE AN ACTUAL PRODUCTION HISTORY PLAN OF MULTIPLE PERIL CROP INSURANCE IN FUTURE YEARS.

I understand the terms of the Common Rainfall Index Policy Basic Provisions and applicable Crop Provisions. I am aware that I cannot obtain another plan of insurance in a county, if available, on crops insured under the RI plan of insurance with the exception of AGR and AGR Lite (if available), or in accordance with the applicable Crop Provisions or Special Provisions. I am aware of the additional tools provided by RMA on their Web site related to the RI plans of insurance to assist me in determining if the RI plan of insurance is suitable for my farming operation. I have read and fully understand this Rainfall Index Disclaimer.

INSURED \_\_\_\_\_ AGENT \_\_\_\_\_

DATE \_\_\_\_\_ DATE \_\_\_\_\_

$$= \$17.65 \times .85 \times 1.20$$

$$= \$18.00 \text{ per Acre}$$

**Percent of Insured Acreage per Index Interval and Number of Insured Acres per Index Interval**

Joe Rancher is required to designate a specific percentage of the insured acreage to at least two of the Index Intervals for each Grid ID, crop type, and share.

Joe Rancher and his agent look up the Special Provisions of Insurance for Texas. In Andrews County (used only as an example, may not match the Special Provisions for Andrews County), he finds that he can place no more than 50% of his insured acreage to any one Index Interval. However, if he chooses an Index Interval, he must place a minimum of 10% of his insured acreage in that chosen Index Interval. He also learns that the sum of all the insured acres per Index Interval must equal 100% or the total number of insured acres for each Grid ID, crop type, and share. **As stated in the Basic provisions an insured may select any index interval provided in the Special Provisions; however, the selected index intervals cannot contain any month in more than one index interval. For example: If an insured selects April - May Index Interval, which include the months of April and May they cannot select any other interval that contains any of these same months. In this example an insured is not allowed to insure acreage in March - April Index Interval or May - June Index Interval, because each of these intervals contains one of the months included in April - May Index Interval.”**

The Special Provisions list the following crop types and practices:

TYPE(S) -----	PRACTICE(S) -----
(063) Hayland	(625) January - February Index Interval
(063) Hayland	(626) February - March Index Interval
(063) Hayland	(627) March - April Index Interval
(063) Hayland	(628) April - May Index Interval
(063) Hayland	(629) May - June Index Interval
(063) Hayland	(630) June - July Index Interval
(063) Hayland	(631) July - August Index Interval
(063) Hayland	(632) August - September Index Interval
(063) Hayland	(633) September - October Index Interval
(063) Hayland	(634) October - November Index Interval
(063) Hayland	(635) November - December Index Interval
(064) Grazingland	(625) January - February Index Interval
(064) Grazingland	(626) February - March Index Interval
(064) Grazingland	(627) March - April Index Interval
(064) Grazingland	(628) April - May Index Interval
(064) Grazingland	(629) May - June Index Interval
(064) Grazingland	(630) June - July Index Interval
(064) Grazingland	(631) July - August Index Interval
(064) Grazingland	(632) August - September Index Interval
(064) Grazingland	(633) September - October Index Interval
(064) Grazingland	(634) October - November Index Interval
(064) Grazingland	(635) November - December Index Interval