THE CLIMATE CORPORATION

Temperature Measurement FAQ

How is temperature measured?

The Climate Corporation uses the temperature values reported from the temperature station specified on your TWI policy.

When does temperature measurement start for each component of my policy?

Temperature measurement will begin at approximately midnight on the start date of each component of your TWI policy.

Where can I view my up to date temperature measurement information?

You can view temperature measurement online on the Policy Status page. Go to www.climate.com and click on the "Look Up Policy" link at the top of the page. Enter your TWI Policy Number and Billing Zip Code and find the policy component you are looking for. Click the "View Weather Data" link to see a table with all temperature measurement and payout information.

Why am I not seeing my temperature measurement information for the last several days in the View Weather Data table of the Policy Status page?

Individual temperature stations report measurement values anytime between one and five days after the measurement date. Please note that after reporting, the data goes through a final quality control check, so in some rare events the data will be adjusted within that five day time frame.

When will I know if I should expect a payout for my TWI Policy Components?

You can login to the The Climate Corporation Policy Status page at any time to see the most current total temperature measurements and estimated payout. The finalized payment information will be available 5 days after the end date of each policy component. If there is a payment due that is greater than the TWI policy premium, you will receive a check in the mail within 10 days of the end of your policy period for the total payment less any remaining policy premium. If you provided an e-mail address to your agent at the time of purchase, you will also receive notification of component settlement details by e-mail at the conclusion of each policy component.

What are heat units and how are they calculated?

Heat Units are often commonly referred to as GDUs (Growing Degree Units) or GDDs (Growing Degree Days). Heat Units for a given day are calculated by adding the maximum temperature for the day and the minimum temperature for the day, dividing by 2 and subtracting the Heat

THE CLIMATE CORPORATION

Temperature Measurement FAQ – Continued

What are heat units and how are they calculated (continued)?

Unit Base Temperature. Also, the daily minimum and maximum temperature cannot be less than the Heat Unit Range Minimum Temperature or greater than the Heat Unit Range

Maximum Temperature. If the daily temperature does exceed the Heat Unit Range, then that daily temperature value is replaced by the Heat Unit Range Temperature.

For example, for corn the Heat Unit Range Minimum Temperature (and also the Heat Unit Base Temperature) is 50 degrees F and the Heat Unit Range Maximum Temperature is 86 degrees F. So if the daily maximum temperature is 90 degrees, 86 is used in the calculation. If the daily minimum temperature is 47 degrees, 50 is used in the calculation. The following scenarios demonstrate how the heat unit calculation works:

1.) If the daily maximum temperature was 75 degrees F and the minimum temperature was 60 degrees F, then the heat unit accumulation would be ((75 + 60)/2) – 50, or 17.5 heat units.

2.) If the daily maximum temperature was 95 degrees F and the minimum temperature was 70 degrees F, then the heat unit accumulation would be ((86 + 70)/2) – 50, or 23 heat units.

3.) If the daily maximum temperature was 65 degrees F and the minimum temperature was 40 degrees F, then the heat unit accumulation would be ((65 + 50)/2) – 50, or 7.5 heat units.

This calculation method is the most commonly used in US agriculture for determining heat unit accumulation. It was first introduced by the National Oceanic and Atmospheric Administration as the “Modified Growing Degree Day” formula.