

**SUBSTANTIAL BUSINESS INTEREST (SBI)  
and Transfer of Right to Indemnity  
REQUIREMENTS FOR eDAS  
Format/Edits**

| Section/Attribute        | Description/Edit  |
|--------------------------|---|
| <b>SBI</b>               | <p>“SBI” is the title of this section and identifies the opening and closing of this xml section. This document provides additional reporting requirements of data under this section.</p> <p><b>Entity precedes SBI.</b></p> <p>This section will inherit the process flag and/or change flag of the Entity unless set by this section. Example: &lt;SBI process flag = “2”&gt;.</p> <p><b>Transfer of Right to an Indemnity is not applicable for AGR/AGR-L.<br/>Transfer of Right to an Indemnity ID Number will be validated against the SSA file and ITS database.</b></p> |
| CHANGE_FLAG (ATTRIBUTE)  | <p>If Process Flag = 2 or 5 certain data will be allowed to change after initial acceptance. Tags have been identified by flags below. Flag of ‘1’ will only be allowed to change data identified by ‘1’. Flag of ‘2’ will be allowed to change data identified by ‘1 or 2’. Flag of ‘3’ will be allowed to change any data.</p> <p>Valid flags:<br/>1 = general<br/>2 = company approval<br/>3 = RMA approval</p> <p>Change flag will default to 2 unless otherwise indicated.</p>   |
| PROCESS_FLAG (ATTRIBUTE) | <p>Valid flags:<br/>1 = original<br/>2 = modify<br/>3 = delete<br/>4 = validate (original)<br/>5 = validate (modify)<br/>6 = (only applicable for premium)<br/>7 = retrieve<br/>8 = cancel (only applicable for Livestock crop policy)<br/>9 = re-instate (only applicable for Livestock crop policy)</p> <p>Process flag will default to 1 unless otherwise indicated.</p>   |

June 30, 2009

Exhibit 126

FCIC-Appendix III

**SUBSTANTIAL BUSINESS INTEREST (SBI)  
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REQUIREMENTS FOR eDAS  
Format/Edits**

| No. | Tag | Key | Level of Change | IN/<br>OUT | REQ/<br>OPT/<br>CON | Max Size | Picture | Description/Edit |
|-----|-----|-----|-----------------|------------|---------------------|----------|---------|------------------|
|-----|-----|-----|-----------------|------------|---------------------|----------|---------|------------------|

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|-----|-----------------|-----|-----------------|--------|-------------|----------|---------|--|
| 1*  | <RECORD_NUMBER> | Y   | NA              | Y/Y    | REQ         | 3        | 9(03)   | Must be > 000, unique and contained within an Entity.  |
| 2*  | <ID_TYPE>       |     | 2               | Y/Y    | REQ         | 1        | 9(01)   | Must be one of the following:<br>1 = SSN,<br>2 = EIN,<br>5 = BIA Number.<br>(See Exhibit 121-1 for valid combinations)   |
| 3*  | <ID_NUMBER>     |     | 2               | Y/Y    | REQ         | 9        | X(09)   | If ID Type equals:<br>'1' then Social Security Number,<br>'2' then EIN Number (Numeric,<br>> zero);<br>See Note at end regarding<br>Non-Citizen SSN Reporting.<br>(See Exhibit 121-1 for valid combinations). Edit to SSA file and ITS database. Must be 9 digits.   |
| 4*  | <ENTITY_TYPE>   |     | 2               | Y/Y    | REQ         | 1        | X(01)   | Must be one of the following:<br>A = Public Schools<br>B = Bureau of Indian Affairs (BIA)<br>C = Corporation<br>D = Estates<br>E = Associations, Clubs, Private Schools, and/or Other Tax-Exempt Organizations (religious)<br>F = Transfer of Right to Indemnity – See note on first pg<br>G = Receiver or Liquidator<br>H = Public Agency (State)<br>I = Individual<br>J = Joint Operators/Co-Owners/Joint Ventures<br>L = Landlord/Tenant<br>P = Partnership<br>R = Revocable Trusts<br>S = Spousal (Married)<br>T = Irrevocable Trusts<br>V = Public Agency (County)<br>W = Public Agency (City)<br>X = Individual Operating as Company<br>Y = Limited Liability Company (LLC)<br>Con't see next page |

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|-----|------------------------|-----|-----------------|--------|-------------|----------|---------|--|
| 4   | <ENTITY_TYPE><br>con't |     |                 |        |             |          |         | Entity types "D, E, G, H, L, T, V & W" are applicable for Livestock SBIs and share is not required. (See Exhibit 121-1 for valid combinations)   |
| 5   | <LAST_NAME>            |     | 1               | Y/Y    | CON         | 20       | X(20)   | SBI Last Name, see Exhibit 121-1 for Reporting Requirements. If 'FLB', SBI Last Name is required if Business name is blank. If 'BUS' leave SBI Last Name blank. Any entry requires a minimum of 2 characters, Alpha including (-), (.), ( ), ('), (.), ( ).  |
| 6   | <FIRST_NAME>           |     | 1               | Y/Y    | CON         | 10       | X(10)   | SBI First Name, see Exhibit 121-1 for Reporting Requirements. If 'FLB', SBI First Name is required if Business name is blank. If 'BUS' leave SBI First Name blank. Alpha including (-), (.), ( ), ('), (.), ( ).   |
| 7   | <MIDDLE_NAME>          |     | 1               | Y/Y    | OPT         | 10       | X(10)   | SBI Middle Name. Alpha including (-), (.), ( ), ('), (.), ( ).   |
| 8   | <SUFFIX>               |     | 1               | Y/Y    | OPT         | 5        | X(05)   | SBI Name Suffix (e.g. SR, JR, II, etc.). Alpha including (-), (.), ( ), ('), (.), ( ).   |
| 9   | <BUSINESS_NAME>        |     | 1               | Y/Y    | CON         | 35       | X(35)   | See Exhibit 121-1 for Reporting Requirements. Alphanumeric including (-), (.), ( ), ( ), ('), (&), (%), (*), (+), (#).   |
| 10  | <INELIG_SBI_FLAG>      |     | 1               | Y/Y    | CON         | 1        | X(01)   | Ineligible SBI Flag. Enter 'Y' if SBI Entity is ineligible and share has been reduced. Not applicable for Transfer of Right to Indemnity.  |
| 11  | <SHARE>                |     | 1               | Y/Y    | CON         | 5        | 9.999   | SBI Share of policy. Required for an ineligible SBI. Cannot exceed 1.000 (summed). If entity type = 'S'; share is optional. If entity type = 'S' and share is reported, must be < 1.000. Share is required for Livestock and must be > 0.0 and <= 1.000 (summed). See Livestock exception for share in field 4. Not applicable for Transfer of Right to Indemnity. |

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|-----|----------------------|-----|-----------------|--------|-------------|----------|---------|---|
| 12  | <INELIG_SBI_SHR_RED> |     | NA              | N/Y    | REQ         | 5        | 9.999   | Ineligible SBI Share Reduction Percent. eDAS will populate with total share reduction of all Ineligible SBI's. Not applicable for Transfer of Right to Indemnity.   |
| 13  | <AUTHORIZATION_NUM   |     | 2               | Y/Y    | CON         | 5        | 9(05)   | Authorization Number provided by Reinsurance Services Division (RSD) approving the original, change or deletion. Change Flag must = 3 and Process Flag must = 1, 2, 3, 4 or 5. If changing a "Key" field with Level of Change = 2, Authorization Number assigned by administrative screen and Change Flag must = 2. |
| 14  | <TRANSACTION_FLAG>   |     | NA              | N/Y    | REQ         | 1        | X(01)   | If section accepted, flag = Y. If rejected, flag = N. If deleted, flag = D. If cancel, flag = C.  |

Notes: Key field is Record Number (field 1).

\* Data elements that must be accepted to meet timely reporting of an eligible crop insurance contract for AGR/AGR-L.

If Entity Type (field 4) = 'I' and Id Type (field 2) = '2' for the entity then there must be 1 SBI record.

If Entity Type (field 4) = 'S' and Id Type (field 2) = '2' for an the entity then there must be 2 SBI records.

Non-Citizen SSN Reporting:

MGR-05-008 does not apply to the current products that are processed by eDAS. The following information still applies.

In accordance with the Federal Crop Insurance Act and the Common Crop Insurance Policy Basic Provisions, the submission of a Social Security Number (SSN) or Employer Identification Number (EIN) is required to participate in the multiple peril crop insurance program or Livestock Insurance Program. Additionally, the Standard Reinsurance Agreement and Livestock Price Reinsurance Agreement definitions provide that an eligible crop insurance contract is for an eligible producer who possesses an EIN or SSN. If the non-citizen cannot provide a SSN, even if it is due to not being eligible for a SSN, the amount of coverage for all crops included on the application must be reduced proportionately by the percentage interest in the insured of such persons in accordance with Section 2(b)(2)(i) of the Basic Provisions.

Consistent with current policy provisions and the Act, RMA's systems require a SSN for all individuals, including non-citizens, receiving benefits through the crop insurance program either as a policyholder or as a person with substantial beneficial interest in a policyholder. Securing of a SSN will be the sole responsibility of those individuals needing such and RMA will not provide a letter or other

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|-----|-----|-----|-----------------|--------|-------------|----------|---------|------------------|
|-----|-----|-----|-----------------|--------|-------------|----------|---------|------------------|

recommendations on behalf of the individual to obtain such. They must meet all requirements of the Social Security Administration under their current operating procedures.

Information regarding column headers:

- 1) 'Tag' identifies the naming convention used in creation of XML.
- 2) 'Key' identifies the tags that are key to the validation/storage of data.
- 3) 'Level of Change' identifies the data that is allowed to change and at what level according to Change Flag.
- 4) 'IN/OUT' identifies the direction of data, IN for input and OUT for output with flags 'N' (NO) and 'Y' (YES).
- 5) 'REQ/OPT/CON' identifies if the data is required (REQ), optional (OPT), or conditional (CON). If optional or conditional and there is no data to report the tag is not used.
- 6) 'Max Size' is the maximum size of data allowed for that tag.
- 7) 'Picture' identifies the type of data expected.
- 8) 'Description/Edit' gives additional information.

On an update, only the key fields that define the sections are required plus any changed fields or new sections.