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Federal Crop
Insurance
Corporation



Product
Development
Division

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GROUP RISK PLAN INSURANCE STANDARDS HANDBOOK

**General and Individual Crops
2005 and Succeeding Crop Years**

UNITED STATES DEPARTMENT OF AGRICULTURE
WASHINGTON, D.C. 20250

FEDERAL CROP INSURANCE HANDBOOK	NUMBER: 18040
SUBJECT: GROUP RISK PLAN (GRP) INSURANCE STANDARDS HANDBOOK 2005 AND SUCCEEDING CROP YEARS	OPI: Product Development Division
	APPROVED: /S/ Tim B. Witt
	DATE: January 10, 2005 Deputy Administrator, Research and Development

THIS HANDBOOK CONTAINS THE OFFICIAL FCIC-APPROVED LOSS ADJUSTMENT STANDARDS FOR THIS CROP FOR THE 2005 AND SUCCEEDING CROP YEARS. IN THE ABSENCE OF INDUSTRY-DEVELOPED, FCIC-APPROVED PROCEDURE FOR THIS CROP FOR 2005 AND SUCCEEDING CROP YEARS, ALL REINSURED COMPANIES WILL UTILIZE THESE STANDARDS FOR BOTH LOSS ADJUSTMENT AND LOSS TRAINING.

The following list contains significant changes to this handbook, as determined by us. It may not represent all changes made. All changes made to this handbook are applicable regardless of whether or not listed

SUMMARY OF CHANGES/CONTROL CHART

Major Changes: See changes or additions in text which have been **highlighted**. Three stars (***) identify information that has been removed.

1. Changes:

- A. Removed NOTES through out the handbook to meet legal requirements.
- B. Added AUM to the abbreviations.
- C. Section 3 A added language for GRP Rangeland.
- D. Section 3 B (4), added language for GRP Rangeland.
- E. Section 3 D (2) (4) and (6), added language for GRP Rangeland.
- F. Section 3 F (3), added language for GRP Rangeland.
- G. Section 3 G (2), (3), (4), and (5) added language for GRP Rangeland.
- H. Section 4 A (11), added language for GRP Rangeland.
- I. Section 4 B (5) (7) (8), and (9) added language for GRP Rangeland.

GROUP RISK PLAN (GRP) INSURANCE STANDARDS HANDBOOK

SUMMARY OF CHANGES/CONTROL CHART (Continued)

- J. Section 4 C (10), added language for GRP Rangeland.
- K. Section 4 E (12), added language for GRP Rangeland.
- L. Section 4 H, added language for GRP Rangeland.
- M. Section 4 I (12), added language for GRP Rangeland.
- N. Section 4 K (12), added language for GRP Rangeland.
- O. Page 20, added worksheet for GRP Rangeland.
- P. Page 21, added language for GRP Rangeland.
- Q. Page 5, 10, 11, and 19, changed the Catastrophic risk protection 55 percent references to match the new (05-102) GRP Basic Provisions 45 percent.

Control Chart For: Group Risk Plan Insurance Standards Handbook					
	SC Pages	TC Pages	Text Pages	Date	Directive Number
Remove	FCIC-18040 Dated 7-2000				
Insert and Current Index	1-2	1-2	1-22	01-2005	FCIC-18040

GROUP RISK PLAN (GRP) INSURANCE STANDARDS HANDBOOK

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GROUP RISK PLAN (GRP) INSURANCE STANDARDS HANDBOOK

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1. INTRODUCTION

This handbook identifies the crop-specific procedural requirements for servicing Group Risk Plan of insurance (GRP) policies in a uniform and timely manner. These procedures, which include application, acreage report and claim instructions, supplement the general (not crop-specific) procedures, forms, and manuals for loss adjustment identified in the Loss Adjustment Manual (LAM).

- A. The Group Risk Plan of insurance is a risk management tool offered by the Federal Crop Insurance Corporation (FCIC) as an alternative program to the Actual Production History (APH) plan of insurance.
- B. This Handbook provides (with the Group Risk Plan Basic Provisions and the specific crop provisions) the information needed for those involved with GRP. Because of the broad scope of information covered by this handbook, references are made to other handbooks, procedures, or the GRP policies as appropriate.

2. SPECIAL INSTRUCTIONS

This handbook remains in effect until superseded by reissuance of either the entire handbook or selected portions (through slip-sheets or bulletins). If slip-sheets have been issued for a handbook, the original handbook as amended by slip-sheet pages shall constitute the handbook. A bulletin can supersede either the original handbook or subsequent slip-sheet.

A. DISTRIBUTION

The following is the minimum distribution of forms:

One legible copy to the insured. The original and all remaining copies as instructed by the insurance provider.

It is the insurance providers' responsibility to maintain original insurance documents relative to policyholder servicing as designated in their approved plan of operations.

B. TERMS, ABBREVIATIONS, AND DEFINITIONS

- (1) Terms, abbreviations, and definitions that are general (not crop specific) to loss adjustment are identified in the LAM.
- (2) Terms, abbreviations, and definitions specific to GRP and this handbook, which are not defined in this section, are defined as they appear in the text.

Net Acres	The planted acreage of the insured crop multiplied by the insured's share.
Payment Calculation Factor	For the purpose of calculating an indemnity payment, subtract the payment yield from the insured's trigger yield and divide the result by the insured's trigger yield.
Policy Protection	The dollar amount of protection per acre multiplied by the net insured acreage for each insured crop, practice, and type specified in the county actuarial documents.

(3) Abbreviations:

APH	Actual Production History
AUM	Animal Unit Month
CAT	Catastrophic Risk Protection
FCIC	Federal Crop Insurance Corporation
GRP	Group Risk Plan
MPCI	Multiple Peril Crop Insurance
NASS	National Agricultural Statistics Service
RMA	Risk Management Agency

3. INSURANCE CONTRACT INFORMATION

A. GENERAL INFORMATION

GRP coverage is based on the experience of the COUNTY rather than INDIVIDUAL FARMS. It indemnifies the insured in the event the (county average per-acre yield **or county base production of hay**) "payment yield" falls below the insured's "trigger yield". FCIC will issue the payment yield in the calendar year following the crop year insured. (This date is contained in the specific GRP crop provisions.)

B. INSURABILITY

The insurance provider must determine that the insured has complied with all policy provisions of the insurance contract. GRP crop provisions which are to be considered in this determination include (but are not limited to):

- (1) GRP is available for specific crops ONLY in the states and counties listed in the actuarial documents.
- (2) GRP is a continuous contract unless canceled in writing by either the insured or the insurance provider by the cancellation date.

(3) More than one GRP offer (the practices and/or types listed for the crop in the actuarial documents for the county) may be available in a county. If more than one offer (practice and/or type) is available in a county, the insured must insure ALL of his/her acreage under the respective offer (practice and/or type) actually carried out.

(4) GRP coverage consists of the following requirements:

- (a) Coverage is to be provided in accordance with the terms of the GRP Basic Provisions and the specific GRP crop provisions.
- (b) Unless otherwise specifically allowed by the GRP crop policy or Special Provisions, an insured producer CANNOT insure the same crop in the same crop year through any other federally subsidized multiple peril crop insurance program in counties where they carry GRP coverage.

Exception, GRP policyholders may insure the same crop in the same county and crop year under an Adjusted Gross Revenue (AGR) policy.

- (c) Catastrophic Risk Protection (CAT) coverage is available only for GRP Forage and GRP Rangeland. Refer to the county actuarial documents.
- (d) Protection is limited to the maximum protection per acre shown in the county actuarial documents.

(e) For GRP Rangeland, the maximum protection per acre is limited to the county base revenue multiplied by the coverage level percentage.

(f) For each GRP offer (practice/type):

- 1 Indemnity payments are calculated independently and are not offsetting.
- 2 The insured must choose a percent of coverage.
- 3 The insured must choose a coverage level.
- 4 The insured must report, by the acreage reporting date, ALL acreage of the crop in the county (insurable and not insured) in which the insured has an interest, that is planted on or before the final planting date, by share, for the offers (practices/types) listed in the county actuarial documents.

5 GRP Rangeland, planting is not required. All rangeland in which the insured has an interest must be insured.

- (5) Acreage destroyed as a criterion for participation in any other government program is not insurable and must be deleted, by a revised acreage report, if such acreage was previously reported as insurable.
- (6) Acreage on which the insured has failed to follow good farming practices for the insured crop will not be insured.
- (7) Applicants are required to sign a disclaimer form at the time of application. Refer to the blank disclaimer form at the end of this handbook.
- (8) The following coverage's do NOT apply to GRP:
 - (a) Hail and fire exclusion provisions;
 - (b) High-risk land exclusion provisions;
 - (c) Late Planting provisions;
 - (d) Replant requirements;
 - (e) Replanting payment provisions;
 - (f) Prevented planting provisions;
 - (g) Experience adjustment factors; or
 - (h) Optional, basic, whole farm, or enterprise unit provisions.

C. INSURABILITY BY CROP

Refer to the individual GRP Crop Provisions for specific definitions (i.e. - harvest, planted acreage, etc.)

For insurable GRP crops (EXCEPTION - Rangeland), the insured crop will be all such crop:

- (1) Grown on insurable acreage in the county or counties listed on the accepted application;
- (2) Properly planted and reported by the acreage reporting date;
- (3) In addition, the following applies for specific crops:
 - (a) **Barley** must be planted with the intent to be harvested as grain; and not planted into an established grass or legume, interplanted with another crop, or planted as a nurse crop, unless seeded at the normal rate and intended for harvested as grain.
 - (b) **Corn** must be planted with the intent to be harvested as grain, silage, or green chop; and not planted into an established grass or legume, or interplanted with another crop. Hybrid seed corn, popcorn, sweet corn and other specialty corn may be insured only by written agreement.

- (c) **Cotton** must be planted with the intent to be harvested; that is not (unless allowed by the Special Provisions or by written agreement): Colored cotton lint; planted into an established grass or legume; interplanted with another spring planted crop; grown on acreage in which a hay crop was harvested in the same calendar year unless the acreage is irrigated; or grown on acreage on which a small grain crop reached the heading stage in the same calendar year unless the acreage is irrigated or adequate measures are taken to terminate the small grain crop prior to heading and less than 50 percent of the small grain plants reach the heading stage.
- (d) **Forage** must be intended for harvest; and not grown with another crop.
- (e) **Sorghum** must be planted with the intent to be harvested as grain or silage; and not interplanted with an established grass or legume or interplanted with another crop. Hybrid sorghum seed may be insured only by written agreement.
- (f) **Peanuts** must be planted with the intent to be harvested as peanuts; and not interplanted with an established grass or legume or interplanted with another crop.
- (g) **Rangeland Pilot:** The crop insured is all rangeland or pasture which is located on insurable acreage in the county or counties listed on the accepted application; reported by the acreage reporting date; intended for harvest by grazing; and not grown with another crop.
- (h) **Soybeans** must be planted with the intent to be harvested as soybeans and; not planted into an established grass or legume or interplanted with another crop.
- (i) **Wheat** must be planted with the intent to be harvested as grain; and not planted into an established grass or legume, interplanted with another crop, or planted as a nurse crop, unless seeded at the normal rate and intended for harvest as grain.

D. COVERAGE AVAILABLE

- (1) GRP coverage's are expressed as dollar and cent amounts of protection. Insureds may select any amount of protection from 60 through 100 percent of the maximum protection per acre contained in the Special Provisions, with the exception of CAT coverage for forage where the amount of protection is 45 percent of the maximum protection per acre contained on the county actuarial documents.
- (2) GRP Rangeland, CAT coverage the dollar amount of protection is the county base revenue per acre multiplied by the 65 percent coverage level multiplied by the 45 percent price election percentage.
- (3) The expected county per-acre yield times the coverage level percentage (contained in the Special Provisions) elected equals the insured's "trigger yield."

- (4) For GRP Rangeland, the county base production times the coverage level percentage elected equals the insured's "trigger yield."
- (5) National Agricultural Statistics Service (NASS) yield data, as adjusted by FCIC, are used to establish the expected county yield. On a county basis, either harvested acreage or planted-acreage-NASS-data, adjusted for yield trends, are used to establish the expected county yield.
- (6) For GRP Rangeland, the expected county yield is the county base production in tons.
- (7) Premium rates are stated in dollars per one-hundred dollars of protection.

EXAMPLE:

If the premium rate is \$1.20 per hundred and the protection per acre is \$225, the premium per acre is calculated by $1.20 \div 100 = .012$. $.012 \times \$225 = \2.70 premium rate per acre.

- (8) The Group Risk Plan Worksheet (refer to page 17 for blank form) may be copied for use in explaining GRP.

E. YIELD HISTORY AND PRODUCTION RECORDS

Insureds are NOT required to report yield history or maintain production records for GRP. However, they are encouraged to maintain individual crop yield and acreage history for possible future use in a plan of insurance that uses APH yields for the same crop.

- (1) GRP participation will NOT break the continuity of APH plan experience for premium adjustment purposes. Any APH experience adjustment will be reinstated when the individual GRP crop contract is canceled and an application for a plan of insurance, that uses APH yields for the same crop, is signed.
- (2) If GRP insureds return to a plan of insurance that uses APH yields for the same crop, their APH yield history database will be updated ONLY if continuous crop production reports (including the period insured under GRP) are filed when returning to such a plan. Failure to file the most recent year's crop production report, on an optional unit basis, may limit the insured's choices regarding optional units under the selected plan of insurance.

F. ROUNDING RULES

- (1) Acres to tenths (X.X);
- (2) Pounds to whole pounds (X);
- (3) Tons to tenths (X.X);

For GRP Rangeland, county base production and net hay production estimates are rounded to whole tons.

- (4) Bushels to tenths (X.X);
- (5) Share and factors to thousandths (X.XXX);
- (6) Dollars to dollars and cents (X.XX);
- (7) Payment calculation factor to thousandths (X.XXX).

G. PAYMENT CALCULATIONS

- (1) The "expected county yield" shown on the county actuarial document represents an average of annual NASS county yields as adjusted by FCIC for yield trends and in the case of rangeland, further adjusted for graze off and trampling.

(2) For GRP Rangeland, the county base production replaces the expected county yield.

- (3) The insured receives a payment if the county's payment yield falls below the insured's trigger yield. The amount of payment is determined by multiplying the policy protection times the payment calculation factor. Refer to the GRP Basic Provisions for a detailed example of payment calculations.

(4) For GRP Rangeland, the county's payment yield is equal to net hay production, which is total non-irrigated hay production minus hay harvested from CRP acres and acreage of small grains.

- (5) Any unpaid (billed) amounts due the insurance provider arising from GRP, or any other plan of insurance participation (except for AGR) are to be deducted from payments owed to the insured. Refer to the Special Provisions for the appropriate billing dates.

4. UNDERWRITING

A. FORMS AND PROCEDURES

The following forms are used to administer GRP:

- (1) **Special Report.**
- (2) **Application.** Refer to B and C of this section.
- (3) **Contract Changes form.**
- (4) **Disclaimer.** Refer to a blank copy of the GRP Disclaimer at the end of this handbook.
- (5) **Policy Confirmation.**
- (6) **Acreage Report.** Refer to D and E of this section for acreage report requirements and F, G, and H of this section for review requirements.
- (7) **Schedule of Insurance.** Refer to I of this section.
- (8) **Assignment of Indemnity.**
- (9) **Transfer of Right to an Indemnity.** A Transfer of Right to an Indemnity for GRP must be made during the crop year for the affected crop. This is to ensure that any indemnity payments are made to the proper entity. The form should indicate that the contract covers the share transferred only to the end of the current crop year for the specific crop.
- (10) **GRP County Coverage and Rate Table (FCI-35) and Special Provisions.** The GRP County Coverage and Rate Table and Special Provisions contain county actuarial data that includes the following GRP-specific information: Expected County Yield; Maximum Protection/Acre; Maximum Subsidy Amount/Acre; Limited Subsidy Amount /Acre; Trigger Yields; Unsubsidized Rates; applicable Practices and Types (GRP offer number(s)), and the dollar figure at or above which the maximum subsidy applies for the respective coverage level.
- (11) For GRP Rangeland the FCI-35 County Coverage and Rates contain County Base Production, County Base Revenue per Acre, and applicable AUM for the county, and Special Provisions contains applicable dates, and the Net Hay Production calculation.
- (12) **Power of Attorney.**

- (13) **Notice of Indemnity Payment.** Refer to J and K of this section for indemnity payment form requirements and notice of indemnity payment requirements.
- (14) **Group Risk Plan Worksheet.** Refer to page 19 and 20 for a blank copy of the worksheet.

B. GENERAL APPLICATION REQUIREMENTS

- (1) **Sales Closing Dates.** Listed in the Special Provisions.

Insured producers switching insurance coverage from an MPCCI policy (APH, Crop Revenue Coverage, Income Protection, Revenue Assurance, Group Risk Income Protection Plans, etc.) to a GRP policy must provide a written cancellation for the other MPCCI policy, for the crops that will be insured under GRP, by the crop cancellation date. A new application for insurance must be signed by the GRP crop sales closing date. If the MPCCI policy for the crop that will be insured under GRP is not canceled, the MPCCI coverage will remain in effect and the GRP crop coverage will be void. (Refer to section 3 B 4 (b) for exception.) Refer to the CIH for additional information.

- (2) **Late-Filed Applications.** Accepted ONLY when there is documented evidence that:

- (a) The primary reason for the application being late filed is the action or inaction of an insurance provider agent or employee; or
- (b) It was the producer's intent to make timely application, but circumstances beyond that persons control prevented them from doing so.

- (3) **Levels of Coverage.** 65 (for GRP Forage Production and GRP Rangeland CAT coverage only), 70, 75, 80, 85, or 90 percent. For additional coverage GRP policies, the insured may select any percentage of coverage shown on the actuarial documents for the crop, practice and type. The applicant may choose a different level of coverage for each GRP crop, or GRP practice and/or type (each GRP offer number). Refer to the GRP Basic Provisions.

- (4) **Eligible Counties.** Listed in the actuarial documents. Multiple county contracts may be insured, but land physically located in a county will be subject to that county's actuarial documents; the county name(s) or county code number(s) must be shown on the application.

- (5) **Insurable Acreage.** Only GRP crop acreage planted for the insurable use, reported by the acreage reporting date listed in the Special Provisions, and grown in counties listed in the actuarial documents is insurable at the time of filing the acreage report. **(EXCEPTION:** For GRP Forage, acreage seeded after July 1 of the previous crop year will not be insurable). For GRP Rangeland only acreage intended for harvest by grazing is insurable and the acreage is not required to be seeded to be insurable.

- (6) **Dollar Amount of Protection per Acre.** Any dollar and cent amount per acre from 60 through 100 percent (45 percent for CAT coverage) of the maximum protection per acre specified on the county actuarial documents. The applicant must choose a dollar amount of protection for each GRP offer.
- (7) GRP Rangeland, CAT coverage the dollar amount of protection is the county base revenue per acre multiplied by the 65 percent coverage level multiplied by the 45 percent price election percentage.
- GRP Rangeland, for additional coverage the dollar amount of protection per acre is the county base revenue per acre multiplied by the coverage level percentage the insured selected and the result multiplied by price election percentage the insured selected.
- (8) **Policy Protection.** The dollar and cent amount the insured will receive if the payment-yield is zero. It is equal to the insured's protection per acre times the insured's NET acres of the GRP-insured crop.
- (9) **A Mandatory Disclaimer Form.** Prepared by the agent when a GRP application is completed. The agent and applicant must sign and date a disclaimer form for EACH GRP crop being insured when the insurance application is signed. Refer to the blank disclaimer form at the end of this handbook.

C. APPLICATION FORM REQUIREMENTS

All GRP applications must contain AT LEAST the following information:

(1) **Applicant:**

- (a) First name/initial, middle name/initial, and last name.
- (b) Mailing address, city or town, state, and zip code.
- (c) Area code and telephone number.
- (d) Social Security Number (SSN) or Employer Identification Number (EIN). Persons and/or entities with 5 percent or more interest in the insurable entity must report their name, address, phone number, and SSN/EIN number type and entity type on a "Social Security Number (SSN) and Employer Identification Number (EIN) Reporting Form" approved by FCIC.
- (e) Applicant's signature and date application is signed (applicant's signature must match the name entry in item 1 (a), above).

- (2) **Agent or Service Office:**
- (a) Agent or agency office name servicing the policy.
 - (b) Mailing address, city or town, state, and zip code.
 - (c) Area code and telephone number.
 - (d) Agent code number as issued by the insurance provider.
 - (e) Agent's signature and date application is signed.
- (3) **Insurance Provider's Name:** Include the insurance provider's name on the application if not preprinted on the form.
- (4) **State Name:** State name and, if required by insurance provider, the corresponding two-digit code number shown on the county actuarial documents where the acreage is located and is to be insured.
- (5) **County Name:** List the name of each county and, if required by the insurance provider, the corresponding three-digit code number shown on the county actuarial documents where the acreage is located and is to be insured.
- (6) **Policy/Contract number:** Insured's assigned policy number.
- (7) **Effective Crop Year:** Appropriate four-digit year, such as "YYYY," as defined in the policy.
- (8) **Crop Name and Plan of Insurance Code Number:** Name of the insured GRP crop and the three-digit plan of insurance code number as listed in the county actuarial documents.
- (9) **Coverage Level:** Two-digit coverage level percent elected by applicant for each GRP offer (practice and/or type).
- (10) **Dollar Amount of Protection Per Acre:** Insured's dollar and cent amount of protection elected for each GRP offer, from 60 through 100 percent, (45 percent in the case of CAT coverage) of the maximum protection per acre listed in the county actuarial documents.
- GRP Rangeland, for CAT coverage the dollar amount of protection per acre is the county base revenue per acre multiplied by the 65 percent coverage level and the result multiplied by 45 percent price election percentage, e.g., if the county base revenue is \$5.00 per acre, the amount of protection is \$1.46 per acre.
- GRP Rangeland, for additional coverage the dollar amount of protection per acre is the county base revenue per acre multiplied by the coverage level percentage the insured selected and the result multiplied by price election percentage the insured selected.
- (11) **Practice and/or Type Code:** Three-digit practice and/or type code shown on the county actuarial documents.

D. GENERAL ACREAGE REPORTING REQUIREMENTS

- (1) Insurance providers must obtain an annual report of acreage from ALL GRP insureds.
- (2) GRP acreage must be reported on separate acreage reports. Any other crops insured under other MPCI plans of insurance must be reported separately.
- (3) Acreage report data must be timely and properly submitted by insurance providers to FCIC as stated in the Standard Reinsurance Agreement.
- (4) Acreage reporting dates are stated in the Special Provisions. The acreage report must be received by the agent each year on or before the acreage reporting date specified in the specific crop Special Provisions. If the acreage reporting date falls on a Saturday, Sunday, or legal holiday, then the date by which the crop acreage must be reported will be extended to the next business day.
- (5) Late-filed acreage reports (initially received at the agent's office after the specified acreage reporting date) will be either accepted or rejected by the insurance provider ON A COUNTY BASIS.
- (6) Corrected/revised acreage reports may be taken prior to the published acreage reporting date for any reason. After the published acreage reporting date, a corrected acreage report may be completed at the insurance provider's discretion and identified as "Revised" if the correction affects the Schedule of Insurance.

E. ACREAGE REPORT FORM REQUIREMENTS

All GRP acreage reports must contain AT LEAST the following information:

Insurance providers may utilize unused columns of their FCIC-APPROVED acreage report form to accommodate required entries.

- (1) **State Name:** As listed in the county actuarial documents.
- (2) **County Name:** As listed in the county actuarial documents.
- (3) **Policy/Contract Number:** Insured's assigned policy number (may include the numeric state and county code).
- (4) **Crop Year:** Crop year, as defined in the policy, e.g., YYYY.
- (5) **Insured's Name and Address:** Insured's complete name and address as shown on the application
- (6) **Insurance Provider's Name:** If not preprinted on the acreage report.

(7) **Agent/Agency Servicing Office:** Servicing agents or agency's complete name, address, and phone number.

(8) **Name of Crop:** Crop name as listed in the county actuarial documents.

(9) **Insured Acres:** All insurable gross acres, to tenths of an acre, for the selected offer (practice and/or type) listed in the actuarial document. This includes all acreage physically located in the county, planted to the insurable crop, and reported on or before the acreage reporting date. GRP coverage is by county but multiple counties may be reported on a single acreage report, if such a report has been previously approved by the insurance provider.

(10) **Uninsured Acres:** Report ALL uninsured acreage (estimated or actual number of gross acres, to tenths of an acre) of the crop planted in the county by share, practice and/or type, as applicable.

Uninsured acreage may be documented in the uninsured acreage/remarks section of the acreage report.

(11) **Insured Share:** Insured's share expressed as a 3 place decimal. Differing GRP insured crops, crop shares, and practices or types listed in the Special Provisions or actuarial documents, as applicable, require separate acreage report line entries. ALL ACREAGE WITH THE SAME SHARE AND PRACTICE AND TYPE (GRP OFFER), REGARDLESS OF NAME OF OTHER PERSON(S) SHARING IN THE CROP, CAN BE ENTERED ON A SINGLE LINE OF THE REPORT.

The share of the spouse and dependent children IS TO BE INCLUDED under the named insured's share. (Refer to the GRP Basic Provisions for exceptions).

(12) **Expected County Yield:** Expected county per-acre yield as listed in the county actuarial documents.

GRP Rangeland uses county base production in place of expected county yield.

(13) **Coverage Level:** Coverage level percent elected by the insured from those offered on the county actuarial documents for the insured crop and GRP offer number (practice and/or type.)

(14) **Practice and/or Type Code:** Practice and/or type code as listed in the county actuarial documents for each line for all acreage for which a practice or type code is specified. Record as a three digit number; e.g., practice code "002," and type code "011." Use "997" for each line for all acreage for which no practice or type is specified.

- (15) **GRP Offer Number:** Practice and/or type code as listed in the county actuarial documents for each GRP-insured crop. Record as a five-digit number in the column "Unit Number." If a type number is specified, record its number as; e.g., type code "00011." If a separate practice code is specified, e.g., practice code "002," then enter "00002." For a combination of type and practice codes, record the number as "01102" with the type code being recorded in the first three positions and the practice code in the last two positions. Use "00997" for each line for all acreage in the county for which no practice or type is specified.
- (16) **Insured's Signature and Date:** Insured's signature and the month, day and year the acreage report was signed by the insured.
- (17) **Agent Code Number:** As issued by the insurance provider.
- (18) **Agent's Signature and Date Signed:** Agent's signature and the month, day and year the acreage report was signed by the agent.

F. ACREAGE REPORT REVIEW SELECTION

Insurance providers must perform acreage report field reviews **no later than 120-days after the acreage reporting date** for the crop, as listed in the Special Provisions. Such reviews must be completed prior to the destruction of the crop residue. Acreage report reviews are required for:

- (1) All policies of employees of the insurance provider/FCIC or representatives, adjusters, agents, etc;
- (2) All policies for which misrepresentation or concealment of material facts is suspected;
- (3) All late-filed acreage reports;
- (4) All unreported acreage reports;
- (5) All "zero" acreage reports; and
- (6) **Not less than** a 3-percent random sample by crop for all GRP crop policies with reported acreage (which were not selected in (1) through (5) above). Where policies have been selected that have multiple GRP crops, the reviewer may verify the acreage report information for the other crops. Such verifications will apply toward the required reviews for that company for those crops, even though such reviews were not random.

G. ACREAGE REPORT REVIEW CRITERIA

Acreage report reviews verify:

- (1) Actual versus reported acreage (including not insured acreage).
- (2) Insurable interest/share in the crop.
- (3) Insurability of the acreage (GRP insurable crop, type, and/or practice as specified in the county actuarial documents) located within the county, and planted and reported on or before the published acreage reporting date.

H. ACREAGE REPORT REVIEW SUMMARY

Thirty days prior to the date FCIC releases the Payment Yield (net hay production for GRP Rangeland) for the insured crop, the insurance provider must submit a written summary of its completed GRP acreage report reviews (refer to section 4 F) to the FCIC Compliance Division, Washington, D.C. The summary must identify, separately by category listed in section 4 G, any discrepancies found from that originally reported. Acreage reports are considered to be within tolerance if the premium and indemnity discrepancies for each separate crop, county, practice and/or type (GRP offer number) are less than \$250.

I. SCHEDULE OF INSURANCE REQUIREMENTS

Insurance providers will provide each GRP insured a schedule of insurance which must contain AT LEAST the following information:

- (1) **State Name:** As shown on the county actuarial documents.
- (2) **County Name:** As shown on the actuarial documents, for each county insured.
- (3) **Crop Year:** Crop year, as defined in the policy; e.g., YYYY.
- (4) **Policy/Contract Number:** Insured's assigned policy number (may include the numeric state and county code).
- (5) **Insurance Provider's Name:** When not preprinted on the schedule of insurance.
- (6) **Insured's Name and Address:** Insured's complete name and address as shown on the application.
- (7) **Agent/Agency Servicing Office:** Servicing agent's or agency's complete name, address, and phone number.
- (8) **Name of Crop:** Crop name as listed in the county actuarial documents.
- (9) **Total Reported Acreage:** Reported gross acres (before share), to tenths of an acre, from the acreage report.

- (10) **Insured's Share:** Insured's share, expressed as a three-place decimal, taken from the acreage report.
- (11) **Practice and/or Type Code:** Three-digit practice and/or type code shown on the county actuarial document, for the reported practice and/or type (GRP offer number), for the line.
- (12) **Trigger Yield:** Trigger yield, calculated by multiplying the expected county yield (shown in the county actuarial documents) by the elected coverage level percent listed on the accepted application.

The trigger yield calculated for GRP Rangeland is the County Base Production (shown in the county actuarial documents) multiplied by the elected coverage level percent listed on the accepted application.

- (13) **Protection per Acre:** Gross (before share) dollar amount of protection per acre listed on the accepted application.
- (14) **Protection:** Net (after share) dollar amount of protection.
- (15) **Premium:** Net (after share) dollar amount of premium due.

J. GENERAL INDEMNITY PAYMENT FORM REQUIREMENTS

There are no field claims activities or "loss adjustment" for GRP. GRP has the following general requirements:

- (1) Indemnity payments must be paid according to the GRP Policy Provisions, utilizing the payment yield released by FCIC and the insured's trigger yield.
- (2) Indemnity payments shall be calculated separately for each county, crop, GRP offer number (practice and/or type).
- (3) Insurance providers must make any indemnity payments **within 30 days** of receiving GRP payment yields from FCIC.

K. NOTICE OF INDEMNITY PAYMENT REQUIREMENTS

The insurance provider is to acknowledge each indemnity payment with a "notice of indemnity payment" for each indemnified insured GRP crop, by GRP offer number for the respective county. This notice must contain AT LEAST the following:

- (1) **Insured's Name and Address:** Insured's complete name and address as shown on the application.

- (2) **Insurance Provider's Name:** When not preprinted on the notice of indemnity payment.
- (3) **Agent/Agency Name:** Servicing agent's or agency's complete name, address, and phone number.
- (4) **Contract/Policy Number:** Insured's assigned policy number.
- (5) **Name of Crop:** Crop name as listed in the county actuarial documents.
- (6) **Crop Year:** Crop year, as defined in the policy, for which the indemnity is paid, e.g., YYYY.
- (7) **Insured's Share:** Insured's share, expressed as a three-place decimal, taken from the acreage report.
- (8) **Coverage Level:** Two-digit coverage level percent elected by the insured for each GRP offer number (practice and/or type).
- (9) **GRP Offer Number:** As reported on the acreage report. See section 4 E, item 15.
- (10) **Dollar Amount of Protection Per Acre:** Insured's dollar and cent amount of protection elected for each GRP offer number (practice and/or type).
- (11) **Payment Yield:** Payment yield, after it is released by FCIC, following the crop year insured. This yield will not be recalculated even though the NASS yield may be subsequently revised.
- (12) **Trigger Yield:** Trigger yield, calculated by multiplying the expected county yield (shown in the county actuarial documents) by the elected coverage level percentage listed on the accepted application

The trigger yield calculated for GRP Rangeland is the County Base Production (shown in the county actuarial documents) multiplied by the elected coverage level percent listed on the accepted application.

- (13) **Total Indemnity:** Total GRP indemnity payment, in whole dollars, for the insured GRP crop in the county by GRP offer number (practice and/or type).
- (14) **Final Payment:** Final indemnity payment in dollars and cents for all GRP crops, by GRP offer number (practice and/or type). This entry is to reflect any reduction for any amount due the company.
- (15) **Check Number and Date:** Actual check number with date of issue; e.g., MM/DD/YYYY.

FOR ILLUSTRATION PURPOSES ONLY

GROUP RISK PLAN WORKSHEET

Grower Name: _____ **Date:** _____

State: _____ () **County:** _____ ()

Grower Selection:

Crop Name:

Maximum protection \$ _____ Per Acre Minimum protection \$ _____ Per Acre (Minimum is 60% of the maximum protection) (CAT is 45% of the maximum protection)	\$ _____ Per Acre
Coverage Levels: Select one (65% CAT only) 70 75 80 85 90%	(Enter 60 to 100% of maximum protection per acre) (45 % for CAT, for forage and rangeland only)
Trigger Yield (Expected County Yield _____ Lbs., Bu. or Tons per Acre times Coverage Level)	_____ Lbs., Bu. or Tons Per Acre
Premium Rate Per \$100 protection	\$ _____ Per \$100
Insured Acreage (Net Acres) (Estimated acreage of crop in the insured county times insurable share)	_____ Net Acres
Maximum Policy Protection (Net Acres times Protection Per Acre)	\$ _____
Gross Premium (Maximum Policy Protection times Premium Rate Times .01)	\$ _____
Premium Subsidy Amount per Acre: Limited \$ _____ Per Net Acre or Maximum \$ _____ Per Net Acre	(Net Acres X \$ _____) (Must be above dollar amount of protection/acre listed in the Special Provisions to qualify for maximum subsidy)
Premium due from Grower (Total Premium - Subsidy Amount)	\$ _____

Prepared by: _____ **Grower's**
(Agent's Signature) **Initials:** _____

FOR ILLUSTRATION PURPOSES ONLY

GROUP RISK PLAN RANGELAND WORKSHEET

Grower Name: _____ **Date:** _____

State: _____ () **County:** _____ ()

Grower Selection: _____ **Crop Name: Rangeland**

Price election percentage _____ times maximum protection per acre (Minimum is 60% of the county base revenue per acre (CAT is 45 % of the county base revenue))	\$ _____ Per Acre
Coverage Levels: Select one (65% CAT only) 70 75 80 85 90% times result 1 = Protection per Acre	\$ _____ Per Acre
Trigger Yield (County Base Production _____ Tons times coverage level)	_____ Tons
Premium Rate Per \$100 protection	\$ _____ Per \$100
Insured Acreage (Net Acres) (Estimated acreage of crop in the insured county times insurable share)	_____ Net Acres
Policy Protection (Net Acres times Protection Per Acre)	\$ _____
Gross Premium (Maximum Policy Protection times Premium Rate Times .01)	\$ _____
Premium Subsidy Amount per Acre:	(Net Acres X \$ _____)
Premium due from Grower (Total Premium - Subsidy Amount)	\$ _____

Prepared by: _____ **Grower's Initials:** _____
(Agent's Signature)

FOR ILLUSTRATION PURPOSES ONLY

**GROUP RISK PLAN
DISCLAIMER**

YOU NEED TO UNDERSTAND THE FOLLOWING:

- THIS IS NOT A PLAN OF INSURANCE AGAINST INDIVIDUAL LOSS. THE TERMS AND CONDITIONS OF THIS PLAN ARE DIFFERENT FROM THOSE OF THE 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 AND WILL USUALLY BE DUE BEFORE A LOSS IS DETERMINED OR AN INDEMNITY IS PAID.

- YOU MAY HAVE A LOW YIELD ON YOUR FARM AND NOT RECEIVE PAYMENT UNDER THE GROUP RISK PLAN. THIS PROGRAM IS BASED UPON COUNTY YIELDS, NOT INDIVIDUAL FARM YIELDS.

- YOU SHOULD CONTINUE TO MAINTAIN ALL YOUR PRODUCTION RECORDS IN CASE YOU WISH TO PURCHASE THE ACTUAL PRODUCTION HISTORY PLAN OF MULTIPLE PERIL CROP INSURANCE IN FUTURE YEARS.

I understand the terms of the Common Group Risk Plan Policy, Basic Provisions and Crop Provisions. I am aware that the Actual Production History plan of insurance is available (exception: Rangeland) and that I cannot obtain the Actual Production History plan of insurance coverage on crops insured under the Group Risk Plan of insurance in counties in which I purchase a Group Risk Plan Policy. I have read and fully understand this Group Risk Disclaimer.

INSURED _____ AGENT _____

DATE _____ DATE _____

(Reverse)

COLLECTION OF INFORMATION AND DATA (PRIVACY ACT)

To the extent that the information requested herein relates to your individual capacity as opposed to your business capacity, the following statements are made in accordance with the Privacy Act of 1974, as amended (5 U.S.C. 552a). The authority for requesting information to be furnished on this form is the Federal Crop Insurance Act, (7 U.S.C. 1501 et seq.) and the Federal crop insurance regulations contained in 7 C.F.R. chapter IV.

Collection of the social security account number (SSN) or the employer identification number (EIN) is authorized by section 506 of the Federal Crop Insurance Act (7 U.S.C. 1506), and is required as a condition of eligibility for participation in the Federal crop insurance program. The primary use of the SSN or EIN is to correctly identify you, and any other person with an interest in you or your entity of 10 percent or more, as a policyholder within the systems maintained by the Federal Crop Insurance Corporation (FCIC). Furnishing the SSN or EIN is voluntary; however, failure to furnish that number will result in denial of program participation and benefits.

The balance of the information requested is necessary for the insurance company and FCIC to process this form to: provide insurance; provide reinsurance; determine eligibility; determine the correct parties to the agreement; determine and collect premiums or other monetary amounts (including administrative fees and over payments); and pay benefits. The information furnished on this form will be used by Federal agencies, FCIC employees, insurance companies, and contractors who require such information in the performance of their duties. The information may be furnished to: FCIC contract agencies, employees and loss adjusters; reinsured companies; other agencies within the United States Department of Agriculture; The Department of Treasury including the Internal Revenue Service; the Department of Justice, or other Federal or State law enforcement agencies; credit reporting agencies and collection agencies; other Federal agencies as requested in computer matching programs; and in response to judicial orders in the course of litigation. The information may also be furnished to congressional representatives and senators making inquiries on your behalf. Furnishing the information required by this form is voluntary; however, failure to report the correct and complete information requested may result in rejection of this form; rejection of any claim for indemnity, replanting payment, or other benefit; ineligibility for insurance; and a unilateral determination of any monetary amounts due.

PAPERWORK REDUCTION ACT

In accordance with the Paperwork Reduction Act, public reporting burden for the collection of information is estimated to average 5 minutes per response, including the time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information. Send comments regarding this burden estimate, or any other aspect of this collection information, including suggestions for reducing this burden to the Department of Agriculture, Clearance Officer, OIRM (OMB No. 0563-0053), Stop 7630, Washington, D.C. 20250-7630.

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