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**Federal Crop
Insurance
Corporation**



**Risk
Management
Agency**

**Product
Administration
and Standards
Division**

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GENERAL STANDARDS HANDBOOK

2016 and Succeeding Crop Years

United States Department of Agriculture
 Risk Management Agency
 Washington, D.C. 20250

TITLE: 2016 General Standards Handbook	NUMBER: FCIC 18190-1
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SUBJECT: Slipsheet to the 2016 General Standards Handbook, dated June 30, 2015	OPI: Product Administration and Standards Division
	APPROVED: /s/ <i>Tim B. Witt</i>
	Deputy Administrator for Product Management

REASON FOR ISSUANCE

These slipsheets provide the official FCIC approved standards for policies administered by AIPs under the General Administrative Regulations, 7 CFR Part 400; Common Crop Insurance Policy Regulations, Basic Provisions, 7 CFR Part 457 including the Catastrophic Risk Protection Endorsement, 7 CFR Part 402 and the Actual Production History Regulation 7 CFR Part 400 Subpart G; the Area Risk Protection Insurance Regulations, 7 CFR Part 407; Stacked Income Protection Plan; the Rainfall and Vegetation Index Plans; and the Whole Farm Revenue Protection Pilot Policy for the 2016 and succeeding crop years.

CONTROL CHART

	TP Page(s)	TC Page(s)	Text Pages	Date	Directive Number
Remove	1-4		159-161	06-2015	FCIC 18190
			167-168	06-2015	FCIC 18190
Insert	1-2		159-161.2	10-2015	FCIC 18190-1
			167-168	10-2015	FCIC 18190-1
Current Index			1-158	06-2015	FCIC 18190
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			162-166	06-2015	FCIC 18190
			167-168	10-2015	FCIC 18190-1
			169-377	06-2015	FCIC 18190

SUMMARY OF CHANGES

Listed below are the changes to the 2015 FCIC 18190 General Standards Handbook with significant content change. Minor changes and corrections are not included in this listing.

REFERENCE	DESCRIPTION OF ADDITIONS, DELETIONS, CHANGES OR CLARIFICATIONS
Para. 806A	Revised to provide multiple benefit guidance for RI-Pasture, Rangeland, Forage (RI-PRF), RI-Apiculture (RI-API), VI-Apiculture (VI-API) or RI-Annual Forage (RI-AF), and programs administered by the Farm Service Agency including Noninsured Crop Disaster Assistance Program (NAP) and Livestock Forage Disaster Program (LFP) program participants.
Para. 833C(2)(b)(iv)	Removed requirement that non-payment of 20 percent premium will result in ineligibility from crop insurance to be in accordance with 7 CFR Subpart U.

FILING INSTRUCTIONS

These slipsheets replace the pages listed above in FCIC-18190 General Standards Handbook, dated June 30, 2015. These slipsheets are effective upon approval and until obsoleted.

804 Other Insurance

The insured is not prevented from obtaining other like insurance that is not authorized by the Act. However, unless specifically required by the policy provisions, the insured must not obtain any other crop insurance authorized under the Act on its share of the insured crop, except for the following:

A. CCIP

When the insured has fire insurance (whether valid or not) and has not excluded coverage for fire from the policy, liability for loss under the policy due to fire caused by a naturally occurring event is only for the smaller of the following:

- (1) the amount of indemnity determined pursuant to the policy without regard to such other insurance; or
- (2) the amount by which the loss from fire is determined to exceed the indemnity paid or payable under such insurance.

The amount of loss from fire will be the difference between the total value of the insured crop before the fire and total value of the insured crop after the fire. This amount will be determined in accordance with Para. 806 Multiple Benefits.

B. WFRP Policy

When both individual FCIC plans of insurance and a WFRP policy are in effect, the individual crop policy(ies) provide primary coverage and indemnity payments from those policies are considered income to count under the WFRP policy for claim purposes.

805 Cause(s) of Loss

Insurance is provided to protect against unavoidable loss from naturally occurring events as contained in the policy. Examples include:

- (1) adverse weather conditions,
- (2) fire (due to natural causes),
- (3) wildlife, earthquake and
- (4) volcanic eruption occurring within the insurance period.

Coverage of insured causes of loss must be due to drought, flood, or other natural disasters (as determined by the Secretary of Agriculture). All other causes of loss, except where the policy specifically covers loss of revenue due to a reduced price in the marketplace, must be due to naturally occurring events. All other causes of loss are not covered and are considered uninsured causes.

806 Multiple USDA Benefits and Dual Participation

For some USDA programs, statutory language does not allow multiple benefits or dual participation.

A. Multiple Benefits

- (1) If an insured is eligible to receive a crop insurance indemnity and benefits under some programs administered by the USDA for the same crop loss, the insured may participate in both programs, but must choose whether to receive the crop insurance indemnity or the other program benefit (payment). Even if the insured chooses not to take the crop insurance indemnity, the premium will be due and payable. Disaster programs such as the Livestock Forage Program (LFP) and Emergency Assistance for Livestock, Honey Bees, and Farm-raised Fish (ELAP) are not subject to the multiple benefit provisions.
- (2) Multiple Benefits are prohibited for NAP. NAP is not available for livestock programs. NAP is not available for any permanent crop insurance program. NAP is available for all pilot programs under sections 508(c) or (h) regardless of whether CAT level coverage is offered.

Exception: NAP coverage may be made available for the uninsurable acres of a crop policy that is a permanent crop insurance program. For example, coverage is available for irrigated corn grain crop acreage in a county but coverage is unavailable for non-irrigated corn crop acreage. If an insured had crop insurance coverage with a Written Agreement and NAP coverage for this acreage, it is considered a multiple benefit and the producer must elect which benefit to receive.

(a) RI-PRF:

Producers currently may purchase both a PRF policy (additional coverage) and NAP coverage (CAT or buy-up coverage), and receive benefits from both due to potential differences in causes of loss covered and how the losses for each program are determined.

- (i) NAP is not available at a buy-up coverage level for an intended use of grazing.
- (ii) Producers are not required to elect a benefit, but instead may obtain and retain both.
- (iii) A producer eligible for a LFP payment, may obtain both benefits as outlined in the Appropriations Act, H.R. 83, Section 733 regarding benefits received under both LFP and NAP, or benefits received under both LFP and Federal crop insurance (PRF or AF).

A. Multiple Benefits (continued)

(b) RI-AF:

RI-AF (additional or CAT coverage), which insures annual plants seeded on insurable planted acreage, and NAP (buy-up or CAT coverage) are considered multiple benefits and producers must elect which benefit they wish to receive.

(i) RI-AF CAT coverage is NOT allowed for intended use of grazing only. RI-AF CAT coverage is allowable for all other intended uses including dual purposes that include grazing.

NAP is NOT allowed at a buy-up coverage level for an intended use of grazing.

(ii) Producers must elect which benefit they wish to receive, either a RI-AF indemnity, or a benefit received from NAP. When a producer elects the NAP benefit and must repay a crop insurance indemnity, premium is still due and payable by the applicable billing date.

(iii) A producer eligible for a LFP payment, may obtain both benefits as outlined in (2)(a)(iii) above.

(c) RI-API and VI-API:

API is a permanent program; therefore, NAP benefits are not allowed where API is available or obtained. Producers with API are not allowed to obtain NAP coverage where their colonies are located or in their FSA headquarters (state/county) when API is available.

(3) Insurance indemnities are not allowed when graze-out payments are made by FSA under the loan deficiency program. The 2014 Farm Bill provided that for crop years 2014 through 2018 crop of wheat, barley, oats, or triticale planted on acreage that a producer elects to use for the grazing of livestock in lieu of any other harvesting of the crop shall not be eligible for an indemnity under a policy or plan of insurance authorized under the Act. SP statements were added to the wheat, barley and oat crop insurance policies to inform insureds.

A. Multiple Benefits (continued)

- (4) Multiple benefits between crop insurance and FSA programs for Livestock Indemnity Program (LIP), LFP, ELAP, and Tree Assistance Program (TAP) are allowed.
- (5) AIPs are required to include a multiple benefit certification statement on all acreage reporting forms.
- (6) If an insured elects not to take a Federal crop insurance indemnity, the AIP must require the insured to complete a withdrawal of claim. If an indemnity has not been paid, the insured must elect to forego any indemnity for the policy or when an indemnity has been paid, the AIP must require the insured to pay back any Federal crop insurance indemnity. If the insured elects the benefit from another USDA agency, other than the crop insurance program, the insured is still required to pay premiums due under the terms of the policy.

B. Dual Participation

Some programs prohibit producers from participating in multiple programs. These include but are not limited to: SCO and ARC on the same crop acreage; SCO and STAX on the same crop acreage; CRP and any crop insurance program on the same acreage; and FSA Margin Protection Program for Dairy and LGM-Dairy.

RMA is prohibited from offering CAT level of coverage for crops and grasses used for grazing. For example, ARPI provides forage coverage; however, coverage for grazing at a CAT level is prohibited.

NRCS easements that prohibit haying, grazing or crop production, may render acreage ineligible for the Federal crop insurance programs.

C. Compliance

In addition to reviews conducted in accordance with AIPs program administration, such as Appendix IV reviews, USDA agencies will exchange and compare crop year program participation data to identify multiple benefits or dual participation and take corrective action, as appropriate.

Reserved.

A. Policy Cancellation (continued)

- (c) AIPs agree. A policy written with one agent/AIP may not be canceled for the purpose of insuring with another agent/AIP the first effective crop year without the written consent of the AIPs involved; or
- (d) changing insurance plans on or before the applicable cancellation/SCD. For example, an insured purchases revenue protection for corn in the fall and prior to the corn cancellation/SCD requests corn coverage under ARPI.

B. Policy Termination

The AIP will terminate coverage:

- (1) under the CAT Endorsement and the crop policy for which the insured fails to pay the CAT administrative fee or other amounts due by the date due. See also, the ITS Handbook. In the case of partial payment of fees involving multiple crops, there may be a question concerning to which policy(ies) payment should be applied. If so, contact the insured to make this determination.

CAT coverage is not available to persons whose policies have been previously terminated for non-payment of premium and any amount remains unpaid.

- (a) If the insured purchases additional coverage from a different AIP, transfer procedure must be followed. See Para. 842 of this section for transfer procedures.
 - (b) At the end of the crop year if the crop policy is terminated the CAT Endorsement also automatically terminates for that crop; and
- (2) for non-payment of an administrative fee, premium or other amounts due.
 - (a) For additional coverage policies, the BP provides for termination of the policy for the next crop year if any of the amounts due remain unpaid as of the termination date.
 - (b) A policy issued by a new AIP will be terminated for existing indebtedness. See Para. 842B(6).
 - (c) RMA will not provide reinsurance on policies that should have been terminated for non-payment of administrative fee, premium, or other amounts due.

Exception: Reinstatement authorization may be available for policies terminated due to an insured's inadvertent failure to pay a debt owed in accordance with the terms of their applicable policy. Refer to Part 7, the applicable BP, and the ITS handbook for more information.

C. Policy Voidance

If a policy is void, it is considered not to have existed the crop year in which it is voided.

- (1) The policy would be void if:
 - (a) the identification number for the insured is reported incorrectly, and the requirements in Part 2 Section 2 are not met;
 - (b) the identification number for any person with an SBI is reported incorrectly or not reported and the requirements in Part 2 Section 2 are not met;
 - (c) it is a duplicate policy see Para. 803;
 - (d) the insured is ineligible; or
 - (e) the insured or anyone assisting the insured has falsely and/or fraudulently concealed either the fact that the insured is restricted from receiving benefits under the Act or that action is pending which may restrict eligibility to receive such benefits.
- (2) If a policy is voided in accordance with subparagraph C(1) above, the insured must:
 - (a) repay any indemnity, PP payment or replanting payment that may have been paid for all applicable crops and crop years; and
 - (b) pay an amount equal to 20 percent of the premium that would have otherwise been required.
 - (i) Any previously paid premium or administrative fees in the amount in excess of 20 percent of the premium, shall be returned by the AIP to the insured.
 - (ii) If the crop has been planted, regardless of whether the ARD has passed, the insured must pay an amount equal to 20 percent of premium that would have been required on the planted acres if the policy was not voided.
 - (iii) If no acreage of the crop has been planted, no amount is due.