



**United States
Department of
Agriculture**



**Federal Crop
Insurance
Corporation**

GENERAL STANDARDS HANDBOOK

2017 and Succeeding Crop Years

**FCIC-18190
(06-2016)**

**FCIC-18190-01
(10-2016)**

United States Department of Agriculture
 Risk Management Agency
 Kansas City, Missouri 64133

TITLE: 2017 General Standards Handbook	NUMBER: FCIC 18190-01
EFFECTIVE DATE: 2017 and Succeeding Crop Years	
SUBJECT: 2017 General Standards Handbook	ISSUE DATE: 10/26/2016
	OPI: Product Administration and Standards Division
	APPROVED: <i>/s/ Richard Flournoy</i> Deputy Administrator for Product Management

REASON FOR ISSUANCE

This handbook provides 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 2017 and succeeding crop years.

CONTROL CHART

	TP Page(s)	TC Page(s)	Text Pages	Date	Directive Number
Remove	1-2		85-88	06-2016	FCIC 18190
			99-100		
			135-138		
			141-142		
			145-146		
			161-162		
			190-196		
			301-302		
Insert	1-2		85-88	10-2016	FCIC 18190-01
			99-100.2		
			135-138		
			141-142		
			145-146		
			161-162		
			190-196.1		
			301-302		

SUMMARY OF CHANGES

Listed below are the changes to the 2017 FCIC 18190-1 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
Throughout Footer	Editorial- corrected applicable year in footer from 2015 to 2016.
Paras. 453, 455, 459	Modified to allow for the 2017 and succeeding reinsurance years, new farmer certifications to be signed by the acreage reporting date. Revised procedures for the 2016 RY policies reviewed on a case-by-case basis.
Paras. 714, 719, 733, and 739	Revised to be consistent with the 2017 ITS Handbook.
Para. 806	Added multiple benefit procedures for RI-API and VI-API.
Para. 852	Clarified that assignments are executed on a per crop basis.
Para. 853	Clarified that a Transfer must be executed for each policy and an AIP may combine multiple policies on to one transfer form.
Para. 854	Revised for clarity. Added acceptable signature types.
Exh. 1B	Removed definition of 'agreement in writing'.

FILING INSTRUCTIONS

This handbook replaces the FCIC-18190 General Standards Handbook, dated June 30, 2016. These amendments are effective upon approval and until obsoleted.

A. Certification of Compliance (continued)

Each person seeking eligibility for premium subsidy must complete, sign, and file form AD-1026 with FSA.

Example: A producer has one farming operation they operate as an individual and another separate farming operation they operate as a corporation. The “individual” and the “corporation” are separate persons, each with a unique tax identification number. Each person, the individual and the corporation, must complete, sign, and file separate AD-1026 forms if each person wishes to be eligible for premium subsidy.

It is the person’s responsibility to ensure they have an accurately completed and signed form AD-1026 on file with FSA. FSA will assist persons with completing and understanding form AD-1026 and its appendix.

A person must have a completed and signed form AD-1026 on file with FSA on or before June 1 to be eligible for premium subsidy for the subsequent reinsurance year on any policy or plan of insurance with a sales closing date on or after July 1. A person who does not have form AD-1026 on file with FSA on or before June 1 will be ineligible for premium subsidy on all policies and plans of insurance for the entire subsequent reinsurance year.

Example: Producer C does not have form AD-1026 on file with FSA by June 1, 2016. Producer C can obtain crop insurance for reinsurance year 2017; however, the producer will be ineligible for premium subsidy for all policies and plans of insurance for the 2017 reinsurance year. Even if Producer C completes, signs, and files form AD-1026 sometime after June 1, 2016, Producer C will remain ineligible for premium subsidy on all policies and plans of insurance until the 2018 reinsurance year.

Exception 1: A person who does not have form AD-1026 on file with FSA on or before June 1 prior to the beginning of the reinsurance year may be eligible for premium subsidy for the subsequent reinsurance year (beginning July 1 following the June 1 deadline), if the person can demonstrate they began farming for the first time after June 1. See Para. 455 for more information about this exception.

A. Certification of Compliance (continued)

Exception 2: A person will have until the first applicable crop insurance sales closing date (the earliest applicable sales closing date for all of their crop policies insured nationwide during the reinsurance year) to provide form AD-1026 if the person:

- (1) is unable to file a form AD-1026 by June 1 due to circumstances beyond the person's control, as determined by FSA; or
- (2) in good faith filed form AD-1026 and FSA subsequently determines that additional information is needed, but the person is unable to comply by July 1 due to circumstances beyond the person's control, as determined by FSA.

Each year RMA will obtain, between June 1 and July 1, FSA's automated AD-1026 records indicating all persons who have a completed and signed form AD-1026 on file by June 1. Those records, in combination with FSA's HELC and WC compliance records, will determine a person's eligibility for premium subsidy for the subsequent reinsurance year. AIPs may obtain producers' premium eligibility status by July 1. Appendix III contains information on procedures for obtaining this information. See Para. 454 for information about FSA's HELC and WC compliance records.

AIPs and crop insurance agents do not need copies of a person's form AD-1026, and should not ask FSA for copies.

B. Updating Previously Filed AD-1026

Form AD-1026 is a continuous certification, which means that once it is accurately completed and filed with FSA it remains effective and a person does not have to refile or update the form unless there are changes to the operation or new activities that occur or are planned to occur that affect the person's certification. If a person is determined to be in violation of HELC or WC provisions and to have exhausted all administrative appeals or quit participating in USDA benefit programs, and changes are subsequently made to the operation to come into compliance, form AD-1026 must be updated and filed with FSA to regain eligibility for premium subsidy.

A person who fails to notify FSA of any change that could alter their status as compliant with the HELC or WC provisions and is subsequently determined, by FSA or NRCS, to have committed a violation of the WC provisions after June 1, 2015, will be required to pay NRCS an equitable contribution.

453 Form AD-1026 Certification of Compliance (Continued)

B. Updating Previously Filed AD-1026 (continued)

The amount of equitable contribution will be determined by NRCS based on the severity of the violation, but will **not** exceed the total amount of Federal crop insurance premium subsidy paid by FCIC on behalf of the person for all policies and plans of insurance for all years in which the person is determined to have been in violation. A person who fails to pay the full equitable contribution amount by the due date determined by NRCS will be ineligible for premium subsidy on any policy or plan of insurance beginning with the subsequent reinsurance year. The person will be ineligible for premium subsidy for the entire reinsurance year even if full payment of the equitable contribution amount is received by NRCS during the reinsurance year.

454 HELC and WC Compliance Records

Compliance with the HELC and WC provisions is determined by FSA and NRCS. Determinations are recorded in FSA's automated HELC and WC compliance records. Each year RMA will obtain, between June 1 and July 1, FSA's automated HELC and WC compliance records. Beginning July 1 of the reinsurance year, AIPs may request information on their insured's premium subsidy eligibility status. Information for requesting such information is contained in Appendix III.

It is the person's responsibility to ensure they are in compliance with the HELC and WC provisions. A person who is not in compliance with the HELC and WC provisions, and has exhausted all administrative appeals at the time RMA receives FSA's automated HELC and WC compliance records, will be ineligible for premium subsidy on all policies and plans of insurance for the entire subsequent reinsurance year. See Para. 457 for situations when additional time is provided to comply with a conservation or mitigation plan, and Para. 458 for exemptions that may apply.

Example: Insured D has had form AD-1026 on file with FSA for several years. On March 9, 2016, NRCS determines Insured D is not complying with the approved conservation plan for their highly erodible land. On May 11, 2016, Insured D has exhausted all administrative appeals and the NRCS determination of a HELC violation is final. FSA updates their HELC and WC compliance records to indicate Insured D is not in compliance with the HELC provisions and all administrative appeals have been exhausted. Insured D will be ineligible for premium subsidy on all policies and plans of insurance for the 2017 reinsurance year.

455 Exception for Persons Who Began Farming for the First Time after June 1

A person must have a completed and signed form AD-1026 on file with FSA on or before June 1 to be eligible for premium subsidy on any policy or plan of insurance the subsequent reinsurance year. However, a person who began farming for the first time after June 1 would not be able to have filed form AD-1026 on or before June 1. Therefore, such persons are provided an exception to the June 1 deadline for filing form AD-1026. A person who began farming for first time after June 1 for this exception is not the same as a "new producer" or a "beginning farmer or rancher."

455 Exception for Persons Who Began Farming for the First Time after June 1 (Continued)

A person (individual or legal entity) that began farming for the first time after June 1, must sign the applicable certification statement to be eligible for this one-time exception. The certification statement must be signed by the earliest applicable **ARD** (the earliest applicable **ARD** for all their crop policies insured nationwide during the reinsurance year), except for transferees who are the beneficiaries of a Transfer of Coverage and Right to Indemnity or because of death, disappearance, or determined judicially incompetent, in which case the applicable certification statement must be completed by the transferee not later than 60 days after the transfer occurred.

AIPs are not responsible for verifying the person meets the terms of the statement, but the AIP must advise the insured they must sign one of the applicable statements to qualify for the exception. The insured is solely responsible for the accuracy of their certification.

AIPs must maintain the signed certification statement in accordance with SRA record retention requirements. AIPs are not required to request additional information or documentation to verify the certification. The certification selected by the insured will be communicated to RMA in accordance with procedures contained in Appendix III. **FSA does not review or approve these certification statements and cannot provide any relief for failure to timely sign.** See the 2017 DSSH for the applicable certification statements that must be signed by those eligible for the exception.

For the purposes of the certification statements, “farmed” means engaging in farming activities as an owner, operator, tenant, or sharecropper and excludes others who do not meet these requirements such as persons who solely participated in a farming operation as laborers or equipment operators.

The following table provides who may be eligible for this exception. Information about identifying and transmitting data regarding persons who meet this exception is provided in Appendix III.

IF the person can demonstrate they began farming for the first time ...	THEN the person will be eligible for premium subsidy on all policies and plans of insurance ...
after June 1, but prior to the beginning of the subsequent reinsurance year (July 1)	the subsequent reinsurance year, provided the person is otherwise eligible for premium subsidy.
on or after July 1	the remainder of the current reinsurance year provided the person is otherwise eligible for premium subsidy.

F. Landlord-Tenant Examples

Assume: Landlord A has Farm 1 (200 acres) and 2 (100 acres). Tenant B has Farm 3 (400 acres), plus 50% sharecrop agreement on Farm 2

IF...	THEN...
Farm 1 is out of compliance and A and B are both on individual policies	A can receive no premium subsidy, B can receive full premium subsidy
Farm 1 is out of compliance and A and B are both on individual policies on their own land, but have a landlord tenant policy covering Farm 2	A can receive no premium subsidy on the individual policy, B can receive full premium subsidy on the individual policy, and the Landlord tenant policy premium subsidy is reduced by 50% due to SBI ineligibility (6B)
Farm 2 is out of compliance and A and B are both on individual policies on their own land, but have a landlord tenant policy covering Farm 2, no FSA tenant relief granted	No premium subsidy can be received on any policy (A and B are both out of compliance)
Farm 2 is out of compliance and A and B are both on individual policies on their own land, but have a landlord tenant policy covering Farm 2, FSA tenant relief is granted for B at a 20% reduction [100/(100+400)]	A can receive no premium subsidy on the individual policy, B can receive 80% premium subsidy on the individual policy (100% - 20% reduction) for Farm 3, and the Landlord-tenant policy receives no premium subsidy (8E)
Farm 2 is out of compliance and A and B are both on individual policies, FSA tenant relief is granted for B at a 20% reduction [100/(100+400)]	A can receive no premium subsidy, B can receive 80% premium subsidy on both policies (Farm 3 and their 50% share on Farm 2)

459 Determining Eligibility and Requesting Review of Information

A person's eligibility for premium subsidy is based on information obtained from FSA and NRCS. AIPs can inquire about a producer's status using the CRM – Issue Log. AIPs can also submit an error resolution request to RMA through the CRM – Issue Log when a policyholder questions whether there has been a transmission or processing error that may have resulted in an incorrect determination of the person's premium subsidy eligibility. However, producers and AIPs may not dispute or appeal to RMA any determination of compliance made by FSA or NRCS. Producers should dispute or appeal such compliance determinations directly with FSA or NRCS, as applicable. Insureds cannot seek arbitration or legal proceedings under the crop insurance policy because of a determination of ineligibility of premium subsidy. To request access to the CRM - Issue Log, send an email containing your full name, AIP affiliation, and reason access is needed to rmaithelpdesk@rma.usda.gov and copy Conservation@rma.usda.gov. Include a completed Form FCIC-586C along with the request (Form FCIC-586C may be obtained from the RMA IT Help Desk, if needed).

A unique ticket must be generated for each producer for whom you are requesting a review. Select "Conservation Compliance" from the dropdown list as the Issue Type when creating a ticket. When requesting a review, the AIP must provide all the following to RMA, at a minimum:

- (1) The policyholder name (First, Last, Business, etc. as applicable) used to file form AD-1026 with FSA **must be included in the Issue Title field.**
- (2) The AIP Policy Number(s) (7 digit number, use leading zeros if less than 7) for the person as submitted to RMA per the Appendix III.
- (3) **The Tax Identification Number – The CRM – Issue log is a secure method for sending personally identifiable information. IMPORTANT: DO NOT SEND TAX IDENTIFICATION NUMBERS TO THE CONSERVATION@RMA.USDA.GOV EMAIL.**
- (4) **Tax ID Type Code.**
- (5) **The reinsurance year(s) for which the request is being submitted.**
- (6) **Include the following information in the Description field:**
 - (a) The FSA county office where from AD-1026 is filed.
 - (b) The date the policyholder signed form AD-1026, if known (if the exact date is unknown provide an approximate date and denote it as such).
 - (c) A brief description of why the policyholder believes the information is erroneous and any other facts/context that could assist in researching the issue.

459 Determining Eligibility and Requesting Review of Information (Continued)

Once all information is provided, RMA will perform a review of the applicable data for potential errors in interagency data sharing and data processing. Once the review is complete, the AIP will be notified of the results and any applicable changes or actions taken by RMA, FSA or NRCS.

Example: Insured I is informed they are not eligible for premium subsidy because they do not have form AD-1026 on file with FSA. Insured I believes they do have a properly completed and signed AD-1026 on file with FSA. Insured I provides their AIP their name, county office where they filed form AD-1026, date they signed form AD-1026, and a short description of why they believe the data RMA has is erroneous. The AIP then creates a ticket within the CRM – Issue Log for RMA to review the applicable records received from FSA and NRCS. RMA will review the applicable data and notify AIP of the findings and any actions or changes made to the policyholder's data, if applicable.

A. The Requestor

As required by Para. 711, a request must be submitted no later than 60 days after the applicable termination date or missed payment date of a previously executed written payment agreement, or the other due date specified in the notice to the person of the amount due in the case of overpaid indemnity or any amount that became due after the termination date. To request reinstatement the Requestor must comply with **all** of the following requirements.

- (1) Remit full payment to the AIP or FCIC for the delinquent amount owed. If the insured has missed a payment under a previously executed written payment agreement, the insured must remit full payment of the entire debt that is owed.
- (2) Provide a detailed description of the extenuating circumstance i.e., weather event, serious illness, or active military duty that lead to a failure to pay timely a debt due to the AIP or FCIC.
- (3) Provide all applicable documentation in accordance with Para. 715 below that substantiates the details described in the Request. All documentation must be legible. If the authentication of the documents are in question, a color copy may be required.
- (4) Submit a signed Request for Administrative Reinstatement form (Request) with applicable documentation to the RMA through their AIP.
- (5) Meet all other policy requirements, e.g., maintain an insurable share, and not be ineligible for reasons other than the delinquent debt.

If the request is approved, the requested policy is in force, and the requestor must pay all fees and premium by the due date specified in its notice.

B. The AIP

The AIP must create a Request for Administrative Reinstatement form using the Late Payment of Debt Form Standards in DSSH. When a Request for Administrative Reinstatement is received by the AIP, the AIP must comply with the following requirements.

- (1) Accept the delinquent amount paid by the ineligible person. The delinquent amount is considered paid when the amount remitted completely satisfies the delinquent debt. The AIP is to advise the RMA, if a payment is not honored by the remitter's financial institution.
- (2) The AIP must obtain fully legible copies (front and back) of all documents required by Para. 714A. If the supporting documentation appears to be altered or counterfeit, or if the requestor presents documentation that does not conform to the standards provided in Para. 715, the AIP must annotate the request indicating such concerns.
- (3) Review the documentation provided by the ineligible person and ensure the request is complete and signed by the requestor and the AIP representative. The AIP does not have the authority to deny any request for RMA Administrator reinstatement and any request received by the AIP from the ineligible person must be submitted to RMA.
- (4) Unless the conditions in Para. 713 apply, the AIP must then forward the request form and supporting legible documentation to RMA within 15 days of the date of receipt by the AIP.

The Request and supporting documentation must be uploaded to the Late Payment of Debt SharePoint site at the following location:

https://carsprodsp2.rma.usda.gov/sites/LatePaymentofDebt/_layouts/15/start.aspx#/SitePages/Home.aspx

Note: The request must be uploaded before the supporting documentation and must have a valid RMA Entity ID which can be found on the I61 record.

- (5) Maintain the ineligible policy within the AIPs system, until reinstatement of the policy is authorized by the Administrator, in accordance with the following:
 - (a) If the ineligible person is the applicant or insured, the ineligible policy cannot be transmitted to RMA; or
 - (b) Transmit the policy if the ineligible person is a SBI to the applicant or insured. The amount of coverage for all crops included on the Application must be reduced proportionately by the percentage of interest of that person in the applicant or insured.

714 Roles and Responsibilities (Continued)

C. The RMA

When a request is received, the RMA will review the Request for Administrative Reinstatement and supporting documentation; and

- (1) Grant the Request for Administrative Reinstatement, if the documentation demonstrates that the requestor acted in good faith, yet a condition in Para. 3 caused an untimely payment; or
- (2) Deny the request.

The RMA reserves the right to request additional information in review of the request. RMA will send requests for additional information to the requestor through the AIP. The Requestor must provide the additional information by the due date specified in the request from RMA to the AIP. If the requestor fails to provide the additional information by the due date, the request for reinstatement will be automatically denied. If more information is requested by RMA, a decision to accept or deny the request will be issued after the receipt of the additional information.

RMA will send a notification letter to the AIP and the insured as verification that the request has been received. When RMA has verified that all information and documentation needed for the request has been received, RMA will provide an estimated timeframe for review to the AIP.

715 Applicable Supporting Documentation

Documentation that supports a Request for Administrative Reinstatement includes, but is not limited, to the following:

- (1) Police Report verifying an accident or event;
- (2) Newspaper articles;
- (3) Affidavits and/or Notarized statements;
- (4) Witnesses Statements/Accounts;
- (5) Redacted Medical Records and or Medical Billing Statements;
- (6) Military Notifications and/or Orders;
- (7) Death Certificates;
- (8) Certified copies of public records; and
- (9) Facts that are not subject to dispute, such as the occurrence of a hurricane and associated damage (e.g., weather reports or National Oceanic Atmospheric Administration (NOAA) maps indicating the area and impact of the storm.)

716 RMA Administrator Authorized Reinstatement is Granted

If authorization for reinstatement is granted by the Administrator, RMA will provide the original reinstatement decision letter to the requestor and a copy to the AIP. The AIP is thereby authorized to reinstate the person's policy in accordance with Para. 719. If the insured transfers to another AIP, the insured or the ceding AIP is responsible for ensuring the succeeding AIP is informed of the decision.

717 RMA Administrator Authorized Reinstatement is Denied and Reconsideration Requests

If a Request for Administrative Reinstatement has been denied by the Administrator, that decision **may only be appealed to the National Appeals Division**. Requests for reconsideration will not be accepted.

718 Policy Transmission

The AIP has 30 days from the date when the reinstatement request is granted by the Administrator to reinstate the policy and submit all applicable data to PASS, in accordance with Appendix III procedures. The new Ineligible Tracking System (ITS) transmission status codes provided in Appendix III must be used to appropriately account for policies submitted in accordance with these procedures. See Appendix III for status codes for Late Payment of Debt.

719 Coverage for Reinstated Policy

If authorization for reinstatement is granted, the policy is to be reinstated effective at the beginning of the crop year in which the insured was determined ineligible, and the person is entitled to all applicable benefits under such policies provided the person continues to meet the eligibility requirements and complies with the terms of the policy and there is no evidence of misrepresentation or fraud.

The coverage provided under the reinstated policy will use the same plan of insurance, coverage levels, endorsements and options the person had prior to termination. To make changes in a subsequent policy year a Policy Change form or a new Application is required.

The insured must remain with the original agent and AIP unless a transfer application was completed prior to the termination date for the new policy. It is the responsibility of the original AIP or the insured to notify the succeeding AIP of the decision for RMA Administrator Authorized reinstatement.

720-730 (Reserved)

B. Clearly Transposed Amounts

(1) Amounts Clearly Transposed Authority

A person made a good faith effort to pay the debt timely, yet clearly transposed the payment amount from what was due, the AIP is authorized to reinstate the person's policy after the full amount is paid. The payment must have been received timely and clearly demonstrate that the amount due was transposed, or that payment was made on the incorrect policy.

Example: Insured owes \$892, but remits a timely payment of \$829. Since the insured made a good faith effort to pay the debt due, but the amount paid was short \$63 dollars and the amount was clearly transposed. The insured may qualify for AIP authorized reinstatement after the full amount is paid.

If the AIP determines that the amount was not clearly transposed or that the payment was not made on the incorrect policy/crop within the clearly transposed authority, then reinstatement is not available.

(2) Write-off of Established Debts Authority

These procedures do not alter or remove AIP authority provided in the Standards for Write-offs of Established Debt in Part 3, Section 26 of Appendix III of Standard Reinsurance Agreement.

C. 7-day Transit Period

(1) Authority

The person made the full payment of the amount owed but the payment was delayed by the postal service and it is postmarked no more than 7 calendar days after the termination date or other due date specified, the AIP is authorized to reinstate the policy. The 7-day transit period is only applicable to situations where the payment is received by U.S. mail.

Example: The insured's termination date was February 28th, but payment is payment is placed in the mail but not postmarked until March 3rd, the AIP may grant reinstatement for the late receipt and delay of his payment.

C. 7-day Transit Period (continued)

(2) Postmarked Defined

Postmark means:

- (a) postal imprint on letters, flats, and parcels that shows the name of the Post Office that accepts custody of the mail, along with the two-letter state abbreviation and Zip Code of the Post Office, and the date of mailing, and the time abbreviation a.m. or p.m. The postmark is generally applied, either by machine or hand, with cancellation or killer bars to indicate that the postage cannot be reused; or
- (b) the date of tender to the private delivery service as recorded in the tracking and tracing record for the parcel, provided the private delivery service is available to the general public and has tracking and tracing procedures for its deliveries, such as DHL, Federal Express, or UPS.

Metered mail, self-postmarked envelopes or parcels, hand delivered payments, or electronic transmitted payments received after the termination date do not qualify for AIP authorized reinstatement.

If the termination date, or other due date, falls on the Saturday, Sunday, or Federal holiday, the next business day will apply for purposes of determining if the debt is delinquent.

(3) Delayed Payments Not Postmarked within 7-day Transit Period

Payments not received by the termination date or not postmarked within the 7-day transit period do not qualify for reinstatement under this authority. Additionally, payments hand-delivered to the respective agent or AIP after the termination date do not qualify for reinstatement under this authority.

738 AIP Authorized Reinstatement Approved and Denied

The AIP may reinstate the person's policy if the conditions within this section are met. If reinstated, the policy is effective at the beginning of the crop year that the person was determined to be ineligible. If AIP authorized reinstatement is denied or unavailable to an ineligible person the requestor may dispute the determination in accordance with [Part 6](#).

All requests, whether approved or denied, must be transmitted to the ITS with the appropriate eligibility status codes as outlined in the Ineligible Tracking System Handbook.

739 Coverage for a Reinstated Policy

If authorization for reinstatement is granted, the policy is to be reinstated effective at the beginning of the crop year in which the insured was determined ineligible, and the person is entitled to all applicable benefits under such policies provided the person continues to meet the eligibility requirements and comply with the terms of the policy and there is no evidence of misrepresentation or fraud.

The coverage provided under the reinstated policy will use the same plan of insurance, coverage levels, endorsements and options the person had prior to termination. To make changes in a subsequent policy year a Policy Change form or a new Application is required.

A. Multiple Benefits (continued)

(a) 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.

(a) **RI-API and VI-API:**

If a producer receives both a crop insurance indemnity and a NAP payment for the same crop year, the producer must elect which benefit to retain. If a producer elects to retain the NAP benefit, the producer must repay any crop insurance indemnity for the same crop year. Regardless of which benefit is elected, premium is still due and payable by the applicable billing date.

- (1) 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)

- (2) Multiple benefits between crop insurance and FSA programs for Livestock Indemnity Program (LIP), LFP, ELAP, and Tree Assistance Program (TAP) are allowed.
- (3) AIPs are required to include a multiple benefit certification statement on all acreage reporting forms.
- (4) 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.

An insured may assign the right to an indemnity payment for a crop(s) under a policy to a creditor(s) or other persons to whom the insured has a financial debt or other pecuniary obligation by using an Assignment of Indemnity. The assignment(s) applies for all acreage of the crop covered by the policy. Each assignment must be executed on a per crop basis.

A. Effective Date

The Assignment is effective upon approval in writing by an authorized representative of the AIP. The AIP may request proof of debt or other pecuniary obligation before an assignment of indemnity is accepted. If the Assignment of Indemnity is not approved in writing by the AIP, the assignment is not effective and the proposed assignee does not obtain rights under the policy.

An Assignment executed prior to the date of a Transfer of Coverage and Right to an Indemnity, remains effective after the Transfer of Coverage and Right to an Indemnity.

B. Number of Assignees

The insured has the option of executing more than one assignee and/or executing multiple assignments. It is the insured's responsibility to notify parties of multiple executed assignments.

A single Assignment may contain more than one assignee. Similarly, multiple Assignments may be executed by the insured if approved in writing by the AIP.

C. Timing of Assignment

For an Assignment to be effective for a crop year, it must be made:

- (1) after acceptance of the Application, but
- (2) before a loss claim is submitted to the AIP for payment of the indemnity.

Issuance of a replant payment for any insured unit will not affect the insured's ability to assign an indemnity to another party.

D. Cancellation or Termination

An Assignment is effective only for the crop(s) and the crop year specified on the Assignment.

- (1) The Assignment may be canceled during the crop year. The AIP will cancel the Assignment(s) only if the assignee(s) submits a signed written statement discharging the Assignment.

The discharge must indicate the insured's name, mailing address, policy number and crop(s)/county(ies) released. The AIP representative(s) will retain a copy of the discharge; or

- (2) The Assignment will terminate at the end of the crop year.

E. Payment Issuance

Any indemnity payments will be made payable to the assignee(s) and the insured jointly, subject to any administrative fee deduction or any other unpaid balance, not to exceed the total amount of indemnity due.

Payments will not be made to any lien holder or other person to whom the insured has a financial debt or other pecuniary obligation, and not identified on the AIP approved Assignment of Indemnity, even if there is a lien or other assignment recorded elsewhere.

F. Notice Submission by Assignee

Any assignee has the right to submit all loss notices or other forms as required by the policy. If the insured has suffered a loss and fails to file a claim for indemnity within the time period specified in the policy, the assignee may submit the claim for indemnity not later than 30 days after the period for filing a claim has expired. The terms of the assignment apply if the AIP can accurately determine the amount of the claim.

853 Transfer of Coverage and Right to an Indemnity

Use a Transfer of Coverage and Right to an Indemnity to transfer insurance coverage and the right to any subsequent indemnity from one insured person to another person. The transfer is used when a transfer of part or all of the ownership/share of the insured crop occurs during the insurance period.

A. Effective Date

The Transfer of Coverage and Right to an Indemnity is effective upon approval in writing by an authorized representative of the AIP. If the Transfer of Coverage and Right to an Indemnity is not approved in writing by the AIP, the transfer is not effective and the proposed transferee does not obtain rights under the policy. An Assignment of Indemnity executed before the date of the Transfer of Coverage and Right to an Indemnity remains effective after such Transfer of Coverage and Right to an Indemnity.

B. Share/Acreage

A Transfer must be executed for each policy. The Transfer is only effective for the share/acreage in the insured crop actually held by the insured at the time the insured's interest in the crop was transferred. Therefore, insurance must attach to the acreage for a Transfer of Coverage and Right to an Indemnity to be effective.

For example, there can be no Transfer of Coverage and Right to an Indemnity if acreage is transferred to another person prior to planting of an annual crop because insurance attaches on the date an annual crop is planted and the transferee does not have a share in the insured crop.

Exception: Prevented planting acreage allows for a Transfer of Coverage and Right to an Indemnity prior to planting the crop.

C. Timing of Transfer of Coverage and Right to an Indemnity

The Transfer of Coverage and Right to an Indemnity is effective upon approval in writing by an authorized representative of the AIP. Once approved, the Transfer is only applicable to acreage and/or share of the crop planted by the transferor and transferred to the transferee. The AIP is not liable for any more indemnity than existed before the transfer occurred.

D. Liability

An approved Transfer of Coverage and Right to an Indemnity grants all rights and responsibilities under the policy to the transferee consistent with the transferor's interest.

The transferee and the transferor (insured) will be jointly and severally liable for any unpaid premium, administrative fee and/or other amounts due on the acreage and share transferred, even if the transfer is released by the transferee.

The AIP may consolidate all policies onto one form to ensure that the transferor and transferee are aware of the liability or premium for each respective policy for the acreage transferred.

E. Number of Transfers

An insured may execute multiple transfers during the crop year. A separate form may be required for each different unit or portion of a unit on which coverage is being transferred.

F. Expiration and Release

The Transfer may be released by the transferee submitting a signed statement of release indicating the insured's name, mailing address, policy number, crop(s), and unit(s).

The Transfer expires at the end of the insurance period for the crop year specified. For succeeding crop years, an Application must be made to insure the proper person for insurance to remain in effect unless the transferee has an existing policy.

If it is discovered during the loss inspection that there is a release that has not been submitted or processed, the loss adjuster must document on the Special Report and attach the report and the release to the claim form.

G. APH Impact In Subsequent Crop Years

The transferee must certify the acreage and production history on or before the PRD for the following crop year. The year of transfer counts as a year of producing the crop for both the transferor and the transferee. Incomplete or unacceptable production reports will result if the transferee fails to certify acreage and production for the applicable crop year.

If the transferee does not certify the acreage and production history on or before the PRD for the following crop year:

- (1) For carryover insureds, assigned yield provisions apply; however, the acreage and production from the acreage transferred must be used the succeeding crop year.
- (2) For new insureds, continuity of production records is broken.

A. Requirement

Any crop insurance document requiring a signature must be signed by the person whose signature is required (e.g., the applicant must sign the Application). A POA or other legally sufficient document is required for any person who is authorized to sign on behalf of the required person.

If the applicant is a minor, the parent or court-appointed guardian must sign all documents that require a signature.

B. Acceptable Signature Types

Acceptable signatures for crop insurance include the:

- (1) signature of the required person (e.g., applicant, insured, or grantor);
- (2) signature of the authorized representative (or attorney-in-fact) granted by a POA; and
- (3) signature of the authorized representative granted by a legally sufficient document.

For the notice of loss(es) and delayed claim(s) reporting, notice provided by the insured, either orally by phone or written by email, to the agent is considered a signature for the applicable form. See the LAM for more information.

C. POA or Other Legally Sufficient Documentation Required

The POA or other legally sufficient document (such as the Articles of Incorporation) must identify who is authorized to sign the initial Application and represents the original agreement between the grantor and its authorized representative.

Exception: The application does not represent the original agreement between the grantor and its authorized representative when an authorized representative who is required to sign the initial application assigns signatory authority to another person by the non-substantive signatory statement.

Example 1: An individual operating as a business person type, where the sole proprietor signs the Application then assigns the signature authority to another person by using the non-substantive signatory statement, represents the original agreement between the sole proprietor and the authorized person.

Example 2: For the partnership person type, the partnership agreement must identify the authorized representative who may sign the Application. The authorized representative, identified by the partnership agreement, then assigns signatory authority using the non-substantive signatory statement to another person. The partnership agreement evidences the original agreement between the partnership and its authorized representative, and the non-substantive signatory evidences the assignment of this authority to another person.

C. POA or Other Legally Sufficient Documentation Required (continued)

For the married individual person type, a POA or legally sufficient document is required for the authorized spouse to sign on behalf of the named insured spouse.

Example: A husband applies for crop insurance as the married individual person type; he signs the Application. He is listed as the primary insured and his spouse is reported as an SBI. At acreage reporting time, he is unable to sign his acreage report. For his spouse to sign on his behalf, he must have provided a POA or legally sufficient document authorizing her to sign on his behalf to the AIP.

D. Non-Substantive Signatory Statement

The DSSH provides a non-substantive statement that allows the required person or its authorized representative to designate person(s) who are authorized to sign crop insurance documents on its behalf. If the AIP elects to utilize the non-substantive statement contained on the Application or Policy Change form in the DSSH, then the Application or Policy Change is deemed to be a legally sufficient document that allows for the person to sign on behalf of the required person, notwithstanding individual State signature authority requirements.

Example: The State requires that signature authority, which binds a person to the terms of the document being signed, must be notarized. If the AIP elects to utilize the non-substantive statement contained in the DSSH for the Application, the required person may elect to grant signature authority on the Application or provide a separate POA.

If the required person grants authority on the Application, the Application is not subject to the signature requirements of the State. If the required person provides a POA to the AIP, the POA must be notarized in accordance with the signature requirements of the State.

The non-substantive signatory statement is effective from the date it is signed by the grantor and until it is rescinded, revoked, or dissolved. For example, the required person signs the statement on the application, accordingly, any subsequent crop insurance documents may be signed by the authorized representative until the authority is rescinded, revoked, or dissolved.

The signatory statement is considered rescinded, revoked, or dissolved when a change of insurance plans requires a new initial Application. The required person must sign the initial Application. The Policy Change modifies an existing Application; the non-substantive signatory statement remains in effect on the existing Application, unless canceled or revoked by the Policy Change.

Insureds may grant a third-party the authority to sign crop insurance documents on their behalf if a legally executed POA is provided to the AIP. The person authorized to sign is the attorney-in-fact.

A. POA Types

- (1) A POA that is executed in accordance with the laws of the state of execution is acceptable for crop insurance purposes. Such POA must be in writing and specify the powers granted to the authorized representative by the grantor. A POA is executed when it is signed.
- (2) A POA that is executed according to federal authorities, such as an FSA Power of Attorney, is acceptable. An acceptable POA executed according to federal authorities is a POA that includes language that the form is applicable for crop insurance purposes. A form executed in accordance with federal authorities is a form that has been approved by the Office of Management and Budget.

Note: A POA developed by an AIP, in accordance with the standards provided by the DSSH, is not considered a “federal form” executed according to federal authorities, unlike the FSA POA which is a federal form that supersedes state law. Any AIP developed POA requires compliance with state law.

B. POA Requirements

- (1) Authority

POAs which grant authority to sign contracts and legally bind the grantor(s) are sufficient for crop insurance purposes. The POA must specify the person authorized, the period of authorization, and powers granted.

Exception: Oral or open powers of attorney are not acceptable. An oral or open POA is a POA that does not specify who the authorized representative receiving the power is at the time of execution.

- (2) Notarization

In states that require POAs to be notarized, the signatures of the grantor and grantee must be notarized. If notarization is not required by the state, the signatures of the grantor and grantee must be witnessed and the signatures of the witness obtained on the document.

C. Filing Requirement

A POA must be filed with the office where the official insurance file is maintained and must remain in full force and effect until written notice of its revocation has been received by the office maintaining the official insurance file. The revocation must maintain in the official insurance file.

D. Voidance

If the grantor of the POA dies, disappears, or is judicially declared incompetent, then the POA is void.

Exception: In the case of judicial declaration of incompetence, if the POA grants the authority for the person identified to maintain its signature authority, then the POA may not be void.

E. Conflicts of Interests

An agent, loss adjuster, and AIP authorized representative's use of a POA to act on behalf of an insured may be limited by the conflict of interest requirements contained in the SRA.

B. Definitions (Continued)

Added Land/New Database With Records - Added land or a new database for which acceptable production reports, based upon the production records obtained from a person sharing in the crop/P/T's production for the current crop year or transferred APH data, have been filed by the PRD for the current crop year by the insured or to which assigned yields apply.

Added Land/New Database Without Records - Added land or a new database for which acceptable production reports have not been filed by the PRD for the current crop year and has not been planted to the crop by the insured or to which assigned yields do not apply.

Additional Coverage - A level of coverage greater than CAT.

Additional Price Election - A price election released subsequent to the release of the price election and at least 15 days prior to the SCD that is based on additional data or information that has become available after the initial price election release and allows a more accurate price projection to be made. The additional price election must be higher than the price election.

Adjuster – Refer to “Loss Adjuster.” Also known as claims adjuster.

Administrative Fee - The amount an insured must pay for each catastrophic risk protection and additional coverage for each crop year as specified in the Basic Provisions and Catastrophic Risk Protection Endorsement.

Agent - An individual who is licensed by the State in which an eligible crop insurance contract is sold and serviced for the reinsurance year; and who is authorized by the Company, or the Company's designee, to sell and service such eligible crop insurance contract.

Agricultural Commodity - Any crop or other commodity produced, regardless of whether or not it is insurable.

B. Definitions (Continued)

Agricultural Experts - Person(s) who are employed by the Cooperative Extension System or the agricultural departments of universities, or other persons approved by FCIC, whose research or occupation is related to the specific crop or practice for which such expertise is sought. Persons who have a personal or financial interest in the insured or the crop will not qualify as an agricultural expert. For example, contracting with a person for consulting would be considered to have a financial interest and a person who is a neighbor would be considered to have a personal interest. See also Organic Agricultural Experts.

Note: Agricultural experts currently approved by RMA include persons employed by the Cooperative Extension System, the agricultural departments of States and universities, and persons certified by the ASA as Certified Crop Advisers and Certified Professional Agronomists, persons certified by the NAICC as Certified Professional Crop Consultants and persons certified by the American Society for Horticultural Sciences as Certified Professional Horticulturists. Persons certified by other certification programs may be recognized as agricultural experts by RMA if their participant's research or occupation is related to the specific crop or practice for which such expertise is sought.

Agricultural Marketing Service (AMS) – An agency, the Agricultural Marketing Service, or its successor, of the United States Department of Agriculture

AIP Inspection – An inspection initiated by the AIP. These inspections may be initiated where misrepresentation is suspected or where routine spot checks are being performed.

Annual Crop – An agricultural commodity that normally must be planted each year.

Another Use, Notice of – The written notice required when the insured wishes to put acreage to another use. Refer to “Other Use.”

APH Database - The data used to calculate the average/approved APH yield. A minimum of four up to a maximum of ten continuous APH crop years of production data are used. The data provided must begin with the most recent APH crop year. Years containing assigned yields do not break continuity of production data and are considered APH crop years.

Applicant – A person who has submitted an application for crop insurance under the authority of the Act.

Application – The form required to be completed by the applicant/insured and accepted by the AIP before insurance coverage will commence. This form must be completed and filed with the AIP (e.g. in the agent's office) not later than the SCD of the initial crop year for each crop for which insurance coverage is requested. If cancellation or termination of insurance coverage occurs for any reason, including but not limited to indebtedness, suspension, debarment, disqualification, cancellation by the insured or AIP or violation of the controlled substance provisions of the Food Security Act of 1985, a new Application must be filed for the crop. Insurance coverage will not be provided if applicant/insured is ineligible under the contract or under any Federal statute of regulation.