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Standards Division

FCIC 20180U

POPCORN REVENUE INSURANCE STANDARDS HANDBOOK

2017 and Succeeding Crop Years

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

TITLE: Popcorn Revenue Insurance Standards Handbook	NUMBER: 20180U
SUBJECT: Popcorn Revenue Underwriting Standards for the 2017 and succeeding crop years	OPI: Product Administration and Standards Division APPROVED: DATE: <i>/s/ Richard H. Flournoy November 28, 2016</i> Deputy Administrator, Product Management

Reason for Issuance

This handbook provides the official FCIC-approved 2017 and succeeding crop years underwriting and administration standards for the Popcorn Revenue Crop Provisions. All approved insurance providers electing to offer the Popcorn Revenue must utilize these standards.

This handbook has been revised as indicated below. Minor changes and corrections are not included in this listing. See changes or additions in text which have been highlighted. Three stars (***) identify where information has been removed.

Changes for Crop year 2017 (FCIC-20810U):

1. Paragraph 1C – Replaced the language with standard language used in other Insurance Standards Handbooks.
2. Paragraph 1D – Removed the procedures regarding AIPs' option to offer the 508(h) program, and redesignated the remaining paragraphs in the section.
3. Paragraph 2A - Replaced the language with standard language used in other Insurance Standards Handbooks.

POPCORN REVENUE PROGRAM
INSURANCE STANDARDS HANDBOOK

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Part 1 General Information and Responsibilities

1 General Information

A. Purpose

The Popcorn Revenue Insurance Standards Handbook provides instructions for establishing coverage in accordance with the Popcorn Revenue Crop Provisions. In general, the FCIC 18010 Crop Insurance Handbook (CIH), FCIC 25010 Loss Adjustment Manual (LAM) Standards Handbook, FCIC 20180L Popcorn Revenue Loss Adjustment Standards Handbook (LASH), and FCIC 25370 Prevented Planting Loss Adjustment Standards Handbook (PP LASH) apply to popcorn revenue. Exceptions, changes, and additions necessary for and unique to popcorn revenue are included in this Insurance Standards Handbook. If there is a conflict between the Insurance Standards Handbook and the CIH, LAM, or the PP LASH; the Insurance Standards Handbook will control.

B. Source of Authority

The Popcorn Revenue is a product based on approval by the FCIC Board of Directors of a submitted development to extend and enhance the coverage for producers of popcorn by providing revenue protection (plan code 02) and revenue protection with harvest price exclusion (plan code 03). This handbook provides the FCIC-approved procedures for administering the Popcorn Revenue program.

C. Duration

The Popcorn Revenue program is available beginning with the 2012 crop year and is authorized until terminated or converted to a permanent program by the FCIC Board of Directors.

D. Approved Area

The Popcorn Revenue program is available where premium rates and other actuarial materials are included in the actuarial documents for the county.

E. Applying for Popcorn Revenue

Use the standard application. The application must indicate the insured has selected the Popcorn Revenue program along with the other required information.

F. AIPs and Agents

For the purposes of the Popcorn Revenue program, AIPs may authorize contracted agents to perform all functions and actions authorized by the Crop Insurance

1 General Information (Continued)

F. AIPs and Agents (continued)

Handbook as supplemented by the instructions in this Insurance Standards Handbook.

2 Responsibilities

A. AIP Responsibilities

AIPs must use standards, procedures, methods and instructions as authorized by FCIC in the sale and service of crop insurance contracts. Each AIP is responsible for using RMA approved procedure. AIPs should report any program issues or concerns to the Actuarial and Product Design Division (APDD) of RMA.

B. Insured's Responsibilities

To be eligible for the Popcorn Revenue program, insureds must:

- Elect the Crop Provisions on an application.
- Comply with all terms and conditions of the Crop Provisions.
- Submit a copy of the processor contract containing signatures of both parties on or before the acreage reporting date.

3-20 (Reserved)

Part 2 Eligibility

21 Popcorn Revenue

A. Applicability

All acreage that meets the requirements for insurability under the Crop Provisions is eligible for Popcorn Revenue coverage. The acreage of popcorn must be included under a processor contract and meet other requirements (see 21B).

B. Eligibility Requirements

To be eligible for the Popcorn Revenue program, the insured must comply with all terms and conditions of the Crop Provisions.

1. Acreage is not eligible for insurance if the insured chooses the catastrophic level of coverage.
2. The insured must execute a processor contract for the sale of the popcorn on or before the acreage reporting date.
3. The processor contract, signed by both parties, must be submitted to the AIP on or before the acreage reporting date.

C. Insurable Types

Insurable types are specified on the actuarial documents.

D. Insurable Practices

Insurable practices are specified on the actuarial documents.

E. Units

See the unit division section of the Crop Provisions for complete rules for basic and optional units. Whole farm and enterprise units are not allowed.

F. Coverage Levels

Coverage will be available in 5 percent (5%) increments from 50 percent (50%) to 85 percent (85%). Catastrophic (CAT) level of coverage is not offered.

G. Insurance Dates

The Popcorn Revenue program must be selected by the insured on or before the sales closing date for the first year it is to be effective. Thereafter, it renews automatically unless the selection is cancelled by the insured or by the AIP or the

G. Insurance Dates (continued)

policy terminates. All dates applicable to popcorn are specified on the actuarial documents.

H. Insurable and Uninsurable Causes of Loss

- (a) In accordance with section 12 of the Basic Provisions, insurance is provided only against the following causes of loss that occur during the insurance period:
- (1) Adverse weather conditions;
 - (2) Fire;
 - (3) Insects, but not damage due to insufficient or improper application of pest control measures;
 - (4) Plant disease, but not damage due to insufficient or improper application of disease control measures;
 - (5) Wildlife;
 - (6) Earthquake;
 - (7) Volcanic eruption;
 - (8) Failure of the irrigation water supply, if caused by a cause of loss specified in items (1) through (7) that occurs during the insurance period; or
 - (9) A change in the harvest price from the projected price, unless FCIC can prove the price change was the direct result of an uninsured cause of loss specified in section 12(a) of the Basic Provisions.
- (b) In addition to the causes of loss excluded by section 12 of the Basic Provisions, we do not insure against any loss of production due to:
- (1) Damage resulting from frost or freeze after **the** date designated in the actuarial documents; or
 - (2) Failure to follow the requirements contained in the processor contract.

I. Premium Rates

Premium rates are established in the actuarial documents.

21 Popcorn Revenue (Continued)

J. T-yields

T-yields are provided in the actuarial documents.

K. Quality Adjustment

Quality adjustment is allowed if damage due to insurable causes results in popcorn that is not merchantable and it is rejected by the processor.

The quantity of production is reduced by 0.12 percent per 0.10 percentage point the moisture content exceeds 15.0 percent. See the Crop Provisions and the Popcorn Revenue LASH for more information.

No additional quality adjustment is authorized.

L. Projected Price and Harvest Price

The projected price for a producer who chooses revenue protection or revenue protection with the harvest price exclusion equals the projected price for corn determined in accordance with the Commodity Exchange Price Provisions multiplied by a factor contained in the actuarial documents.

The harvest price for a producer who chooses revenue protection will be the harvest price for corn determined in accordance with the Commodity Exchange Price Provisions multiplied by the same factor that was used to establish the projected price.

22–30 (Reserved)

Part 3 Applicability of Handbooks

Part 3 of this Insurance Standards Handbook identifies information specific to the applicability of the CIH, PP LASH, LAM Standards Handbook, and Popcorn Revenue LASH, and any other issuance that may require supplemental information with regard to Popcorn Revenue. Unless specifically amended or supplemented by information in this Insurance Standards Handbook, all policy and procedure issuances apply.

Section 1 CIH

31 Specific Information Regarding the CIH

All references to written agreements do not apply to the Popcorn Revenue program. All other instructions in the CIH that apply to popcorn apply to the Popcorn Revenue program without change.

32-35 (Reserved)

Section 2 PP LASH

36 Specific Information Regarding the PP LASH

There are no additions or modifications to this Handbook. All instructions in the PP LASH that apply to popcorn apply to the Popcorn Revenue program without change.

Section 3 LAM Standards Handbook

37 Specific Information Regarding the LAM Standards Handbook

There are no additions or modifications to this Handbook. All instructions in the LAM Standards Handbook that apply to popcorn apply to the Popcorn Revenue program without change.

Section 4 Popcorn Revenue LASH

38 Specific Information Regarding the Popcorn Revenue LASH

The Popcorn Revenue LASH applies.

39-99 (Reserved)