

United States
Department of
Agriculture



Federal Crop
Insurance
Corporation



Risk Management
Agency



Product
Administration
and Standards
Division

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HIGH-RISK ALTERNATE COVERAGE ENDORSEMENT STANDARDS HANDBOOK

2017 and Succeeding Crop Years

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

TITLE: HIGH-RISK ALTERNATE COVERAGE ENDORSEMENT INSURANCE STANDARDS HANDBOOK	NUMBER: 20190 20190-1
EFFECTIVE DATE: 2017 and Succeeding Crop Years	ISSUE DATE: May 25, 2016
SUBJECT: Provides the procedures and instructions for the High-Risk Alternate Coverage Endorsement crop insurance program	OPI: Product Administration and Standards Division
	APPROVED: <i>/s/Thomas W. Worth</i> Acting Deputy Administrator for Product Management

This handbook is issued to provide official FCIC-issued underwriting instructions for administering the High-Risk Alternate Coverage Endorsement (HR-ACE) for the 2017 and subsequent crop years. It is effective until reissued or until the program is terminated by FCIC.

In the absence of industry developed, FCIC-approved procedure for this crop, all reinsured companies will utilize these standards for both underwriting and training.

REASON FOR AMENDMENT

A. Removed the reference to enterprise units in Exhibit 3 3B(6).

HIGH-RISK ALTERNATE COVERAGE ENDORSEMENT STANDARDS HANDBOOK

CONTROL CHART

High-Risk Alternate Coverage Endorsement Standards Handbook						
	TP Page(s)	TC Page(s)	Text Page(s)	Exhibit Page(s)	Date	Directive Number
Remove	1-2		13-14		06-2016	FCIC-20190
Insert	1-2		13-14		06-2016	FCIC-20190-1
Current Index	1-2	1	1-10	11-12 13-14 15	06-2016 06-2016 06-2016 06-2016	FCIC-20190-1 FCIC-20190 FCIC-20190-1 FCIC-20190

Form Standards

High-Risk Alternate Coverage Endorsement

Insureds who wish to insure high-risk land on an additional coverage policy may amend their policy by signing and submitting the High-Risk Alternate Coverage Endorsement (HR-ACE) Application, developed according to these standards on or before the SCD for the first crop year the insured wishes to elect the Endorsement.

1 Insured Information

- A “Insured’s Name” (Substantive) B “Policy Number” (Substantive)
- C “Street or Mailing Address” (Substantive)
- D “City, State and Zip Code” (Substantive) E “County Name” (Substantive)
- F “Identification Number” (Substantive)
- G “Identification Number Type” (Substantive)

2 Crop Information

- A “Crop(s)” (Substantive)
- B “Crop Year” (Substantive)
- C “Plan of Insurance or Percentage of Price” (Substantive)

3 Terms And Conditions

The following information must be on the form. (Substantive)

- A “In addition to Section 3B(2) of the Basic Provisions, I hereby elect this High- Risk Alternate Coverage Endorsement (HR-ACE), by this election I understand:
 - (1) I must have purchased an additional coverage policy under the Common Crop Insurance Policy Basic Provisions and applicable Crop Provisions.
 - (2) As used in this option, high-risk land is any land to which a high-risk classification applies as contained in the actuarial document(s). This Endorsement only applies in those counties where high-risk land is specified.
 - (3) That by signing this Endorsement it will continue from year to year unless I or [Insert AIP Name] cancel or change my election by written notice on or before the cancellation date or my coverage is otherwise canceled or terminated under the terms of my policy.

Form Standards (Continued)

3 Terms And Conditions (continued)

- (4) That by signing this Endorsement it will continue from year to year unless I or [Insert AIP Name] cancel or change my election by written notice on or before the cancellation date or my coverage is otherwise canceled or terminated under the terms of my policy.
- (5) That by signing this Endorsement, I elect to insure my high-risk land on a separate additional coverage policy.” (Substantive)

B “By Electing this Endorsement, I elect to insure my high-risk land at any coverage level not to exceed the coverage level of my base policy. I understand:

- (1) If I have a Yield Protection (YP) policy, insurance for my high-risk land is limited to a YP policy with a lower coverage level.
- (2) If I have a Revenue Protection (RP) policy, insurance for my high-risk land is limited to a RP policy with lower level of coverage or a YP policy with the same or lower coverage level.
- (3) If I have a Revenue Protection with Harvest Price Exclusion (RP-HPE) policy, insurance for my high risk land is limited to limited to a RP-HPE policy with lower level of coverage or a YP policy with the same or lower coverage level.
- (4) I must select a coverage level greater than Catastrophic Risk Protection.
- (5) That any other options or endorsements elected on my base policy will continue under this Endorsement.
- (6) **W**hole farm units are not available on acreage which is provided crop insurance coverage under this Endorsement.
- (7) Written Agreements are not available on acreage which is provided crop insurance coverage under this Endorsement, except for those Written Agreements offering lower rates on the high-risk land and Written Agreements for unrated land for that crop in that county that meet the following requirements: a) that county has to have the WA crop listed as an insurable crop in the county at standard rates; and 2) the WA contains rates on the crop in excess of standard rates for the county. (Substantive)
