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Division

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LOSS ADJUSTMENT MANUAL (LAM) STANDARDS HANDBOOK

2003 and Succeeding Crop Years

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

FEDERAL CROP INSURANCE HANDBOOK		NUMBER 25010 (3-2003) 25010-1 (4-2003)
SUBJECT: LOSS ADJUSTMENT MANUAL (LAM) STANDARDS HANDBOOK 2003 and SUCCEEDING CROP YEARS	DATE: April 2, 2003	
	OPI: Product Development Branch	
	APPROVED: <i>/S/ Tim B. Witt</i> Deputy Administrator, Research and Development	

SUMMARY OF CHANGES/CONTROL CHART

Major Changes: **Highlight** identifies changes or additions in the text. Three stars (***) identify where information has been removed.

Changes for April 2003 Issuance (FCIC-25010-1):

1. PAR. 45 D (2)
(c) 1 and 2 Moved the graphics to correspond with the appropriate text due to graphics being erroneously switched.

2. PAR. 77 C (1)
(a) 1 In the "NOTE," changed "(no more than a 6 foot break)" to "(no more than a 30-foot break)." This change will allow a passage large enough for several cattle to pass through at a time and, if needed, will accommodate a tractor or other equipment to pass through to access the water or livestock.

3. PAR. 98 In the Metric Conversion Table, corrected the metric symbol and metric unit of measure for conversion to feet. The metric unit of measure was incorrectly changed in the March 2003 issuance instead of correcting the metric symbol.

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SUMMARY OF CHANGES/CONTROL CHART (Continued)_

CONTROL CHART FOR: LOSS ADJUSTMENT MANUAL STANDARDS HANDBOOK						
	SC Page(s)	TC Page(s)	Text Page(s)	Exhibits	Date	Directive Number
Remove	1-6		71-72		03-2003	FCIC-25010
			127-128		03-2003	FCIC-25010
			181-182		03-2003	FCIC-25010
Insert	1-2		71-72		04-2003	FCIC-25010-1
			127-128		04-2003	FCIC-25010-1
			181-182		04-2004	FCIC-25010-1
Current Index	1-2	1-8	1-70		04-2003	FCIC-25010-1
			71-72		03-2003	FCIC-25010
			73-126		04-2003	FCIC-25010-1
			127-128		03-2003	FCIC-25010
			129-180		04-2003	FCIC-25010-1
			181-182		03-2003	FCIC-25010
			183-236		04-2003	FCIC-25010-1
			1(237-254)		03-2003	FCIC-25010
			2(255-262)		03-2003	FCIC-25010
			3(263-265)		03-2003	FCIC-25010
			4(266-268)		03-2003	FCIC-25010
			5(269-270)		03-2003	FCIC-25010
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			7(273-274)		03-2003	FCIC-25010
			8(275)		03-2003	FCIC-25010
			9(276-277)		03-2003	FCIC-25010
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			11(280-283)		03-2003	FCIC-25010
			12(284-288)		03-2003	FCIC-25010
13(289)	03-2003	FCIC-25010				
14(290-298)	03-2003	FCIC-25010				
15(299-300)	03-2003	FCIC-25010				
16(301-304)	03-2003	FCIC-25010				
17(305-307)	03-2003	FCIC-25010				
18 (308-316)	03-2003	FCIC-25010				

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RESERVED

PART 1 GENERAL INFORMATION

1 PURPOSE

This handbook identifies the general (not crop-specific) standards (requirements) for adjusting Multiple Peril Crop Insurance (MPCI) losses in a uniform and timely manner. These standards are to be used with the crop-specific standards for loss adjustment identified in the various Crop Loss Adjustment Handbooks (e.g., Almond Loss Adjustment Handbook) and Prevented Planting Handbook, when applicable. This handbook may contain requirements that are not adjuster specific, but are an overall part of the loss adjustment process for which the insurance provider is responsible.

2 SPECIAL INSTRUCTIONS

A Titles

Specific titles of insurance providers' approving officials for which certain events, function, etc., would require the approving official's approval are not indicated in this handbook. However, for specific events, functions, etc., that require FCIC approval; titles of approving offices (or officials) are stated.

B Forms and Specific Entry Instructions

- (1) Forms. Insurance providers must use FCIC-approved forms. The loss adjustment forms shown in the FCIC-loss adjustment standards handbooks (LAM and crop handbooks) serve as the form standards for these forms. The Privacy Act Statement and Nondiscrimination Statement contained in the Documents Standards Handbook (FCIC-24040) must be utilized as stated in the FCIC-24040. Any changes to the forms shown in updated FCIC LAM standards or FCIC crop handbook standards require the same changes on insurance provider forms or trade association developed forms used by insurance providers. All loss adjustment forms used by each insurance provider must be submitted to RMA for FCIC-approval in accordance with the procedures stated in the FCIC-24040. Any modification to an approved form (other than spelling corrections or other typographical errors) requires the forms to be resubmitted for FCIC approval.
- (2) Where instructions in the FCIC-approved loss adjustment handbooks are not entry-specific to the FCIC-approved forms used by the insurance provider, insurance providers may update entry instructions in this handbook or crop handbooks to correlate with the specific item number on their loss form. However, any further changes in the instructions will require FCIC approval.

C Items/provisions or plans of insurance not applicable to Catastrophic Risk Protection (CAT) coverage:

- (1) Written agreements.
- (2) Hail-fire exclusion (also not applicable if additional coverage is less than 65/100 or comparable coverage).
- (3) High-risk land exclusion.

- (4) Options or endorsements.
 - (5) Replant payments.
 - (6) Optional units.
 - (7) Prevented planting coverage for double-cropped acreage (even when there is a history of double cropping). See the Prevented Planting Handbook for details.
 - (8) Group Risk Plan (except for GRP Forage Production and GRP Rangeland).
 - (9) Crop Revenue Coverage.
 - (10) Revenue Assurance.
 - (11) Adjusted Gross Revenue.
 - (12) Group Risk Income Protection.
- D Definitions, Codes, and Units of Measure. See Exhibit 1 for definitions. Exhibit 2 contains crop names and codes and other policy information by crop. Exhibit 3 contains cause of loss names and codes, and Exhibit 4 contains units of measure, by crop.

3 OPERATING POLICY

A Procedural Conflict

If there is a conflict between this handbook and comparable FCIC-approved procedures issued by an association or insurance provider, the procedures in this handbook will prevail. If there is a conflict between this handbook and the Crop Insurance Handbook (CIH), the CIH will prevail.

B Procedural Questions

Questions regarding responsibilities or loss adjustment procedures are to be directed through appropriate channels (through the insurance provider) to the FCIC Product Development Division.

C These Standards Remain in Effect Until Superseded

The issuance of an entire handbook will replace a previous handbook. Handbook slipsheets, RMA Manager's Bulletins or R&D Informational Memorandums that change any part of this handbook will supersede that part of the handbook. Insurance providers may find it necessary to provide additional internal guidelines or procedures for their loss adjustment functions, such as where completed loss forms are forwarded, specifying specific form numbers and item numbers, etc. Any additional guidelines or procedures require FCIC approval.

4 ABBREVIATIONS

APH	Actual Production History
AD	Actuarial Documents
CAT	Catastrophic Risk Protection
CCD	Contract Change Date
CIH	Crop Insurance Handbook
CES	Cooperative Extension Service (State and County Offices under CSREES)
CSREES	Cooperative State Research, Education, and Extension Service
DF	Discount Factor
EIN	Employer's Identification Number
FCIC	Federal Crop Insurance Corporation
FSA	Farm Service Agency
FSN	Farm Serial Number
FCI-35	Coverage and Rate Table
FGIS	Federal Grain Inspection Service (of GIPSA)
FM	Foreign Material
GIPSA	Grain Inspection, Packers, and Stockyards Administration
GRP	Group Risk Plan
H	Harvest
LAC	Loss Adjustment Contractor
LAM	Loss Adjustment Manual (Same as the GLAS)
LPP	Late Planting Period
MPCI	Multiple Peril Crop Insurance
NAP	Non-Insured Assistance Program
NRCS	Natural Resources Conservation Service
PAR	Paragraph
PW	Production Worksheet (claim form)
QAF	Quality Adjustment Factor
R&D	Research and Development (of Risk Management Agency)
RIV	Reduction In Value
RMA	Risk Management Agency
RO	Regional Office (of Risk Management Agency)
SCD	Sales Closing Date
SBI	Substantial Beneficial Interest
SRA	Standard Reinsurance Agreement
SSN	Social Security Number
TIN	Tax Identification Number
UH	Unharvested
USDA	United States Department of Agriculture
USWA	United States Warehouse Act

5 DOCUMENTS/PROCEDURES

- A What Can Be Used. Insurance providers must use FCIC-approved forms, procedures, policies, and amendments.
- B Documents and Procedures. Forms (and/or data processed from forms) and manuals necessary for loss adjustment include, but are not limited to:
- (1) Data from accepted applications and acreage reports. This data would include, (but is not limited to) the following: insured's name as accepted on the

application, authorized representative, price election, level of coverage, SSN or EIN, approved APH yields, acres, types, practices, shares, etc., reported for the crop;

- (2) Crop insurance policy (basic provisions, crop provisions, applicable endorsements or options, and Special Provisions) applicable to the inspection;
- (3) Actuarial documents;
- (4) RMA Manager's Bulletins and Informational Memorandums;
- (5) FCIC-25010, Loss Adjustment Manual (or FCIC-approved equivalent);

NOTE: Due to the nature of some insurance products such as livestock, certain revenue products, etc., there may be other issuances of underwriting guidelines (procedures) or general loss adjustment procedures specific to those insurance products that contain procedures that are used in lieu of all or parts of the LAM.

- (6) Specific crop loss adjustment handbook;
- (7) Notice of Damage or Loss; and
- (8) FCIC-approved forms (or data from forms) or documents applicable to the type of inspection and crop(s) being inspected; e.g., appraisal worksheets, Certification Form, claim forms, etc.

6 FCIC's RMA PRODUCT DEVELOPMENT DIVISION RESPONSIBILITIES

- A Standards. Establish the minimum standards and guidelines for loss adjustment.
- B Review and Approve. Unless otherwise specified, review and approve all insurance provider's loss adjustment procedures and forms (including completion instructions) prior to their use.
- C Guidance/Clarification. Provide guidance and clarifications, as needed, regarding these standards.

7 INSURANCE PROVIDER RESPONSIBILITIES

Insurance provider responsibilities include (but are not limited to) the following:

- A Administering the loss adjustment procedures. The insurance provider is responsible for all loss adjustment responsibilities outlined in this handbook whether the requirement is performed by an adjuster or insurance provider employee. The insurance provider and other parties involved with FCIC's Multiple Peril Crop Insurance program are to administer general loss adjustment in accordance with the procedures (requirements) provided in this handbook and in conjunction with the following issuances:
 - (1) FCIC-approved crop handbooks (including the Prevented Planting Handbook);
 - (2) FCIC-14010 (Manual 14 Guidelines and Expectations for Delivery of the Federal Crop Insurance Program) for insurance providers to meet the minimum guidelines, procedures and performance standards that FCIC expects to be used in training loss adjusters;

- (3) FCIC-M13 (Data Acceptance System Handbook) for data elements, data requirements, and edits;
- (4) FCIC-18010 (Crop Insurance Handbook (CIH)) for APH standards and guidelines;
- (5) Any RMA Manager's Bulletins, or Informational Memorandums, or slipsheets to this handbook that supersede any portion of this handbook; and
- (6) Applicable policies, basic provisions, crop provisions, applicable actuarial documents (including the Special Provisions), applicable options or endorsements and applicable approved written agreements that are in effect for the crop policy being inspected.

B Compliance/Implementation

- (1) Comply with and implement the loss adjustment standards (requirements) established by FCIC, through procedures and forms approved by the FCIC Product Development Division or as otherwise specified in writing by FCIC; and
- (2) Comply with other requirements issued by FCIC in the administration of contracts between the company and FCIC.

C Ensure that all documentation, determinations, and calculations are completed as specified in the FCIC-approved LAM, crop handbooks, and any other applicable FCIC issuances.

D Insurance Provider (or trade association) Developed Loss Adjustment Procedures. This handbook is to be used as a basis for developing any appropriate loss adjustment procedures. Insurance providers are responsible for ensuring that procedures and training are consistent with the standards in this handbook.

E Input. Provide input to FCIC regarding the loss adjustment standards.

F Advise. Advise FCIC's Product Development Division of impending situations which may necessitate the development of procedures, forms, or calculations that are different than those identified in the standards issued by FCIC.

G Documents/Procedures. Provide the adjuster with the insurance contract forms (or data from the processed forms) and procedures identified in PAR. 5.

H Determinations and/or Verifications. In addition to the responsibilities identified in this handbook, determine or verify whether crop-specific contract provisions or requirements (identified in the crop handbooks) apply to the insured, and if so, whether they have been complied with by the insured.

I Loss Adjustment Equipment. Assure that the adjuster has necessary equipment and that such equipment is in proper working order to perform loss adjustment duties.

J Conflict of Interest. Assure that there is no adjuster conflict of interest involved, as described in PAR. 8 B (17).

- K Review Summary of Coverage (Summary). Prior to the loss adjustment inspection, the insurance provider should: (1) Review the Summary against the data on the acreage report; (2) reprocess the acreage report if keying errors are found prior to assigning the loss to be worked; and (3) notify the insured that a new summary will be issued with the correct data.
- L Required Information. Ensure that the required information (i.e., entry instructions) specified in FCIC approved loss adjustment procedures (LAM, crop handbooks, or any other applicable procedures) is recorded on the specific forms, printouts, or on a Special Report attached to the appropriate form.

8 LOSS ADJUSTMENT RESPONSIBILITIES

- A General Information. The following responsibilities and procedures throughout this handbook apply to whomever is performing loss adjustment whether it is an insurance provider employee or person under contract with an insurance provider to perform loss adjustment. For example, some insurance providers may have employees make some loss adjustment verifications prior to assigning or after assigning the loss notice to the loss adjustment contractor, and/or some insurance providers may have employees perform certain types of reviews or loss adjustment assignments.

NOTE: Sales Agents, local agency employees, or sales representatives (other than taking notices of damage or loss or as otherwise specified in this handbook) cannot perform loss adjustment duties unless outside of their selling and servicing area as described in PAR. 8 B (17).

- B Loss Adjustment Responsibilities. Responsibilities include (but are not limited to) the following:
 - (1) Be thoroughly familiar with the insured's contract folder or print-out supplied by the insurance provider showing the insured's coverage that is in effect, and all insurance documents (or data from documents) that pertain to the insured's insurance contract in the county. Verify and/or determine and document the information as specified in this handbook or other FCIC-approved handbooks necessary for loss adjustment.
 - (2) Use FCIC-approved forms, loss procedures, and any other issuance (containing information relating to loss adjustment) to perform all loss adjustment duties. DO NOT deviate from FCIC-approved procedures without prior written approval from FCIC. (The insurance provider will provide the appropriate parties with any FCIC-approved deviations.)
 - (3) Use and be proficient with the applicable loss adjustment equipment.
 - (4) Identify the type of inspection that will be made. All inspections will fall into three types: (1) Indemnity (including prevented planting indemnities), (2) Replant Payment Inspections, and (3) Special Contract Services Inspections.
 - (5) Visit farms for the purpose of inspecting damaged or destroyed crops during the growing season or following harvest.
 - (6) Explain to insureds their contractual responsibilities, filing procedures, and what will be done during the inspection.

- (7) During farm visit:
- (a) Determine and/or verify any insured and uninsured causes of loss. Establish production or dollar amount to count from appraisals for uninsured causes of loss.
 - (b) Determine and/or verify the time of loss.
 - (c) Review and verify the acreage report information as described in PAR. 21.
 - (d) Inspect insured crops and make inquiries to independently establish all harvested, unharvested, and potential production for all units of the crop being inspected in accordance with PART 3, Section 4. Determine (measure, if applicable) all farm-stored production from the loss units of the crop being inspected in accordance with PART 3.
 - (e) Determine (measure if applicable) the insurable acreage of the loss unit or as required in any other type of inspection.
 - (f) Determine if there is any unreported insurable acreage. If there is any found, take appropriate steps; as found in this handbook.
 - (g) Inspect acreage to determine and verify correct FSN's, legals, classifications, planting dates, planting practices, and whether proper planting and care of the crop was carried out as it pertains to fertilizer, herbicides, irrigation (when applicable), etc.
 - (h) Appraise potential production and grant written consent to replant or put insured acreage to another use when the insured is not going to carry the crop to harvest as described in PAR's 75 and 77.
 - (i) Perform APH review responsibilities as defined in PAR. 19.
- (8) Review information from any previous inspection for the crop being inspected, including information documented on Special Reports (definition in Exhibit 1).
- (9) Verify that the insured's entity and share are correct. Verify whether the entity is married and, if so, whether the spouse's SSN/EIN as been provided to the insurance provider as stated in PAR.'s 13 H and 14 A and C.
- (10) During a loss inspection, review documents, records, etc., that would show the correct entity, share, legal description and/or FSA FSN's, and acres. See appropriate paragraphs for more information.

NOTE: FSA records do not have to be used for verification purposes, UNLESS information needed to complete loss adjustment can only be obtained from FSA. However, such verification at FSA is recommended as an additional verification source since insurance providers must ensure that producer-certified information is accurate and that liability is established and indemnities are paid according to policy provisions.

- (11) If the actuarial classification appears to be incorrect, adverse, or unusual risk conditions exist, prepare a Special Report with details and forward to the insurance provider. The insurance provider can then request an actuarial review or prepare a Request For Actuarial Change.
- (12) During an indemnity inspection, explain what the insured's options are under the terms and conditions of the contract, but in no way provide advice or suggestions that could affect the insured's decision concerning these options; e.g., do not advise or suggest whether to carry the crop to harvest or go to another crop, etc.
- (13) DO NOT provide any advice or suggestions to the insured regarding the insured's farming operation; e.g., type and application of chemicals, herbicides, tillage, etc. If the insured solicits your advice, advise the insured to consult with the County Cooperative Extension Agent or other reliable source.
- (14) Advise insureds that a routine quality assurance review may be made to assure the loss adjustment was done in a fair and impartial manner, and in accordance with contract terms.
- (15) Review all entries on appraisal worksheets and claim forms with the insured, and explain any circumstances affecting the indemnity **prior** to obtaining the **insured's signature** on the claim. **Do not sign final replant payment or final indemnity claims (including prevented planting payment indemnity) until satisfied with all determinations.**
- (16) Use a Claim Checklist (similar or like the one shown in Exhibit 10) when instructed by the insurance provider to do so.
- (17) Conflict of Interest
- (a) Insurance provider's shall not permit an adjuster to adjust a claim of any family* member of the adjuster's, or a claim of a party in which the adjuster has a material or financial interest, or a claim of a policyholder for which the policyholder's policy was sold by any member of the adjuster's family* or of the family* of an employee of the adjuster's.
- * Family includes, but is not limited to: parents, brothers, sisters, children, spouse, in-laws, grandchildren, aunts, uncles, cousins, and grandparents.
- (b) Insurance providers shall not permit its sales agents, agency employees, sales supervisors, or any spouse or family member residing in the same household as any such sales agent, agency employee, or sales supervisor to be involved in any way with the following activities in any county or adjoining county where the sales agent, agency employee, any competing agency or sales supervisor performs any sales functions:
- 1 the supervision, control, or adjustment of any loss;
 - 2 a determination of a claim or cause of loss; or
 - 3 verification of yields for the purpose of establishing any insurance coverage or guarantee.

- (18) Do not discriminate against any insured because of race, color, religion, sex, age, disability, marital status, national origin, or sexual orientation.
- (19) Do not solicit or accept money, gifts, or favors from any party that are designed to influence (or give the appearance of influencing) any loss adjustment finding or decision.
- (20) Do not use your position to gain favor, influence, or financial advantage over any insured or individual.

9 INSURED-S RESPONSIBILITIES

Besides notice requirements when damage occurs and other requirements under the policy, the policy provisions require the insured to:

- A Protect the crop from further damage by providing sufficient care;
- B Cooperate with the insurance provider in the investigation or settlement of a claim, and as often as the insurance provider reasonably requires:
 - (1) Show the insurance provider the damaged crop;
 - (2) Allow the insurance provider to remove samples of the insured crop, and
 - (3) Provide records and documents requested and permit the insurance provider to make copies; AND
- C Obtain consent from the insurance provider before, and notify the insurance provider after:
 - (1) Destroying any of the insured crop that will not be harvested,
 - (2) Putting the insured crop to an alternative use,
 - (3) Putting the acreage to another use, or
 - (4) Abandoning any portion of the insured crop.

PART 2 INSPECTION DUTIES

SECTION 1 PRODUCER ELIGIBILITY AND ENTITIES

10 GENERAL INFORMATION

Before any loss adjustment or contract service can be initiated, verify that the insured and all who have an interest of 10 percent or more are eligible for insurance and the entity is legal.

11 INSURANCE PROVISIONS

A Eligibility

Insurance will cover a PERSON'S share of an insurable crop as landlord, owner-operator, or tenant.

NOTE: The definition of "person" is an individual, partnership, association, corporation, estate, trust, or other legal entity and, wherever applicable, a State, or a political subdivision or agency of a State. "Person" does not include the United States Government or any agency thereof. See Exhibit 1 for definition of "Insured."

B Other MPCl Insurance (Duplicate Coverage)

Only one MPCl policy (issued under the authority of the Federal Crop Insurance Act) is permitted on the same crop/county for the same person/entity EXCEPT for:

- (1) Acreage designated by FCIC as high-risk land that is excluded from an additional coverage policy and is insured under a separate CAT policy. High-risk land which is excluded from additional coverage and insured under the CAT endorsement is considered a separate crop for administrative fee, unit division, APH, added land, and all other insurance purposes. High-risk land may be insured on a separate CAT policy provided that on or before the crop's sales closing date the insured:
 - (a) Executes a High-Risk Land Exclusion Option Form, and
 - (b) Obtains a CAT policy from the **same** Insurance Provider.

NOTE: If it is discovered that duplicate policies exist the first effective crop year (i.e., CAT policy written with Company A and an additional coverage policy is written with Company B), the CAT policy written with Company A may be canceled and rewritten with Company B for the purpose of insuring the high-risk land with the consent of the insurance providers involved. The following crop year the CAT policy and the additional coverage policy must be written with the same insurance provider.

- (2) Hybrid Seed Corn or Hybrid Sorghum Seed grown under contract with more than one seed company. A separate MPCl policy is allowed for acreage grown under contract with each different seed company.

- (a) Different coverage levels may be selected on each separate policy. There will be no more than one unit for all production contracted with each seed company.
 - (b) Payment of losses must be made accordingly and coordinated between policies/insurance providers.
- (3) Crops insured under Adjusted Gross Revenue (AGR) policies. AGR insureds may also obtain MPCl insurance.

NOTE: Arizona and California Citrus, Florida Citrus, Texas Citrus Fruit, Texas Citrus Trees, Grapes (California ONLY), Stonefruit, and Guaranteed Tobacco Crop Provisions indicate type/varieties that are insurable as separate crops; therefore, duplicate coverage is not applicable. A separate policy may be written for such type/variety; however, they must be written by the same insurance provider. See Exhibit 2 for insurable crop names and codes.

If it is discovered or suspected that duplicate policies exist, notify the next level of supervision. Duplicate policies will be handled in accordance with the procedures in the CIH.

12 INSURANCE QUALIFICATIONS

A Who Can Be Insured

Only producers who have a bona fide interest in a crop at the time coverage begins, and who are not classified as ineligible can be insured. "Bona fide interest" means having a share of the crop (receives all or part of a crop) as an owner-operator, landlord, tenant, or sharecropper. Ineligibility occurs when a producer (entity): (1) has a delinquent debt to FCIC or an insurance provider, or (2) is disqualified through administrative proceedings. The producer is not eligible for crop insurance until the debt is resolved or the period of disqualification has elapsed. A producer is also ineligible for crop insurance if a producer is in violation of the controlled substance regulations as described in PAR. 46 and for the length of time stated therein.

NOTE: For specific information regarding entities, see PAR. 14.

B Landlord

Landlord is the owner of land upon which the crop is grown and who receives a share of the crop.

C Owner-operator or tenant is a person who:

- (1) Produces the crop.
- (2) Exercises managerial control relating to producing and marketing the crop (controls what to plant, when to plant, when to till, cultivate, irrigate, fertilize, spray, harvest, market, etc.).
- (3) Makes credit arrangements.
- (4) Owns farming equipment, makes arrangements to obtain equipment, or hires custom work.

13 VERIFYING AND/OR DETERMINING INSURABLE SHARE

A Insurable Share

- (1) An insurable share is the percentage of interest in the insured crop that the owner, operator, or tenant has at the time insurance attaches. Unless the accepted application clearly indicates that insurance is requested for a partnership or joint venture, or is intended to cover the landlord's or tenant's share of the crop, insurance will cover only the share of the crop owned by the person/entity who completed the application. The share will not extend to any other person having an interest in the crop except as may be specifically allowed in the policy or CAT Endorsement. The interest of spouses, children, or other household members in most cases will be insured under one entity and have only one policy number issued. See PAR. 14 for exceptions that allow spouses and children to have separate policies.

NOTE 1: If a person or entity is sharing with multiple landlords/tenants, only one application is allowed per person/entity.

NOTE 2: If the landlord or tenant has requested to insure the other's share of the crop on their application, the percentage shares of both persons must be shown in the remarks section of the acreage report or on a Special Report attached to the acreage report. Each separate share arrangement qualifies as a basic unit; i.e., this arrangement does not negate the basic unit provisions in the policy that indicates there is a separate basic unit for the acreage shared with each different landlord or tenant. Insurance providers will provide this information to the adjuster if the adjuster is not provided a copy of the actual acreage report. Refer to PAR. 45 for information about how share arrangements affect unit structure.

- (2) The insured establishes his/her insurable share on the acreage report by reporting the share insurable at the time insurance attached. **However, only for the purpose of determining the amount of indemnity:** If during the final loss adjustment inspection, it is determined that the insured's share differs from what it was at the time insurance attached, the insured's share will be the lesser of what:
- (a) it was at the time insurance attached, or
 - (b) the insurance provider determines to be the share at the earlier of:
 - 1 the time of loss, or
 - 2 the beginning of harvest of the unit, unless excepted by the specific crop policy.

At the time of final loss adjustment, if the insured's share is determined to be less than originally reported, decrease the share by entering the determined share in the appropriate column for the insured's share on the claim. This may also require a revised acreage report depending on the insurance providers processing system. Follow instructions as provided by the insurance provider.

B Share Arrangements (Written or Verbal)

(1) **100 percent crop share (Cash Lease)**

- (a) 100 percent crop shares includes 100 percent share as owner/operator and/or land that is rented for cash, a fixed commodity payment, or any consideration other than a share in the crop.
- (b) A lease that provides for EITHER a minimum payment (such as a specified amount of cash, bushels, pounds, etc.) OR a crop share is considered a cash lease (e.g., lease provides for a 50/50 crop share or \$100 dollars, whichever is greater).
- (c) A lease that contains a crop share but the percentage is not a fixed amount at the time coverage begins is considered a cash lease. Such leases may contain a cash consideration with an undetermined crop share percentage at the time coverage begins.

(2) **Crop Share (Crop Share Lease)**

- (a) In order to have a crop share, the crop share percentage must be specified at the time coverage begins and cannot change based on the amount of production harvested. See example 4 and 8.
- (b) Written or verbal lease agreements containing provisions for BOTH a minimum payment (such as a specified amount of cash, bushels, pounds, etc.) AND a crop share is considered a crop share lease.

C Share Arrangement Examples

Situation 1: The tenant (insured) agrees to give the landlord 1/3 of the crop in return for farming the land.

! The agreement is a crop share.

! The insured's share is 2/3 of the crop.

Situation 2: The tenant (insured) agrees to give the landlord 1/3 of all the crops produced on the premises and to guarantee that the landlord's share of the crops will average \$35 an acre. In the event that the landlord's share of the crops is worth less than \$35 an acre, the tenant will pay the difference in cash to the landlord.

! The agreement is a crop share.

! The insured's share is 2/3 of the crop.

Share Arrangement Examples (continued)

- Situation 3:** The tenant (insured) agrees to give the landlord \$50 per acre cash and 1/4 of the crop in return for farming the land.
- The agreement is a crop share.
 - The insured's share is 3/4 of the crop. We do not convert the \$50 per acre cash payment to a share basis.
- Situation 4:** The tenant (insured) agrees to give the landlord \$50 per acre cash and 1/3 of all the bushels in excess of 60 bushels per acre. (Average yields for the area are usually around 55-65 bushels.)
- The agreement is a cash lease.
 - The insured's share is 100 percent. The bushels in excess of the 60 bushels per acre is a "bonus" above and beyond the insured crop. The share percentage of the entire crop cannot be determined at the time coverage begins since it is dependent on how many bushels in excess of 60 bushels will be produced.
- Situation 5:** The tenant (insured) agrees to give the landlord \$50 per acre cash and 10 bushels per acre.
- The agreement is a cash lease.
 - The insured's share is 100 percent. We do not convert the 10 bushels to a percentage share. In this scenario the tenant will pay the landlord a fixed amount, cash (\$50) and commodity (10 bushels per acre).
- Situation 6:** The tenant (insured) agrees to give the landlord 25¢ for every bushel of peaches harvested.
- The agreement is a cash lease.
 - The insured's share is 100 percent. Because there is no agreement for a set share percentage of the crop at the time coverage begins, the insured's share must be considered a cash lease.
- Situation 7:** The tenant (insured) agrees to pay the landlord \$25 per acre OR 1/4 of the crop, whichever is greater.
- The agreement is a cash lease.
 - The insured's share is 100 percent. Since the lease contains an either/or type arrangement, the share cannot be considered a fixed element of the lease.

Share Arrangement Examples (continued)

Situation 8: The tenant's (insured's) lease agreement states that the tenant will receive the first 85 bushels per acre of corn produced. Of any bushels in excess of 85 bushels per acre, the tenant will receive 60 percent and the landlord will receive 40 percent. The yields range from 107-123 in the R-Span.

- The agreement is a cash lease.
- The insured's share is 100 percent. Since the share percentage of the crop cannot be established at the time coverage begins, it must be considered a cash lease. The share is dependent on the amount of production in excess of 85 bushels and this is unknown at the beginning of coverage.

D Verify the Following:

- (1) Producer has a bona fide interest in the crop. (See PAR. 12).
- (2) Entity type processed from the application reflects the correct entity (individual, partnership, corporation, co-owner, joint operator, estate, trust, etc.). (See PAR. 14.)
- (3) Producer qualifies as landlord, owner-operator, or tenant. (See PAR. 14.)

E Crop Share Verification

Verify the insured's correct share, by crop, by comparing the reported share on the crop insurance acreage report to the insured's share shown on:

- (1) lease agreements, elevator summaries, packer statements, etc.; or
- (2) FSA-578 (Do not use other FSA documents to verify crop share since these documents may contain "contract" shares rather than crop share.); or

NOTE: When crop shares are reported to the FSA, Companies do not have to verify crop shares reported for crop insurance with the crop shares reported to the FSA, but are encouraged to do so since insurance providers must ensure that producer-certified information is accurate and that liability is established and indemnities are paid according to policy provisions.

- (3) If needed, land deeds, or other similar evidence to determine the correct share.

F Documentation

Document from what sources the share verification was made, and document anything else pertinent to the share verification.

G Resolving Share Discrepancies. (See exceptions for spousal shares as outlined in subparagraph H below.)

If the shares on the crop insurance acreage report, by crop, do not agree with the shares on, marketing records, lease or share agreements, or FSA-578 (does not have to be used for verification purposes, see Note 2 below), or other actions of the insured that reflect crop share, resolve these discrepancies as follows:

- (1) If there is a written lease/share agreement in force, use the share identified on the agreement, unless the marketing records or FSA-578 (does not have to be used for verification purposes, see Note 2 below) or actions of the insured do not substantiate the share identified in the agreement; whereas, handle as stated in (3) below. See Notes 1 and 2.
- (2) If no written lease/share agreement is in force but crop shares are reported on the FSA-578, use the share identified on the FSA-578 if it is used for verification purposes (see note 2 below); unless marketing records or actions of the insured do not substantiate the insured's share identified on the FSA-578, whereas, handle as stated in (3) below. See Notes 1 and 2.
- (3) If no written lease/share agreement is in force or the share shown on a written lease/share agreement or FSA-578 (does not have to be used for verification purposes, see Note 2 below) is not substantiated with marketing records and/or actions of the insured, determine the share from the marketing records and/or actions of the insured. See Notes 1 and 2.

NOTE 1: **Marketing records may include settlement sheets, canceled checks, seed receipts, fertilizer receipts, chemical receipts, etc. Actions refer to other arrangements the insured may have made with the other party sharing in the crop; e.g., every third load is delivered to the other party sharing in the crop, etc. If there is evidence to support that the lease/share agreement is a scheme to acquire more USDA benefits, the insurance provider may, by policy provisions, void the contract.**

NOTE 2: Companies are not required to verify crop shares reported to FSA, but are encouraged to do so since insurance providers must ensure that producer-certified information is accurate and that liability is established and indemnities are paid according to policy provisions.

- (4) Document your findings. The insurance provider will maintain documentation and copies of any applicable agreements and marketing records that substantiate the insured's correct share.

H Spousal Shares

- (1) Background information

Generally, it is found that spouses share in the SAME farming OPERATION(S). This is why you will find that in PAR. 14 under the definition "Individual Entity: Spouses," married couples are usually considered to be an individual entity, thus **allowing** only ONE insurance contract with only one share shown for both on the crop insurance acreage report, **except as provided in 14 D (2) (c)**. However, occasionally, it will be found that one spouse operates a SEPARATE farming

OPERATION independently of the other spouse. Spouses can be recognized as a separate entity and qualify for separate contracts if they meet the required criteria defined in PAR. 14 D (2) (c).

(2) Spousal Shares at FSA

- (a) The Farm Bill provides that a married couple who shares in the SAME farming operation can be recognized as "two persons" for the purpose of farm program payment limitations. The "two person" recognition is ONLY for the purpose of the farm program payment limitation. The married couple who shares in the same farming operation is still considered to be one person (entity). Therefore, only ONE contract to participate in other FSA programs is signed by the married couple.
- (b) On the other hand, if FSA recognizes that a SPOUSE operates a SEPARATE farming OPERATION independently of the other spouse, each spouse can be classified as a separate individual entity for insurance purposes. If the FSA considers spouses to be operating separate farming operations, separate contracts are signed by each spouse, separate FSN's issued, etc.

(3) Verifying the share

If there is only one crop insurance contract, there is only one share for the spouses shown on the crop insurance acreage report. However, the FSA-578 may list two, as explained in (a) below. If it is found that there are two crop insurance contracts, it must be verified that the spouses qualify for separate entities as stated in PAR. 14 D (2) (c) under "Individual Entity: Spouses."

When Companies verify crop insurance acreage reports with the FSA-578's, it is normally, as indicated in subparagraph G above, considered a discrepancy if the crop shares reported for crop insurance and the shares reported on the FSA-578 do not match. The same is true for names and entities. However, in some cases because of the "two person" recognition, the producer's name, entity type (e.g., partnership vs. individual), and/or share listed on the crop insurance acreage report and FSA-578 program can be in disagreement. Handle the verification of the spousal arrangements, as follows:

- (a) When it is verified that both spouses SHARE an interest in the SAME farming OPERATION and the FSA-578 lists separate share interest for SPOUSES:

- 1 The share reported for crop insurance purposes will be considered correct if the total of the two shares listed for the spouses on the FSA-578 equals the same percentage as reported for crop insurance purposes. However, if it is determined the insured failed to provide the spouse's SSN/EIN, the insured's share will be reduced 50% as stated in PAR. 14 C. Document the facts in the narrative of the claim or on a Special Report.

EXAMPLE: Fred Jones is the only name listed on the wheat insurance application. Fred reported a 100% share in Farm Serial Number (FSN) 2020 to FCIC, but the FSA-578 shows that Fred Jones has a 60% share in FSN 2020, and an FSA-578 shows that Mary Jones has a 40% share in FSN 2020. The total

of the two shares reported on the FSA-578 equals the same percentage reported for crop insurance purposes. Therefore, there would be no discrepancy in shares reported for crop insurance purposes and those reported to the FSA for other than crop insurance purposes.

2 It will be considered a share discrepancy when the total percentage of the two shares reported on the FSA-578 for non-crop insurance purposes does not equal the same percentage reported for crop insurance programs. Resolve the share discrepancy in accordance with PAR. 13 G.

(b) When it is verified that spouses DO NOT share in the SAME farming OPERATION (as verified with FSA representative and/or other sources):

If the FSA has recognized the spouses as being separate entities (operations), and for crop insurance purposes the insurance provider has recognized them as separate entities by giving each spouse a separate contract, the share reported on each spouse's crop insurance acreage report will be compared against the crop share reported to the FSA for the individual spouse. (Each operation will generally have separate FSN's.) If the individual spouse's crop share amount does not agree with what has been reported to the FSA for non-crop insurance purposes, handle in accordance with PAR. 13 G above.

I Questionable Insurable Interest in the Crop

When it is questionable whether the insured has an insurable interest in the crop, document the circumstances on a Special Report. Forward the Special Report to the next level of supervision, and include the insured's contract folder if it has been assigned to you.

14 ENTITIES

A Verify

(1) From information obtained from the insured, FSA or other reliable sources, and from the criteria for each entity type found below; verify that the person qualifies for the entity shown on the application or qualifies for a separate entity from another household member, relative, corporation, etc. Incorrect entities, in most cases, will result in an invalid policy (e.g., separate policies written for a husband and wife who do not qualify as two separate individual entities, but rather as a corporation or a joint entity, or separate policies written for a minor and a parent but the minor does not qualify as a separate entity from the parent.)

(2) Verify whether the insured is married and, if so, whether the insured has provided the spouse's SSN/EIN to the insurance provider. Refer to 14 C below for requirements of the spouses SSN/EIN.

NOTE: Insurance providers do not have to verify entities through the FSA; however, they are encouraged to do so since insurance providers must ensure that producer-certified information is accurate and that liability is established and indemnities are paid according to policy provisions.

- (3) If the entity type reported is questionable, document the facts and refer the case to the next line of supervision or to whom the insurance provider has instructed. If an entity is verified at FSA and there is a discrepancy between the entity recorded for crop insurance and the local FSA office, insurance providers will try to resolve the discrepancy with the FSA. If the discrepancy cannot be resolved and the insurance provider has evidence supporting its position, the insurance provider should retain the entity type reported to them; and keep on file all documentation and evidence supporting this decision.

NOTE: The insured or the agent's certification and/or statement are not adequate documentation (evidence) to support questionable entities or discrepancies between the entities reported to FSA and the insurance provider.

B Signature/Documentation

Exhibit 5 lists the person authorized to sign documents (including loss documents) for each entity type and documentation required for each entity type.

C SBI Information

SBI information (including the spouse's SSN/EIN, when applicable) must be provided by the applicable sales closing date for new applications and by the acreage reporting date for carryover insureds. Failure to provide the required information for spousal entities will result in rejection of new applications; for carryover policies, the insured share will be reduced to the share presumed to belong to the spouse whose name and SSN/EIN is provided (presumed to be 50 percent of the spousal entity unless evidence is provided to show differently).

D Entity Types

(1) **Individual Entity: Individuals**

- (a) The applicant must be competent, of legal age (18 years of age or older) and capable of entering into a binding contract, and have the authority to fulfill the requirements of the contract. If the applicant is less than 18 years old, see subparagraph (5).
- (b) The applicant incurs debt (if any) related to production, stores or markets in his/her name, and receives proceeds.
- (c) The application covers the individual's share, including the individual's share as a co-owner, joint-operator, or partner, provided the co-ownership, joint-operation, or partnership is not insured separately. Refer to subparagraph (3) for information about the tenant or landlord insuring the other's share.

- (d) When more than one member of a family in the same household applies for insurance or the applicant resides in the household of an insured, applicants must provide evidence on a signed statement indicating separate insurable shares. In most cases, this is not applicable to spouses. See subparagraph (2).

(2) **Spousal Entity**

- (a) Only one contract is **allowed** when the insurable share is owned jointly or separately by husband and wife, **except as stated in (c) below**. This includes shares owned in community property states.
NOTE: See 14 C above regarding SSN/EIN requirements for spousal entities that do not qualify to have separate contracts.
- (b) Some married persons are sole owners of land and farm as landlords, owner-operators, or as tenants independently of their spouses. For example, if a wife separately owns land, which is operated and managed by the husband as head of a family farming enterprise, only one policy is **allowed** for the family operation and share. This is also true if such land is all or part of the land farmed by the husband as owner-operator with the proceeds deposited in either the husband's bank account or a joint bank account. Only one application in the husband's name, wife's name, or both names as co-owners is **allowed** and either spouse may sign the insurance documents. **See exception for separate contracts in (c) below.**
- (c) If a spouse operates a SEPARATE farming operation independently of the other spouse, each spouse (if they choose) may submit a separate application and insure his or her interest separately. To qualify as a separate farming operation ALL of the following criteria must be met: separate ownership of land, separate capital, separate accounting of cost for equipment and/or labor, separate management, and separate records maintained.

(3) **Landlord/tenant**

Any entity (individual, partnership, corporation, etc.) may insure a landlord's and/or tenant's share(s). The application must clearly state the tenant will insure the landlord's share or landlord will insure the tenant's share; otherwise, the landlord or tenant must have separate contracts. Evidence of the other party's approval (lease, power of attorney, etc.) must be provided to the insurance provider and placed in the insured's file. The landlord(s) or tenant(s) insured by an entity must be listed as an SBI on the entity's application. Additionally, there is only a one-line entry on the acreage report showing a 100% share, and the percentage shares of all entities (e.g., tenant's share = 75%; landlord's share = 25%) must be shown in the remarks section of the acreage report or documented and attached to the acreage report. If an entity is sharing with multiple landlords/tenants, only one application/contract is allowed per entity.

(4) **Individual Entity: An Individual Operating as a Company**

The guidelines for an individual operating as a company are identical to those of an individual. The application must be signed by the owner or authorized representative of the company. A statement from the company which lists the authorized representative must be maintained in the insured's file folder in the service office. A company for this purpose is not a Corporation.

(5) Individual Entity: Joint and Survivor Interests

"Joint and Survivor Interests" are applicable in "community property" states in which a husband and wife have joint and survivor interest in insurable acreage and in states where such an interest may be created by deed. In such states, the application is completed in the name of the joint and survivor interest (e.g., "John W. Doe, James C. Smith", or whomever).

- (a) Both parties must sign the application. Exceptions: husband and wife or when a statement is prepared and signed by both parties showing the authority of either to act as agent for the other for crop insurance purposes.
- (b) If either party dies, the contract continues, but a successor-in-interest application must be obtained. The CIH contains information concerning the effective crop year for which the successor-in-interest application must be prepared.

(6) Individual Entity: Minors or Mental Incompetents

- (a) A minor must provide evidence that an insurable share exists and must have a court-appointed guardian or a parent co-sign the application and other crop insurance documents. **EXCEPTION: Under the CAT level of coverage**, a minor who is competent and capable of entering into a contract **may insure a crop without a co-signer**.
- (b) A mental incompetent may be insured ONLY if a court-appointed guardian signs the documents.
- (c) A written statement describing the farming operation and the insurable share must be provided and maintained in the insured's file folder in the service office.
- (d) When a minor becomes capable of entering into a binding contract or when incompetency is dissolved, a successor-in-interest application is required. See the CIH for information concerning the effective crop year for which the successor-in-interest application must be prepared.
- (e) When a parent or court appointed guardian co-signs the application, it must contain a statement guaranteeing payment of the annual premium.

(7) Individual Entity: Competent Individuals Represented by Appointees

If the application is signed by someone other than the individual entity, a Power of Attorney giving that person authority to sign must be maintained in the insured's file folder. The Power of Attorney must be considered to be legally executed by the state in which it was executed, and it must give the appointee the authority to sign crop insurance documents for the insured. In states that require the Power of Attorney to be acknowledged (notarized), the signature of the individual and appointee must be notarized. In states that do not require the Power of Attorney to be notarized, the signatures of the individual and appointee must be witnessed and the signature of the witness obtained on the document.

(CAT policies ONLY)

(8) Individual Entity: Producers Under One Tobacco Marketing Card

Tobacco producers may insure 100 percent of the tobacco acreage for which a marketing card is issued by FSA under one policy subject to the following conditions:

- (a) All shareholders must agree to such an arrangement in writing and none of the persons may have other tobacco on which CAT coverage is required.
- (b) The insured is the producer named on the application. The designated applicant/named insured must have a share in the tobacco acreage covered by the marketing card, **and has the following responsibilities:**
 - 1** Furnishing to the insurance provider a copy of the shareholder agreement, names, and Employee Identification Numbers (EIN) or Social Security Numbers (SSN) of all persons who share in the tobacco acreage covered by the marketing card. Each shareholder must be listed as an SBI even if their actual interest in the insured interest is less than 10 percent.
 - 2** **Applying for insurance**, pay any applicable administrative fee and fulfill all contractual requirements (e.g., file acreage reports, provide APH production reports, give notice of damage, etc.), **and providing the insurance provider with a copy** of the agreement that designates the responsible person.
 - 3** **Distributing any indemnity payment made to the named insured under his/her SSN/EIN number to other producers sharing in the crop.**

(9) Individual Entity: Undivided Interests

Landowners with an undivided interest in land may insure crops on such land under one policy subject to ALL of the following conditions:

- (a) The policy covers only insured crop(s) grown on land with an undivided interest. None of the landowners may have other land on which CAT coverage is required.
- (b) The total liability for each crop insured under an undivided interest policy must not exceed \$2500.
- (c) The landowner designated as the named insured is responsible for:
 - 1** **Furnishing proof to the insurance provider that an undivided interest in the land exists;**
 - 2** **Furnishing the insurance provider with an agreement signed by all parties authorizing insurance under one policy and designating the landowner responsible for fulfilling all contractual requirements (e.g., filing acreage reports, providing APH production reports, giving notice of damage, etc.);**

» **CAT policies ONLY)**

(CAT policies ONLY^o)

- 3** Furnishing the insurance provider with the names and the SSN/EIN numbers of all landowners sharing in the crop;
- 4** Applying for insurance and paying the insurance provider any applicable administrative fee(s); and
- 5** Distributing any indemnity payments (made to the named insured under his/her SSN/EIN number) to other producers sharing in the crop.

» **CAT policies ONLY)**

(10) Partnerships

A partnership is a written or verbal (requires an EIN) contract between two or more persons. The essential element of a partnership which distinguishes it from other forms of joint ventures is that each partner has authority to enter into contracts and bind all other members to such contracts.

- (a) The death, declaration of incompetence, or withdrawal of a partner, terminates the partnership, unless a written partnership agreement provides otherwise.
- (b) Crops to be insured under the partnership are those in which the partnership has a share and require only one application.
- (c) If the entire share of the partnership is not to be insured, an application to cover the share of an individual holding an interest in the partnership may be obtained. This application also covers any other individual interest the applicant may have.

(11) Corporations

A corporation is a legal entity created and operating under state laws of incorporation. The corporation may insure its share as landlord, owner-operator, or tenant. An application must be signed by an officer of the corporation authorized to enter into contracts. **A statement must be provided to the insurance provider stating where the articles of incorporation are on file.** Changing officers or stockholders does not affect continuity of the contract.

(12) Co-ownership/Joint Operations

A co-ownership or joint operation is a type of entity composed of two or more parties who engage in a farming operation jointly; pool their resources; contribute land, labor, or machinery; share in expenses; and at the end of the year divide the profits, according to their interests. No individual is authorized to bind any other individual in any business transaction as is possible under a partnership.

- (a) The application must be signed by all parties or by the authorized representative. If an authorized representative signs, an agreement must be executed by co-owners or joint operators giving the representative authority to sign, and **must be** maintained in the insured's file folder in the service office.

- (b) If the entire share of the entity is not to be insured, an individual application may be obtained to cover the individual share of a co-owner or joint operator and any other individual interest the applicant may have. Such an application will not cover the share of a partnership.
- (c) Death or withdrawal of one of the parties terminates the insurable interest at the end of the crop year.

(13) Estates

The application covers the share owned by an estate and must be signed by the authorized court-appointed officer or executor.

- (a) Upon settlement of the estate and the discharge of the court-appointed officer, the contract and a new application is required to maintain insurance protection.
- (b) Removal or discharge of a court-appointed officer and appointment of another does not terminate the contract.

(14) Trusts

The application covers the trust's interest (not the beneficiaries' interest). The application must be signed by the administrator or trustee appointed to administer the business affairs of the trust.

- (a) Irrevocable trusts are processed using the same guidelines as individual entities.
- (b) Revocable trusts require an EIN and/or SSN for processing purposes.

(15) Trusts administered by Bureau of Indian Affairs

Native American land is frequently held in trust by the Bureau of Indian Affairs (BIA) or Tribal governing body and leased to operators.

- (a) Native American land held under trust is processed in the same manner as land held in an irrevocable trust. The name of the trust is the named insured. Often BIA trusts are referred to as allotments, identified by an allotment number (i.e., BIA Allotment Number 0006, which is the name of the trust and consequently the named insured). A separate policy is required for each allotment with different individual owners. Linkage for certain USDA farm program benefits for individual Native Americans who own parcels of an allotment are established by that trust.
- (b) If the trust agreement provides that operators of leased land purchase crop insurance, a power of attorney will be executed by the BIA granting the operator the authority to purchase crop insurance on behalf of the trust.
- (c) If the BIA trust does not have an EIN, a nine-digit number may be established as follows: the first two digits identify the state, the next three the county, and the last four the allotment number.

(16) Other Entities

The following entities are generally assigned an EIN for tax purposes.

- (a) Receiver or Liquidator. Receivers or liquidators may insure crops under their administration. The application must be signed by the person authorized by the court to administer business of the receivership.
- (b) Public Agencies. State, county, or municipal offices may insure their share. The application must be signed by the person having authority to enter into a contract for the entity.
- (c) Association, Clubs, or Tax Exempt Organizations. To act as a representative for any principal, an entity (or an individual, etc.) must provide evidence of authority (preferably a power of attorney) or a signed statement indicating where such authority can be verified. If authority is by verbal agreement, a statement is required from the principal for verification. The signature of the person having authority to enter into a binding contract for the entity is required.

SECTION 2 INSURED-S CONTRACT INFORMATION

15 CONTRACT INFORMATION AND VERIFICATION

Before the appointment and inspection are made, thoroughly review all documents in the contract folder or data from the processed documents that are applicable to the inspection. Some information must be verified by the adjuster at the time of the on-the-farm visit. The following paragraphs contain verification requirements of the data on these forms.

16 APPLICATION

Before a loss adjustment inspection can be done, the insurance provider must assure that there is a properly accepted application confirmed by a policy confirmation (defined in Exhibit 1). For further information regarding the application and the late-filed application, refer to the CIH.

17 CONTRACT CHANGES

Prior to assignment of the loss inspection, the insurance provider is responsible for verifying any timely filed contract change for the crop and crop year that would affect the loss inspection and indemnity payment. If it is discovered during the loss inspection that a timely contract change has not been processed, contact your insurance provider for further instructions. Refer to the CIH for more information regarding changes in price election, level, cancellation, and successor-in-interest.

18 WRITTEN AGREEMENT

Verify whether any written agreement is in effect for the crop and crop year being inspected. If there is, read the entire agreement and determine how it affects the crop being inspected; e.g., practice that is not otherwise insurable is insurable via this agreement, etc.

19 APH FORM (PRODUCTION AND YIELD REPORT)

APH Verification at Time of Loss. Insurance providers will use the following guidelines prior to or during farm inspections:

- A Perform APH Field Reviews when insureds are affiliated with Crop Insurance (employee, agent, contractor, etc.), and an APH field review has not been performed for the crop year for which the loss is being completed.

If an APH field review cannot be performed and the inspection must be made, if the insured has a *bona fide* contract and claim, the inspection may be made but the claim cannot be finalized (do not obtain the insured's signature) until the APH field review has been performed.

- (B) Review Approved APH Forms. For insureds not affiliated with crop insurance (i.e., not an employee, agent, etc.), a current approved APH form must be on file in order to complete a claim.
- (1) Review the actual yields certified by the insured for reasonableness.
 - (2) Perform a cursory review to determine if the APH yield was calculated accurately.
 - (3) Compare the approved APH yields to the acreage report. Verify that the correct APH yields have been entered on the acreage report (by unit, Practice/Type/Variety, map area, etc.).
 - (4) Conduct additional reviews and/or make corrections, as appropriate, if:
 - (a) A current approved APH yield is not on file;
 - (b) Yields certified do not appear to be reasonable; or
 - (c) The approved APH yield appears to have been calculated incorrectly.

If a correct/current APH yield cannot be verified before an inspection must be made, and the insured has a *bona fide* contract and claim, the inspection may be made but the claim cannot be finalized (do not obtain the insured's signature).

20 OPTIONS AND ENDORSEMENTS

- A High-Risk Land Exclusion Option

If an option is in effect, verify that:

- (1) none of the acreage designated as high risk is included with insured acreage on the acreage report. If such acreage is included as insured acreage on the acreage report, revise the acreage report to correctly reflect the insured and uninsured acreage. (**NOTE:** It is possible that the insured may have this high-risk land insured under a separate CAT policy - see the CIH for more information), and
- (2) harvested production from the acreage designated as high risk has been kept separate. If it has not, refer to the commingled production procedure in PAR. 115.

B Review of Other Option Forms or Endorsements

Review any other option form or endorsement that pertains to the crop and crop year being inspected. Make any appropriate verification as it pertains to the provisions of the option or endorsement. If there is insured and uninsured acreage, verify that harvested production has been kept separate. If it has not, refer to the commingled production procedure in PAR. 115.

21 ACREAGE REPORT

If it is after the final acreage reporting date, there must be an acreage report on file with the insurance provider before a claim can be filed.

A Late-Filed Acreage Reports or Tonnage Report-Raisins

When the insured DOES NOT report any acreage (or tonnage for raisins) for the insured crop by the established reporting date, the insurance provider may determine the acreage (tonnage for raisins) and establish premium and liability or the liability may be denied in accordance to procedure in PAR. 64.

B Verification of the Acreage Report Information at Loss Time

(1) General Information

Verify with the insured the correctness of all acreage report information, including whether all crop acreage (insured and uninsured) has been reported. See PAR. 116 for detailed information on unreported units. For non-loss units, verifications other than with the insured do not have to be made. However, for loss units, verification with the insured as well as other field verification requirements must be made. Acreage must be determined for loss units but not non-loss units. Acreage determinations must be made in accordance with PAR. 70.

(2) Prior to a farm visit if an error is found in the acreage report information requiring a revised acreage report, complete an on-the-farm inspection and continue verification of information on the acreage report as follows: (See Part 2, Section 3 of this handbook for revised acreage report instructions.)

(a) Crop

Verify that the crop acreage was actually planted and that the crop is insurable in accordance with the crop insurance contract. If planting is questionable, sample areas of the field to find evidence of planted seed, request seed tickets, and any other records needed to verify actual planting. If insurability is questionable, further investigation is needed relating to the area questionable, such as seed variety being adaptable to area, that seed planted was viable seed, etc. Contact your field supervisor for assistance and guidance.

(b) Planting Dates

Verify the planting dates with the insured and by field inspection.

¹ If the insured confirms these dates, but the reported timely-planting dates or reported late-planting dates do not correspond to the growth

stage of the crop in the field, taking weather conditions into consideration, further investigation is needed. Request seed ticket receipts from the insured or where the seed was purchased. The adjuster or other insurance provider representative will verify with the seed dealer the amount of seed purchased and date purchased and whether any seed was returned, etc., to help make determinations of planting dates. It may be necessary to visit with neighbors or others who may frequently travel past the fields in question.

- 2 Revise the acreage report if any acreage reported timely was planted after the final planting date or if any of the reported late-planting dates are incorrect, revise the acreage report accordingly. See the late-planted acreage procedures in Part 5.

(c) Acres reported

- 1 Verify that all insured and uninsured acreage for the crop has been reported. If any of the acreage reported as insurable is uninsurable, revise the acreage report to remove such acreage.
- 2 For annually planted crops: If it is past the final planting date, verify that all acreage planted has been reported for all fields. Unreported acreage is uninsured acreage.

(d) Practices

- 1 Verify the actual planting practices carried out by the insured. Verify that the actual practice is insurable, as shown in the actuarial documents or Written Agreement; if applicable.
- 2 If the practice is not insurable, revise the acreage report to remove the uninsured acreage and verify that the production from the uninsured acreage and insured acreage has been kept separate. Use the actual planting practice on the claim form except as explained in PAR. 42.

(e) Legal Descriptions and/or Farm Serial Numbers

Verify the physical location against the legal descriptions and/or Farm Serial Numbers on the acreage report by using FSA documents or other verifiable documents as references during inspection of the fields.

(f) Type, Class, or Variety

- 1 Verify that the type, class, or variety **actually planted** is insurable as defined in the crop policy/endorsement (or if applicable, by Written Agreement), and that it has not been excluded by the actuarial documents.
- 2 If the type, class, or variety is found to be uninsurable, revise the acreage report to remove all acreage with the uninsurable, type, class, or variety.

(g) Share

Verify with the insured and as instructed in PAR. 13 that the share reported is correct. Shares cannot be increased at loss time. However, if the share is lower at the time of the claim, the claim must reflect the correct lower share.

(h) Person's sharing in the crop

Verify with the insured and via lease-agreements or FSA records or other verifiable documents, the name of the person(s) sharing in the crop. See PAR. 13.

(i) Risk classification

The insurance provider must verify that the risk classification is correct by verifying: (1) the adjuster-verified physical location of the acreage, against the actuarial documents (or written agreements (if applicable); (2) FSA documents if FSN's are applicable; and (3) if a FCI-32 (Producer Classification) is applicable, the insurance provider must verify the classification listed on the acreage report against what is listed on the FCI-32 for the insured.

(j) Special Purpose Information

This column is used for a variety of entries. It may contain contract prices for crops requiring them (e.g., green peas), etc. Verify the accuracy of this information using pertinent documents needed to verify this information.

(k) Unit Number

1 Insurance providers must verify that the legal description and FSA Farm Serial Number for each unit on the acreage report is the same as on the APH form.

2 Verify that the unit numbers reported are in accordance with the applicable individual crop policy or endorsement or, if applicable, the unit division guidelines in the actuarial documents or Unit Division Option.

(l) Remarks. Review any information recorded in the remarks section that may be pertinent to this inspection.

(3) Uninsured Acreage

Verify that any harvested production from the uninsured acreage was kept separate from the insured acreage. If it was not, refer to the commingled production procedure in PAR. 115.

C Revised Acreage Report. Acreage reports cannot be revised to add acreage at loss time except as outlined in Part 2, Section 3.

22 HAIL AND FIRE EXCLUSION

A Eligible Acreage

The hail and fire exclusion applies to all acreage of the crop insured at an equivalent to a minimum 65 percent coverage indemnified at 100 percent price election, unless the Basic Provisions for the plan of insurance does not allow exclusion of hail and fire coverage.

NOTE: Due to an insured's ability to select different price elections for different types of dry beans, a single dry bean policy may have some types at sufficient coverage to exclude hail and fire and some with less than the minimum coverage required. When this occurs, hail and fire is excluded only from acreage with at least minimum coverage.

B Verifying Adequate Liability

- (1) The insurance provider must ascertain/verify that for the crop year of the claim, the amount of liability under the hail and fire policy equals or exceeds the liability amount that would have been provided by the MPCl policy for that crop year. Liability for acreage that is eligible for prevented planting but was not planted is NOT considered and the premium is not reduced on such acreage.
- (2) When ascertaining whether there is adequate liability, uninsurable acreage must be considered. If uninsurable acreage is involved, the total liability under the hail and fire policy may exceed the MPCl crop insurance liability due to the extra acreage (uninsured acreage), yet the insured still MAY NOT have adequate hail and fire liability to allow exclusion of hail and fire coverage from the MPCl policy.

Example:

MPCl coverage is -
100 insured acres (MPCl)
100 uninsured acres
\$10,000 total liability (MPCl insured acres)
\$100 per acre liability
($\$10,000 \div 100$ insured acres = \$100 per acre liability)

Hail & Fire coverage is -
200 insured acres
\$10,000 total liability
\$50 per acre liability
($\$10,000 \div 200$ insured acres = \$50 per acre liability)

VERIFICATION - Based on the above, the insured's hail and fire liability of \$50 per acre does not equal or exceed the \$100 per acre liability that would have been provided by the MPCl policy; therefore, the insured does not have adequate liability to exclude hail and fire from MPCl coverage.

C Damage Exceeds Deductible. If damage results from hail or fire and a hail and fire exclusion is in effect, the adjuster will make an appraisal for uninsured (excluded) causes of loss if the damage exceeds the deductible established in the policy. Use the following instructions for computing and entering the appraisal in the AUninsured Cause@column.

- (1) Original hail or fire liability has NOT been reduced.

(a) Make an entry in the AUninsured Cause@column, as described below, ONLY if ALL the following conditions have been met:

- 1 Hail or fire damage has occurred on the unit;
- 2 Hail and fire exclusion is in effect; and
- 3 The original amount of hail or fire liability has NOT been reduced.

(b) Enter the appraisal determined as follows:

- 1 Determine the weighted AVERAGE (based upon gross acres) percent of hail or fire damage (from the hail or fire claim) for the unit.

Weighted-average-damage example: Suppose a unit of wheat (270 acres) is covered by a MPCl policy (65% coverage level) with hail/fire excluded. Hail damages the unit as follows (percent of damage as shown on the private hail/fire carriers loss form):

80 acres @ 0%	80 acres X .00 =	0.0
55 acres @ 48%	55 acres X .48 =	26.4
75 acres @ 66%	75 acres X .66 =	49.5
60 acres @ 100%	60 acres X 1.00 =	60.0
	<u>270 acres</u>	<u>135.9</u>

135.9) 270.0 = .503 = 50.3% weighted-average damage percent for unit.

- 2 Determine the Ahail/fire exclusion appraisal factor@either by:
 - a calculating as instructed in steps c and d below, OR
 - b skip steps c and d and obtain the factor representing the insured's coverage level percent and weighted average percent of hail/fire damage from the AHail/fire Exclusion Appraisal Factor Chart@in Exhibit 6.

Example of Ahail/fire exclusion appraisal factor@derived from the chart Exhibit 6, based on the example in (1) above (65% coverage level).

$$\begin{array}{r} 50\% \text{ hail/fire damage} = .2308 \\ .3\% \text{ hail/fire damage} = .0046 \\ \hline 50.3\% \qquad \qquad \qquad .2354 \end{array}$$

- c **(Do not use this step if the Ahail/fire exclusion appraisal factor@ was obtained from the Hail/fire Exclusion Appraisal Factor chart; go to step in e below.)** For each coverage level, the Adeductible@is 100% minus the coverage level percent (e.g., 100% - 65% = 35%). Subtract the percent Adeductible@from the weighted average percent of hail or fire damage (e.g., 50.3% weighted ave. hail damage - 35% Adeductible@= 15.3%).
- d **(Do not use this step if the Ahail/fire exclusion appraisal factor@ was obtained from the Hail/fire Exclusion Appraisal Factor chart; go to step in e below.)** Multiply the result in step c times the applicable 2-decimal level factor to determine a 4-place

factor (hail/fire exclusion appraisal factor). Determine the 2-place factor as follows: 100 divided by the coverage level percent in step c (e.g., 100 / 65 = 1.54 for the 65% coverage level). Determine hail/fire exclusion appraisal factor as follows: .153 X 1.54 = .2356.

- e Multiply the factor determined in step d above (or as derived from the A Hail/fire Exclusion Appraisal Factor Chart, Exhibit 6) times the per-acre guarantee for the acreage. (If the crop is a dollar plan crop, the per-acre guarantee will be the per acre dollar amount of insurance, unless the instructions on the Production Worksheet for the uninsured cause column shows the entry in bu., lbs, etc.). Enter the result in the A Uninsured Cause column of the claim form (e.g., .2356 X 4.6 bu. guarantee (rounded to the nearest tenth) will equal a 1.1 bushel appraisal). Make no entry for A 0" appraisals.

(2) Original Hail or fire Liability HAS BEEN reduced

- (a) Make an entry in the A Uninsured Cause column, as described below, ONLY if all of the following conditions have been met:
- 1 Hail or fire damage has occurred,
 - 2 A hail/fire exclusion is in effect, and
 - 3 The original amount of hail and fire LIABILITY HAS BEEN REDUCED.
- (b) Enter the appraised amount of UNINSURED hail or fire damage per acre calculated as follows: Divide the hail or fire insurance indemnity per acre by the original hail and fire insurance liability per acre. Multiply the result by the guarantee per acre divided by your coverage level percentage, and this result will be the appraisal for uninsured causes.

EXAMPLE:

Assume insured has the following:

MPCI guarantee per acre	= 90.0 bu./acre
MPCI coverage level	= 75% (or .75)
MPCI liability	= \$180/acre
Original private hail/fire liability	= \$200/acre
Reduced private hail/fire liability	= \$150/acre
(reduced due to an MPCI insured cause of loss)	

Since the private hail/fire liability has been reduced below the MPCI liability (\$150 an acre versus \$180 an acre), the A EXCEPT THAT clause in the Hail and Fire Exclusion provisions applies.

Private hail/fire indemnity = 30% loss X \$150/acre = \$45/acre indemnity

\$45/acre private hail/fire indemnity) \$200/acre original private hail/fire liability =

$$\frac{.2250 \times 90.0 \text{ bu./acre MPCI guarantee}}{.75 \text{ coverage level}} = 27.0 \text{ bu./acre appraisal}$$

NOTE: The Hail/Fire Exclusion Factor Chart is not applicable for this calculation.

23 ASSIGNMENT OF INDEMNITY

- A General Information. A prescribed form signed by the insured to assign the right to an indemnity to a third party. See the CIH for more detailed information.
- B When Made? Assignments of indemnity may be made after acceptance of the application **but** prior to the transmittal of a claim **for processing an indemnity payment**.
- C Life of Assignment. An assignment is in effect only for the crop year of the assignment.
- D Replant Payment and Assignment. Issuance of a replant payment for any insured unit does not restrict the insured from assigning the right to an indemnity to another party.
- E Assignment of Indemnity and Transfer of Right to an Indemnity. If a timely signed, Assignment of Indemnity and a timely signed Transfer of Right to an Indemnity for the crop and crop year are on file, and no release for either document is found, the earliest processed document will take precedence.
- F Claim Instructions. Record whether an Assignment of Indemnity is in effect by completing the appropriate entry block (line) on the claim form; or in the absence of an entry block (line), recording the information on an attachment or in the narrative of the claim form.

24 TRANSFER OF RIGHT TO AN INDEMNITY

- A General Information. A prescribed form used when an insured wishes to request a transfer of the right to an indemnity for a crop year on any part of the share and/or acreage in a unit when the transfer of ownership or share in the crop occurs during the insurance period. Therefore, a transfer of part or all of the ownership of the insurable share and/or acreage must occur before the earliest of the:
 - (1) Date harvest was completed on the unit,
 - (2) Calendar date for the end of the insurance period, or
 - (3) Date the entire crop on the unit was destroyed, as determined by the insurance provider.
- B Approval. The transfer is subject to approval by the insurance provider and to any outstanding Assignment of Indemnity made by the transferor prior to the date of transfer.
- C Ownership Transfer. Ownership of the insured crop **MUST HAVE BEEN transferred prior to the end of the insurance period. The completed and signed transfer form must be submitted prior to processing the claim.**
- D Release. The Transfer of Right to an Indemnity may be released by the transferee submitting a signed statement of release showing the insured's name, mailing address, contract number, crop(s), and unit(s). If it is discovered during the loss inspection that there is a release that has not been submitted or processed, document this on a Special Report, and attach it and the release statement to the claim form.

E Life of Transfer. The transfer established by the Transfer of Right to An Indemnity is effective only for the crop year specified. For succeeding crop years, if the transferee does not have a crop insurance contract in force for the succeeding crop year but wishes to continue insurance, the transferee must apply for insurance by the sales closing date for the crop.

F Claim Instructions

- (1) **Transfer in Effect?** Record whether a Transfer of Right to an Indemnity is in effect by completing the appropriate entry block (line) on the claim form; or in the absence of an entry block (line), by recording the information on an attachment or in the narrative of the claim form.
- (2) **How Many Claims Are Prepared?** Prepare only one claim form for the loss on the unit. Account for all the acreage, production, and share. The transferor's name must appear on the claim form as listed on the latest policy confirmation.
- (3) **Required Signatures on Claim Form**
 - (a) **Partial Transfer:** For a partial transfer, the insured and transferee(s) must sign claim (transferee should sign below the transferor's signature).
 - (b) **Complete Transfer:** For a complete transfer, the transferee must sign the claim.

25 NOTICE OF DAMAGE OR LOSS

The insured is responsible for giving notice of damage within the prescribed time stated in the policy/endorsement/crop provisions. An FCIC-approved form or card is used by the insured to file written notice to the insurance provider.

A Insurance Provider's Responsibilities

- (1) Prepare and distribute the notice of damage to the appropriate parties.

NOTE: It is suggested that agents (or representatives taking notices of damage) are provided with instructions to obtain information pertaining to **companion contracts** (insured's shareholder in the loss-affected unit has a multiple peril contract); i.e., name of the shareholder's insurance provider; and in the absence of this or if it not known whether the shareholder has a multi-peril contract; the name, address, and telephone number of the shareholder.
- (2) Remind insureds of their responsibilities, such as:
 - (a) continuing to care for the crop,
 - (b) leaving representative samples/strips as provided in the policy/endorsement/crop provisions when notice of damage has been given 15 days prior to or during harvest, and
 - (c) keeping production separate for each unit and for each practice having separate APH's, etc.

- (3) Assign notices of damage to adjusters as quickly as possible to assure timely service to the insured.
- (4) Assure that, if at all possible, **companion contracts** are adjusted at the same time, as follows:
 - (a) If the companion contract is serviced by the same insurance provider, the insurance provider will make arrangements to have both contracts adjusted by the same adjuster.
 - (b) If the companion contract involves a different insurance provider, the insurance provider will notify the other insurance provider immediately of the situation. It should be encouraged that adjusters from different insurance providers adjust the claim together; however, if either insurance provider is unable to adjust the claim, the other insurance provider will make the loss inspection and provide the necessary documentation to the insurance provider unable to be present on the loss inspection. It is expected that the number of times this situation occurs will be minimal.
 - (c) When only one insurance provider completes a loss inspection, the other insurance provider will be provided legible copies of the appraisal worksheet (when applicable) and claim forms. At their discretion, both insurance providers may review the loss inspection at a later date for quality assurance purposes.
 - (d) In the event that a loss inspection is completed by one insurance provider and the other insurer disagrees with the original findings, representatives from both insurance providers involved will meet and resolve the discrepancies. If the discrepancies cannot be resolved, each representative will follow their respective insurance provider's instructions.
 - (e) If upon receipt of a companion contract, it is discovered that an inspection has already been made by the other insurance provider, the claim may be completed based on the other insurance provider's findings, **PROVIDED** the insurance provider agrees with the original findings of the other insurance provider. (See PAR. 74 B regarding production determination when crop shares are involved.) If there is reason to disagree with the findings of the other insurance provider, follow the same procedure outlined in PAR. 25 A (4) (d).
- (5) Use the instructions for delayed notice inspections in PAR. 59 if the insured failed to provide notice within the time prescribed in the policy provisions.

B Adjuster Responsibilities

- (1) **Accepting Notices.** Follow the insurance provider's instructions for accepting notices of loss.
- (2) When the insured has less than 100 percent share of a loss-affected unit and the claim form does not indicate or the insurance provider has not provided the information indicating whether the shareholder has a multi-peril contract, question the insured to determine whether the OTHER person sharing in the unit also has a multi-peril contract. Contact the insurance provider for further instructions if the other person sharing in the crop unit has a multi-peril contract.

- (3) Review all information from prior inspections for the crop(s) being inspected to determine if any information from these inspections (appraisal worksheets, maps, claim form, special reports, etc.) is pertinent to the inspection being performed.

26 POWER OF ATTORNEY

A Insurance Provider's Responsibility

The insurance provider will provide the adjuster with the name of the party who can act on behalf of the insured and assure that anyone other than the insured who has signed loss related forms or claims is authorized to do so.

B Adjuster Responsibility

If an individual other than the insured states they are acting in behalf of the insured, and the insurance provider has not provided information that this party has authority to act on behalf of the insured, do not allow signatures until it is verified with the insurance provider that a Power of Attorney is on file granting such authority to this individual

SECTION 3 REVISED ACREAGE REPORTS

27 GENERAL INFORMATION

A Overview

Except for Nursery and Cultivated Clams, the acreage report (tonnage report for raisins) is the document used to determine the insurance provider's liability, the insured's premium, and amount of coverage. (See the Nursery and Cultivated Clam Handbooks for the document(s) used in lieu of an acreage report.) If incorrect, the acreage report may be revised if allowed under the parameters of this section.

B Possible Reasons for Revised Acreage Reports

The following circumstances may result in a revised acreage report being filed:

- (1) The insured may file a request for a revision on a unit basis.
- (2) The insurance provider may file a revised acreage report to correct inaccuracy or incompleteness of an original acreage report or a Summary of Protection (or Schedule of Insurance) discovered during loss adjustment, provided the revision falls within the allowed parameters outlined in this section.
- (3) Acreage Report Reviews. During Acreage Report Reviews, acreage reports may be revised, provided liability is not increased on a unit that could not pass a crop inspection.
- (4) All acreage report revisions require:
 - (a) Documentation in the "Remarks" section of the acreage report (or other form specified by the insurance provider to revise acreage reports) or on a Special Report explaining why the revision took place and what changes were made (if a form was used to document, notate "See attached (Form Number)" in the "Remarks" section of the acreage report),

- (b) Date, signature, and code number of the person preparing the revised acreage report (or other form designated by the insurance provider to revise acreage reports),
- (c) Insured's signature and date, UNLESS circumstances warrant the absence of the insured's signature. If the insured's signature is not obtained, document why the signature was not obtained in the "Remarks" or on a Special Report. Based on the nature of the revision and the reasons the insured's signature was not obtained, the insurance provider will determine whether the revised acreage report should be approved without the insured's signature, and
- (d) For acreage reports revised after the final acreage reporting date, the insurance provider's authorized representative's approval. Refer to PAR. 29 A for exceptions.

28 REVISED ACREAGE REPORTS - BEFORE THE ACREAGE REPORTING DATE

Acreage reports may be revised BEFORE the acreage reporting date anytime information that affects the guarantee, premium, or liability was incorrectly reported. No crop inspection or approval is required when revisions are filed BEFORE the acreage reporting date.

29 REVISED ACREAGE REPORTS - AFTER THE ACREAGE REPORTING DATE

- A Insurance Provider Approval. Acreage reports may be revised AFTER the acreage reporting date ONLY with the insurance provider's authorized representative's approval except for: (1) short-rated acreage (see subparagraph 29 E below), (2) measurement service for the listed states as specified in 29 G, and (3) FSA measurement service (for a CAT policy only) requested by the date specified in 29 F below.
- B If Revision Causes Increased Liability. If the revision causes the insurance provider's liability for the crop to increase, a crop inspection for the unit(s) being revised must be performed as outlined in PAR. 64, except when the revision is to correct errors found on the acreage report or summary as outlined in subparagraph D below. Revision of the unit will be approved or rejected in accordance with the procedure outlined in PAR. 64. Revisions to remove insurable acreage are allowed only as indicated in subparagraph E below.

NOTE: NO INCREASE IN IRRIGATED/NON-IRRIGATED PRACTICE LIABILITY

Even if liability stays the same or decreases, acreage reported as an irrigated practice (and that qualifies for an irrigated practice at the time insurance attached) **cannot** be revised to a non-irrigated practice or vice versa WHEN loss is evident on the unit **or** WHEN harvest is general in the area, except as allowed in subparagraph D (8) (d) below. PAR. 40 K (8) applies when acreage cannot be revised from irrigated to non-irrigated. When acreage does not qualify for an irrigated practice, PAR. 40 K (4) applies.

When the insured claims there is an error in the reported irrigated and/or non-irrigated practices, a revised acreage report may be approved to change a non-irrigated practice to an irrigated practice (acreage must qualify for an irrigated practice) or irrigated may be revised to non-irrigated PROVIDED (1) no damage or loss has occurred, (2) harvest is not general in the area, **AND** (3) the insurance provider has verified that the practice for which the change was requested actually existed and is being carried out in a manner consistent with a good farming practice for the practice that the acreage is being revised.

C CANNOT Increase Liability at Loss Time. Acreage report revisions that increase liability cannot be made during final inspections on a unit except to correct errors as outlined in subparagraph D and F below.

D Crop Inspections - When Not Required

Crop Inspections are not required when:

- (1) Existing evidence provides proof that errors were made in transferring information to the acreage report from source documents such as:
 - (a) Approved yield from the APH form.
 - (b) Written Agreement.
 - (c) County Actuarial Documents; e.g. the FCI-33 actuarial map was incorrectly read resulting in an incorrect classification, etc.
 - (d) A worksheet the insured completed to report his/her original acreage report information.
- (2) It can be determined that the incorrect percent-planted factor was used to calculate acres for skip-row cotton, or that the incorrect yield-conversion factor was applied to the approved yield for non-irrigated skip-row cotton.
- (3) Keying errors of the acreage report caused an incorrect Summary to be issued.
- (4) Incorrect unit arrangement has been reported
 - (a) Two or more optional/guideline units must be combined anytime separate records of production and acreage are not maintained. (See Commingled Production, PAR. 115.)
 - (b) Part of a unit or an entire unit may be deleted.
 - (c) Additional units may not be created after the acreage reporting date, except for basic/policy units as in the case of share-rent on a unit. Basic/policy units must be separated even if damage has occurred on the unit.
- (5) Acreage has been over reported
 - (a) When an insured requests a decrease in reported acreage of a unit and no claim will be filed, advise the insured that all units on the crop must have existing acceptable determined acres, as defined in PAR. 70, to support such a revision.
 - (b) If any of the acreage does not meet the criteria for measured acreage as stated in PAR. 70, the insured must at his/her expense have such acreage measured. (FSA County Offices provide measurement services for a fee.)
 - (c) Document the acceptable determined acreage on a form used for documentation purposes or aerial photo map.

(6) **For CAT only**, measurement Service has been requested by the insured by the acreage reporting date for the crop and county. Also, see PAR. 29 F.

(7) **For additional coverage only**, measurement service requested for insured crops in Idaho, Oregon, and Washington, provided the criteria in PAR. 29 G below is met.

(8) **Correctable Acreage Report Errors.** When it is obvious that the acreage was inadvertently switched **between lines** at the time the acreage report was completed resulting in incorrect acres between crops or practices, FSN's, types, etc., insurance providers may approve a revised acreage report to correct the error. In all cases, the reason for the revision must be documented in the "Remarks Section" of the acreage report or on a Special Report. If a Special Report is used, attach it to the acreage report. The insured must sign the revised acreage report.

(a) Insurance providers are to use this type of correction prudently. Revisions of this type are to be approved **ONLY** when it is obvious that acreage reported on one line was inadvertently switched with acreage on another line, and the insurance provider believes that the insured did not intentionally report this way in order to benefit from doing so; i.e., lower premium because of lower premium rates, etc. The insurance provider should try to establish whether there is a pattern of misreporting every year. If so, the insurance provider should not consider the misreported acres as an inadvertent switching of acreage.

(b) This procedure is not to be used to correct overall variances between acres reported and acres determined. For example: if the irrigated practice was reported as 100.0 acres and the non-irrigated practice is reported as 150.0 acres, and it is determined that there are 95.0 irrigated acres and 155.0 non-irrigated acres, this is a variance in reporting (under reporting and over reporting) and is not considered an inadvertent switch.

(c) When the acreage report is revised to correct an inadvertent switching of acreage, the revised acreage report must be processed prior to the claim. The acreage on the revised acreage report will be used as the reported acres and cannot be used as the determined acres also. The determined acres must remain a separate determination.

For example: 100 acres was initially reported as irrigated and 50 as non-irrigated; however, the acres for the two practices were inadvertently switched. The determined acres for the irrigated acreage is 51.5 acres; the revised reported acres are 50.0 acres, so there is 1.5 acres under reported for this practice. The determined acres for the non-irrigated acres are 98.0 and the revised reported acres are 100.0, so there is 2.0 acres over reported for this practice.

(d) The following can be considered correctable if the insurance provider believes that the insured did not switch the acreages to benefit from lower premiums, etc.:

- Acreages for practices were inadvertently switched. For example: 100 acres were reported as irrigated and 50 as non-irrigated, however, the acres for the two practices were inadvertently switched when reported.

NOTE: The inadvertent switch of acreage may occur within the same unit, or for additional coverage, it may occur between different units when there are optional units for irrigated and non-irrigated acreage.

- Acreages for different types were inadvertently switched. For example: 150 acres were reported as oil type (048) sunflowers and 100 acres were reported as non-oil type (049) sunflowers; however, the acres for the types were inadvertently switched when reported.

NOTE: The inadvertent switch may occur within the same unit, or when optional units are allowed by type for the coverage selected, the inadvertent switch may involve different units.

- Acreage between legal descriptions was inadvertently switched. For example: Unit 00102 has 100.0 acres reported with legal description Section 2, Township 5, Range 3. Unit 00101 has 150.0 acres reported with legal description Section 1, Township 5, Range 3. The legal descriptions are correct for the unit structures shown on the APH form. However, the acreage for the legal descriptions was inadvertently switched.

NOTE: The inadvertent switch may occur within the same unit; or may involve different units (for additional coverage) when optional units are allowed by sections (or other legals described in the policy).

- When unit structure for the crop is by FSN and the acreage between two FSN's were inadvertently switched. For example, 200 acres for FSN 1234 was reported, and 300 acres for FSN 2345 was reported; however, the acreage for the FSN's were inadvertently switched.
- Acreages between two crops were inadvertently switched. For example: one line showed 120.5 acres of corn and one line showed 155.6 acres of soybeans; however, there was actually 155.6 acres of corn and 120.5 acres of soybeans.

- (9) An APH review is done, and there are APH errors great enough for the crop to require corrections for the current crop year as described in the CIH.

E Revisions to Reduce Premium For Acreage Destroyed Prior to Harvest

Acreage reports CANNOT be revised after the acreage report date to reduce premium because the insurable acreage was destroyed prior to harvest, except when the actuarial documents for the county and crop (such as, fall-seeded wheat) allow acreage to be revised (for any reason) by the date specified in the actuarial documents.

- (1) If the County Actuarial Documents provide a reduced premium rate for acreage destroyed prior to harvest either by grazing or by mechanical means, the insured may report all planted acreage as insurable. Premium will be due on all the acreage with additional coverage.
 - (a) The premium amount will be reduced (this includes CAT coverage also) by the amount shown on the County Actuarial Documents only if the insured notifies the agent by the date shown on the Special Provisions that the

acreage will be destroyed by grazing or mechanical means prior to harvest, and the insured does not claim an indemnity on such acreage.

- (b) When timely and proper notification is received, the insurance provider will revise the acreage report and reduce the premium accordingly. Insurance coverage will cease on any acreage the insured does not intend to harvest on the date the insured notifies the agent of such intent.

NOTE: Even though the Small Grains Crop Provisions require the insured to receive written consent from the insurance provider prior to destruction of such acreage, the Special Provisions statement regarding this subject in the applicable county Special Provisions for wheat does not contain this requirement; therefore, only the insured's timely notification of his/her intent to destroy the acreage is needed prior to destruction.

- (c) If the acreage is not destroyed as intended, the insured will be subject to the under-reporting provisions contained in section 6 of the Basic Provisions.
- (d) If the insured destroys or puts the acreage to another use without proper and timely notification, an appraisal of not less than the guarantee will be assessed on such acreage.

NOTE: If a notice of damage is filed and the insured wants to file a claim for indemnity on the acreage at this time, the acreage must be appraised. See PAR. 75 and 77. If the insured wishes to destroy the acreage to comply with other USDA programs, the acreage must be released when an adequate appraisal is made; or if applicable, the insured has agreed to leave representative samples so that adequate appraisals can be made at a later date.

- (2) Adding acreage that was initially reported that it would be destroyed.

If, after the acreage reporting date, the insured decides to take to harvest acreage that was previously designated to be destroyed (uninsurable) and it meets all insurability requirements in the policy, it can be added if a crop inspection is made and the crop passes the crop inspection in accordance with the requirements in PAR. 64.

- (a) If the crop passes the inspection and is accepted, the acreage would be re-designated as insurable and the acreage report revised to add such acreage. If the acreage is accepted, premium will be applicable to the entire crop year.
- (b) If the crop fails to pass the crop inspection or is not accepted, the acreage is to remain designated as uninsurable in the "Remarks" section of the acreage report.

F Revisions Due to FSA Measurement Service (FOR CAT ONLY)

If the planted acreage was reported timely and the insured requested FSA Measurement Service from FSA no later than the acreage reporting date, and the measured acreage was different than the reported acreage, the acreage may be increased or decreased based on the FSA measured acres. This adjustment is allowed even at loss adjustment time. **(FOR CAT ONLY)**

(FOR CAT ONLY)

NOTE: If at all possible, final claims should not be finalized until the measurement service has been completed; otherwise, it could result in a corrected claim. If the measurement service has not been completed at the time of the final inspection, the insurance provider should notify the FSA that a final claim is pending so that the measurement service can be expedited. **(FOR CAT ONLY)**

NOT APPLICABLE TO CAT →

G Measurement Service Requested (Idaho, Oregon, and Washington ONLY)

An insured may certify in writing (ON OR BEFORE THE SALES CLOSING DATE) that an acreage measurement service for a crop will be requested to determine the actual planted acres. A copy of the FSA (or other qualified third party) form that verifies acreage measurement was requested, must be furnished to the insurance provider. In such case:

(1) An acreage report must be filed by the final ARD.

(2) The acreage report (revised due to request of measurement) must be completed within 30 calendar days of ARD. If the final acreage report is not provided within 30 calendar days of the ARD, the preliminary report is used.

(a) The acreage report cannot be increased or decreased more than 20 percent from the reported acreage without insurance provider approval.

(b) If the insured does not file a revised acreage report based on requested acreage measurements, the acreage report submitted by the ARD will apply.

← **NOT APPLICABLE TO CAT**

H Preparation, Documentation, and Submission

Prepare a revised acreage report and Special Report explaining errors or omissions on the previous acreage report or summary and what corrections were made. Submit the revised acreage report and Special Report to the insurance provider's approving official. If a crop inspection was required, see PAR. 64 for additional requirements.

I Misreported Practices/Types Within the Same Unit

If it is determined that: (1) a practice (or type) that actually existed for a unit was not the practice (or type) reported on the acreage report for the unit, (2) there are different APH yields for each practice or type (e.g., a summerfallow practice is reported but a continuous cropping practice actually exists with each practice having a different APH yield), and (3) a claim for indemnity will be processed, an APH record for the correct practice/type must be processed through the DAS, and the acreage report must be revised in order to process the unreported practice/type information (APH yield, guarantee, etc) on the claim form (Production Worksheet), UNLESS: (1) the insurance provider has evidence of the insured misrepresenting the practice/type for the purpose of obtaining lower premium or a higher guarantee or (2) the misreported practice is irrigated or non-irrigated. If there is supporting evidence of misrepresentation, the policy should be voided in accordance with the policy provisions. In cases where liability is not

increased and misrepresentation is not applicable, the acreage report may be revised to the acres/practice(s) that actually existed. In cases where liability would be increased and misrepresentation is not applicable, and the acreage report is revised, the acres must be adjusted (reduced) to an amount that would result in the corrected liability being as close as possible to the reported liability without exceeding it.

30 REVISED ACREAGE REPORTS - ACREAGE REPORT REVIEWS

Revised acreage reports resulting from an acreage report review (based on acreage determinations only) will not be prepared if the difference in premium does not exceed the FCIC approved tolerance (\$250) UNLESS the insurance provider has given written authorization to allow revisions at a lower tolerance level. See PAR. 63, "Acreage Report Review Inspection" for information in regards to the inspection.

31 REVISED ACREAGE REPORTS - EXAMPLES

Following are some examples of acreage report revisions that may be needed during an inspection. Always document the reason for the revision on the form used to revise acreage reports or document on a Special Report.

A Examples

- (1) Insured reported units 00101 and 00102 of grain sorghum as insurable. Upon inspection unit 00102 was found to be planted to an uninsurable practice.

ACTION: Delete 00102 from the acreage report noting in the remarks that the acreage is planted to an uninsurable practice.

- (2) During an inspection prior to harvest being general in the area, the insurance provider discovered that unit 00200 of soybeans had not been reported on the original acreage report. The crop inspection indicated that this unit and all other units met the appraisal criteria for accepting additional liability for the additional unit, as defined in PAR. 64.

ACTION: Unit 00200 may be added.

- (3) Based on the APH yield, an incorrect risk classification for unit 00100 was entered on the original acreage report.

ACTION: Revise the acreage report to show correct risk classification, and notate the reason of the revision in the "Remarks Section" or on a Special Report.

- (4) The original acreage report shows 25.0 acres for unit 00100, and the inspection reveals 50.0 acres were planted. The crop inspection indicated that all the criteria for accepting additional acreage for this unit (reported and unreported acreage) was met, as defined in PAR. 64.

ACTION: The acreage report may be revised to add the additional acreage.

- (5) The original acreage report shows all of unit 00100 (108.0 acres) was planted by the final planting date and there is no late planting provision for the crop, but it was determined 20.0 acres of unit 00100 were planted after the final planting date.

ACTION: Revise the acreage report to reduce the 108.0 acres of insured acreage to 88.0 insured acres. Notate in the remarks section of the acreage report that unit 00100 was revised to remove the 20 acres planted after the final planting date (complete specified area of the acreage report for uninsured acres if the acreage report has such area). Advise insured to keep harvested production from insured acreage (108.0 acres) separate from harvested production from the uninsured acreage (20.0 acres).

- (6) The original acreage report shows all of unit 00100 (200 acres) was planted by the final planting date, but it was determined that 50 acres were planted 5 days after the final planting period. This is a crop that the policy provisions provide for automatic late-planted acreage coverage.

ACTION: Revise the acreage report to show 150 acres as timely planted and make a separate line entry showing the 50 acres with the correct planting date.

- (7) The original acreage report shows 50 percent share for unit 00100. It is determined that the share at the time of planting was 100 percent and is still 100 percent. (No additional acreage is being added.)

ACTION: Provided a crop inspection indicates that unit 00100 acreage meets the criteria for accepting additional liability, as defined in PAR. 64, the acreage report can be revised to reflect 100 percent share.

- (8) The original acreage report shows 100 percent share for unit 00101 soybeans. The inspection revealed the share at the time of planting was 50 percent.

ACTION: Revise the acreage report to reflect the appropriate share at the time of planting.

- (9) The original acreage report showed unit 00100 of wheat with 100 percent share. The inspection revealed there were two units, one with 100 percent share and one with 50 percent share. Additional units must be "broken out" because they are basic/policy units.

ACTION: Revise the acreage report to show the correct unit structure.

- (10) The original acreage report showed two optional units of soybeans. The inspection determined that no separate records of production or acreage were maintained to support the production report filed.

ACTION: Revise the acreage report to combine the two optional units. Delete the unit number not kept.

- (11) The original acreage showed Unit 00102 soybeans with .333 share. The verification of the share revealed that the insured had no interest in this unit.

ACTION: Revise the acreage report to remove unit 00102 soybeans.

- (12) The original acreage report for peanuts showed unit 00100 with risk classification of P18, but the FCI-32 listing showed the correct classification for the insured as P28.

ACTION: Revise the acreage report to show the risk classification as P28 for unit 00100 peanuts.

- (13) The insured reported two units of soybeans (unit 00101 and unit 00102) on his/her acreage report. After the final acreage reporting date, the insured reviewed the Summary of Coverage that was generated from the soybean acreage report, the insured discovered that he/she had failed to report unit 00103 soybeans. The insured requests unit 00103 be added. The crop inspection to accept additional acreage (PAR. 64) reveals that the appraisal for unit 00101 and the appraisal for 00103 exceed 90 percent of the yield upon which the per-acre guarantee for each of these units is based. However, unit 00102 acreage appraises below 90 percent of the yield upon which the per-acre guarantee is based.

ACTION: The insurance provider must deny the request to add unit 00103 (additional acreage) since unit 00102 is considered to be in a potential loss situation as outlined in PAR. 64 C and D.

B Reminder

Follow the insurance provider instructions for document distribution and for unit numbers to be retained when deleting a unit.

SECTION 4 UNREPORTED ACREAGE

32 UNREPORTED ACREAGE DISCOVERED AFTER ACREAGE REPORT FILED FOR THE CROP

If the insured timely filed an acreage report for a crop but did not report ALL the acreage for the crop that could have been insured, and the unreported acreage is discovered prior to harvest of the crop or prior to when harvest for the crop is general in the county, follow the procedures below: (When the insured has never filed an acreage report for the crop, refer to PAR. 21 A, Late-filed Acreage Reports.)

- A Insurance Provider-s Responsibilities. Inform the insured of his/her responsibilities of reporting ALL insured and uninsured crop acreage in the county, and that the insurance provider will handle the unreported acreage in accordance with the procedure in subparagraph B and C below.

B For Acreage that Would be Insured as a Separate Unit

If such acreage AND ALL other reported unit(s) for the crop meet the requirements for accepting acreage as outlined in PAR. 64, revise the acreage report to add the unreported unit acreage that could have been insured if it had been reported timely. If such acreage OR ANY OTHER reported unit(s) for the crop DOES NOT meet the requirements for accepting acreage, the acreage report will not be revised and the harvested or appraised production from the unreported unit acreage will be prorated to all insured units if an indemnity is claimed on any unit (see PAR. 116).

NOTE: Even though there may be damage on other reported units and the unreported unit will not be added for this reason, APPRAISE the unreported unit acreage (that could have been insured) if it has not been harvested, and it appears that it will not be harvested. This appraisal will be used if a claim is filed on any insured unit as outlined in PAR. 116.

C For Acreage that Would be Part of an Insured Unit (Under reported Acreage in a Reported Unit)

If such acreage (INCLUDING the reported acreage for that unit) meets the requirements for accepting acreage as outlined in PAR. 64, revise the acreage report to add the under reported acreage to the reported unit. If such acreage (including the reported acreage for the unit) IS NOT acceptable as outlined in PAR. 64, the guarantee will be computed on the information reported, but the production from the unreported acreage will count against the guarantee.

33 UNREPORTED ACREAGE WHICH MAY BE LATE PLANTED

Acreage which the insured did not report or designate (even as uninsured acreage), and which the insured asserts was planted after the final planting date **(or late planting date, if applicable)** will be CONSIDERED:

A Unreported INSURABLE (but NOT INSURED) Acreage If:

- (1) The acreage is insurable under the County Actuarial Documents or by written agreement; i.e., rates and coverage are available for this particular acreage (the acreage itself, or crop type, class, variety, or practice carried out.), and
- (2) The adjuster CANNOT verify to his/her satisfaction that such acreage was planted after:
 - (a) the final planting date for the crop shown on the Special Provisions for the applicable county, or
 - (b) the latest allowable date under the late-planting provisions found in the applicable crop provisions, if applicable to the crop, and the acreage was not prevented from planting.

When it is determined that there is **unreported insurable** acreage as part of a reported unit structure (i.e., under reported acreage for a unit), all production from the insurable/unreported acreage will be counted against the production guarantee for that unit. (If production is commingled with another unit, the procedures for commingled production must be applied; see PAR. 115.) On the other hand, if the entire unreported insurable acreage could qualify as a separate unit **in the same county**, the production from the unreported unit acreage will be prorated to all other reported units as outlined in the procedure for unreported units (PAR. 116). **If the production from an unreported unit in one county is commingled with the production from a reported unit in another county, follow the procedures in PAR. 115. Because this involves two different counties, PAR. 116 does not apply.**

B Unreported UNINSURABLE Acreage If:

- (1) The acreage is NOT insurable under the policy provisions, Special Provision statements, County Actuarial Documents or by written agreement; i.e., acreage is uninsurable due to the crop being planted after the late planting period (final planting date if late planting period is not applicable) or rates and coverage are not available for this particular acreage (the acreage itself or the crop practices, type, class, or variety or practice carried out.), or
- (2) The adjuster CAN verify to his/her satisfaction that the unreported acreage has been planted after the:
 - (a) final planting date for the crop shown on the Special Provisions for the applicable county, or
 - (b) latest allowable date under the Late Planting Provisions found in the applicable crop provisions and the acreage was not prevented from planting by an insurable cause of loss within the insurance period for prevented planting.

When it is determined that there is **unreported uninsurable** acreage, the production from the unreported uninsurable acreage will NOT be counted against the production guarantee for the unit or any other unit; provided, the production is kept separate from the insurable acreage production. If the production from the uninsurable acreage is commingled with production from insurable acreage, the procedures for commingled production must be applied.

SECTION 5 ACTUARIAL DOCUMENTS AND VERIFICATION

34 USAGE

A General Information

The actuarial documents provide the information necessary to establish the protection available for state and county programs. There are actuarial documents for each approved county program in each state. The actuarial documents list crops alphabetically except for nursery which lists **insurable plants** (rather than crops) alphabetically.

NOTE: The Special Provisions are also considered an actuarial document.

B Actuarial Documents Information. The actuarial documents are the resource for the following information on a county and state basis by crop and crop year:

- (1) Crop price elections.
- (2) Insurance program dates for initial and final planting, and acreage reporting.
- (3) Guidelines for unit division (division of basic units) for crops with crop policies that provide for unit division.

- (4) Actuarial classification of farm land, or when applicable, actuarial classification will be by individual.
- (5) Premium rates for insurance protection.
- (6) Types, classes, or varieties and farming practices insured.
- (7) Exceptions to insured causes of damage, types, classes, varieties, or farming practices.
- (8) Requirements for levels of coverage.
- (9) Applicability of APH.
- (10) Definition of County.
- (11) Crop rotational requirements, if any.

35 ACTUARIAL CLASSIFICATION - DOCUMENT PRECEDENCE

Remember the order of precedence of actuarial document material. The most important document is listed first, the order of precedence being listed from top to bottom.

- A Written Agreement.
- B FCI-32: Supplement (to Classification Listing).
- C FCI-32: Classification List.
- D FCI-33: Map Supplement.
- E FCI-33: Actuarial Map.
- F FCI-35: Supplement (used for coverage adjustments).

36 USING ACTUARIAL DOCUMENTS FOR VERIFICATION

- A Information from the actuarial documents must be used during loss adjustment process to verify:
 - (1) That the actuarial classification recorded on the acreage report and/or Summary of Coverage is correct. Verify the insured's correct classification utilizing the actuarial classification sequence shown in PAR. 35 above.
 - (2) The insurability of the actual farming practices performed and types, classes, or varieties planted.
 - (3) That crop rotational requirements or any other special requirements set forth in the actuarial documents have been followed.
 - (4) That the cause of loss is not excluded for this crop or county.

- (5) If there are any special statements regarding insurable varieties, types, or classes; limitations of options; practices; etc., that would pertain to the crop and county being inspected.

SECTION 6 INSURABLE FARMING PRACTICES

37 GENERAL INFORMATION

The Basic Provisions, crop provisions, and Special Provisions from the county actuarial documents may provide for or exclude from insurability certain farming practices.

- A The county actuarial documents list rates and coverages for specific farming practices, by crop. When permitted by the policy, coverage by Written Agreement for unrated farming practices may be requested from the RMA RO. For some crops, instead of a specific farming practice, there is a practice designation of "no practice specified." This refers to established practices that are commonly used in the geographical area for the insured crop. There is a numerical code for each practice (including "no practice specified") shown on the actuarial documents. These numerical codes are used on such forms as the acreage report and/or claim form, as appropriate. The following paragraphs in Section 6 address some of the farming practices found on the actuarial documents.
- B Special farming practices, singly or in combination, determine the guarantee
 - (1) Verify that the insured has met all the requirements to qualify for the reported practice.
 - (2) If two or more requirements apply, failure to meet one requirement will disqualify the acreage.
 - (3) Make determinations in accordance with requirements provided in the applicable crop policy, crop endorsement, and/or County Actuarial Documents and in the following paragraphs.

38 CONTINUOUS CROPPING PRACTICE

Definition. This distinguishes land that is continuously cropped from land that lies fallow (idle) in the prior crop year.

39 SUMMERFALLOW PRACTICE

Summerfallow (SF) is an insurable practice in some areas of the country.

- A The SF practice is carried out by using mechanical tillage or chemicals on uncropped land, during the summer, to control weeds and store moisture in the soil for the growth of a later crop. To qualify for SF, the land must not have been planted to a crop in the preceding crop year and must lie fallow for a full crop year, except as provided in subparagraph B below.
 - (1) **SF Date.** Termination of plant growth is required prior to the date designated for the area (May 1 in California; June 15 in North Dakota, Montana, and South Dakota; and June 1 in all other states) followed by a continuous chemical and/or mechanical weed control program.

- (2) SF practices carried out must be consistent with NRCS soil erosion control measures and good SF practice(s) for the area with regard to method(s), frequency, and adequacy of tillage and/or chemical control.

B Exceptions to SF rule

The following exception to the SF rule in A above will apply unless the first crop is harvested (see crop provisions for definition of harvest). If the first crop is harvested, the second crop will not qualify as SF in the subsequent crop year. The land must not have been planted to a crop in the preceding crop year and must be fallow for a full crop year, except if a crop was planted on acreage:

- (1) In the fall of 2001 or spring of 2002 that qualified for the SF practice, the crop failed and/or was destroyed before the date specified in A (1) above. If all other SF requirements were carried out, a crop planted on such acreage for the 2003 crop year (fall of 2002 or spring of 2003) qualifies for the SF practice.
- (2) In the fall of 2001, or spring of 2002 that did not qualify for the SF practice, the crop failed and/or was destroyed before the date specified in A (1) above. A crop planted on such acreage in the spring of 2003 qualifies for the SF practice. A crop planted in the fall of 2002 for the 2003 crop year will not qualify for the SF practice.
- (3) That qualified for the SF practice, it failed and the insured was given consent to put the acreage to another use. If the crop that qualified for the SF practice was destroyed before the date specified in A (1) above and the insured plants to a different (second crop), the second crop also qualifies for the SF practice.

40 IRRIGATED PRACTICE

The crop insurance contract provides that insureds are to report as irrigated, and the insurance provider will insure as irrigated, only the acreage for which the insured has adequate facilities and adequate water or the reasonable expectation of receiving adequate water at the time coverage begins, to carry out a good irrigation practice for the insured crop. Insureds that knew or had reason to know prior to the time insurance attached that their irrigation water supply may be reduced before coverage begins or will be reduced or cut off during the irrigation season, have no reasonable expectation of adequate irrigation water. Therefore, the insured must make decisions to plant fewer acres, plant and insure acreage for which adequate water is not available under a non-irrigated practice (if available), or report acreage as prevented planting (if prevented planting is available for the crop), provided that all prevented planting policy provisions have been met. See the Prevented Planting Handbook for more details regarding eligibility of a prevented planting payment under an irrigated practice.

In general, for annually planted crops, insurance attaches at the time the crop is planted (except for first year applications received after planting) and on a specified date for perennial crops. (For crops with prevented planting coverage, see the Prevented Planting Handbook.) It is the insured's responsibility to provide documentation, upon the insurance provider's request, of the information used to determine the adequacy of irrigation water and facilities for the acreage reported for insurance under the irrigated practice.

The insurance policy covers the failure of the irrigation water supply due to an insured peril occurring during the insurance period but does not cover failure of the irrigation equipment

unless otherwise stated in the crop provisions or Special Provisions. See definitions of irrigation water supply and irrigation equipment in B (2) below.

Under the terms of the policy, the burden is on the insured to show that any prevented planting or loss on annually planted (or perennial) acreage is caused by an insured cause of loss. This includes failure of the irrigation water supply. Insureds must show that such failure was caused by an insured cause of loss that occurred during the insurance period.

Insurance providers must verify and document that any failure of the irrigation water supply is due to an insured cause of loss before making any prevented planting payment or paying an indemnity.

A General Information

(1) **Increased Costs for Water, Electricity, Fuel, Etc.**

Increased costs for water, electricity, fuel, etc., from sources historically used by the insured are not considered insurable causes of loss under the policy. Any acreage for which the irrigation water supply has been reduced by the insured before insurance attaches because of such increased costs is not insurable under an irrigated practice and no prevented planting payment or indemnity may be made. The insured's reduction of irrigation water after insurance attaches because of increased costs is also an uninsured cause of loss. Conversely, the availability of high-cost water, electricity, fuel, etc., from a non-historical source will not be considered a reason to deny an otherwise payable claim.

EXAMPLE OF INCREASED WATER COST:

A producer normally receives 100 units of water per year from two sources (50 units each) to irrigate 1000 acres of land for a crop or crops for which failure of the irrigation water supply due to drought is a covered cause of loss. The producer receives notice that due to reduced carryover water in the reservoir and diversion to other uses, the normal allocation is being cut by 20 units. Ten of the units cut are due to an ongoing drought and an additional ten units are being diverted by the Bureau of Reclamation to support the flow of water downstream to provide improved fish habitat. At the same time, the producer learns that the other water sources are doubling the cost of water due to increased demand by urban users. The producer calculates that only 30 units will be purchased from this source based on the increased price.

The producer will only have 60 units of available water for the year and must allocate or reduce the acreage accordingly. Prevented planting may only be reported and claimed for that acreage associated with the ten units of water decreased due to drought. Assuming 1 unit of water irrigates 10 acres, the producer would have enough water for 600 acres and be permitted to claim prevented planting on 100 acres. The acreage associated with the 30 units of water lost due to the government diversion and increased cost is not insurable under an irrigated practice.

(2) **Electricity Buy-back Programs or Water Rights Buy-back Programs**

- (a) Any reduction in the water supply due to participation in an electricity buy-back program or the sale of water under a water rights buy-back program (either before or after insurance attaches) is not considered an insurable

cause of loss under the policy. However, if an insured cause of loss reduces the amount of irrigation water available, then subsequent participation in an electricity buy-back program (relative to the amount of water reduced by an insured cause of loss) will not reduce the insured loss.

- (b) Insureds that elect to participate in electricity buy-back programs or water rights buy-back programs that result in a reduction of the irrigation supply before insurance attaches cannot insure any acreage affected by this reduction in the irrigation water supply as an irrigated practice or receive a prevented planting payment on an irrigated basis for such acreage.
- (c) Insureds that elect to participate in electricity buy-back programs or water rights buy-back programs that result in a reduction of the irrigation supply after insurance attaches may not receive an indemnity related to the reduction in the irrigation water supply.
- (d) In those cases where an insured cause of loss reduced the irrigation water supply for a portion of the insured's acreage and the insured elects to participate in the electricity buy-back programs or water rights buy-back programs, the insurance provider must separately determine the amount of acreage for which:
 - 1 an insured cause reduced the irrigation water supply, and
 - 2 participation in the electricity buy-back programs or water rights buy-back programs caused the reduced irrigation water supply. The insured may still be eligible for a prevented planting payment or indemnity, as applicable, on the acreage where an insured cause of loss reduced the irrigation water supply, provided that all other requirements in the policy have been met.

(3) **Environmental Diversions**

Decreased water allocation resulting from the diversion of water for environmental or other reasons is not an insurable cause of loss unless, the diversion is made necessary due to an insured cause of loss.

B Irrigated Practice Guidelines

(1) **Purpose**

- (a) Insurance providers are to use the "Irrigated Practice Guidelines" to administer the following standards and to verify at loss time that the insured properly reported as irrigated only the acreage for which the insured qualified for an irrigated practice. It is important to understand the meaning of various terms such as irrigation equipment and facilities (failure or breakdown of which is NOT insured), irrigation water supply, and water source that are found in herein and should be reviewed before proceeding with the standards in subparagraphs C through O.
- (b) In accordance with procedures in the CIH, insurance providers are to provide to insureds the following guidelines to enable them to properly report annually planted or perennial acreage to be insured under the irrigated practice in order to receive maximum protection under their crop

insurance contract. It is very important that these guidelines are utilized by the insured to document whether, at the time insurance attaches, that there is REASONABLE EXPECTATION of receiving adequate water to carry out a good irrigation practice for the acreage reported under the irrigated practice.

(2) **Definitions**

The following definitions are provided to facilitate a uniform understanding of the standards and guidelines for the irrigated practice.

- (a) **Acreage Insurable under the Irrigated Practice** - Insurable acreage for which the insured can demonstrate, to the insurer's satisfaction, that adequate facilities and water existed, at the time insurance attached*, to carry out a good irrigation practice for the insured crop. ***NOTE:** *The insured is responsible for demonstrating that, at the time insurance attached, there was a REASONABLE EXPECTATION of receiving adequate water to carry out a good irrigation practice on acreage insured under the irrigated practice.
- (b) **Reasonable Expectation, at the time coverage begins, of Receiving Adequate Water to Carry Out a Good Irrigation Practice** – If the insured knew or had reason to know that the insured's water may be reduced before coverage begins, no reasonable expectation exists.
- (c) **Adequacy of Water** - The determination of the adequacy of water will be based upon:
 - 1 the water available (at the time insurance attaches) from the irrigation water supply, soil moisture levels, and (as applicable) snowpack storage levels; AND
 - 2 supplementary precipitation which would normally be received, after insurance attaches, during the period that a good irrigation practice is normally carried out. Consideration will also be given to the factors identified in subparagraph 7 below, including the legal entitlement or rights to water.
- (d) **Good Irrigation Practice** - Application of adequate water in an acceptable manner, at the proper times necessary to produce at least the yield used to establish the irrigated production guarantee or amount of insurance on the irrigated acreage planted to the insured crop.
- (e) **Irrigation Water Supply** - The water source and means for supplying irrigation water, without regard to the equipment or facilities. This includes the water source AND dams, canals, ditches, pipelines, etc., which contain the water for movement from the source to the acreage and (1) are not under the control of the insured or (2) routinely deliver water to acreage in addition to that which is owned or operated by the insured. It DOES NOT INCLUDE any irrigation equipment or facilities.

- (f) **Irrigation Equipment and Facilities** - The physical resources, other than water, used to regulate the flow of water from a water source to the acreage. This includes pumps, valves, sprinkler heads, and other control devices. It also includes pipes or pipelines which: (1) are under the control of the insured or (2) routinely deliver water only to acreage which is owned or operated by the insured. A center pivot system is considered irrigation equipment and facilities.
 - (g) **Adequacy of Irrigation Facilities** - Irrigation facilities are considered adequate if it is determined that, at the time insurance attaches, they will be available and usable at the times needed and have the capacity to timely deliver water in sufficient quantities to carry out a good irrigation practice for the acreage insured under the irrigated practice.
 - (h) **Water Source** - The source from which water is made available. This includes wells, lakes, reservoirs, streams, aquifers, etc.
- (3) Failure of planted acreage to qualify for insurance under the irrigated practice will result in such acreage being insured under a practice other than irrigated. If no other appropriate practice is available for the acreage, insurance will not be considered to have attached on the acreage.
 - (4) Failure to carry out a GOOD IRRIGATION PRACTICE on acreage properly insured under the irrigated practice will result in an appraisal for uninsured causes against such acreage, unless the failure was caused by unavoidable failure of the irrigation water supply after insurance attached.

NOTE: If a loss is evident, acreage reported as an irrigated practice that qualified as an irrigated practice at the time insurance attached cannot be revised to a non-irrigated practice after the acreage reporting date even if liability stays the same or decreases and even if the insured never applied any water (see exception in PAR. 29 D (8).)

- (5) Insureds are to keep their production separate for acreage insured under the irrigated practice, acreage insured under a practice other than irrigated (or with no practice applicable), and uninsured acreage.
- (6) Insureds are expected to be prepared to provide documentation of the factors that were considered in reporting acreage to be insured under the irrigated practice.
- (7) **FACTORS TO CONSIDER IN DETERMINING ACREAGE TO BE REPORTED AND INSURED UNDER AN IRRIGATED PRACTICE INCLUDE, BUT ARE NOT LIMITED TO:**
 - (a) Water source history, trends, and forecasting reliability;
 - (b) Supplemental water supply availability and usage (including return flow);
 - (c) Pumping plant efficiency and capacity;
 - (d) Water distribution uniformity; and flexibility of the system or district;
 - (e) Water requirements (amount and timing) of all crops to be irrigated;

- (f) Water rights (primary, secondary, urban versus agricultural use, etc.);
- (g) Contingency plans available to handle water shortages;
- (h) Acres to be irrigated, amount of water to be applied, and expected yield;
- (i) Ownership of water (state or federal versus landowner);
- (j) Use of meters and other measuring devices or methods;
- (k) Soil types, soil moisture levels, and pre-plant irrigation needs;
- (l) Water conserving methods, devices, and plans utilized;
- (m) Past crop planting history, trends, and recommended local practices;
- (n) Prudent activities and practices utilized by non-insured producers;
- (o) Irrigation water supply (both quantity and quality) and facilities;
- (p) Recommendations from local CES or NRCS (or other source recognized by CES or NRCS, and other source recognized by CES or NRCS to be an expert in this area) regarding irrigation and crop production; and
- (q) Information the insured knew (or should have known), and when the insured knew (or should have known) such information.

The insurance provider will use the above, and any other appropriate factors necessary to verify whether acreage was properly reported under the irrigated practice. Insureds who need assistance in determining the proper acreage to report for insurance under an irrigated practice should contact their crop insurance agent for information and assistance.

NOTE: See the Prevented Planting Handbook for Irrigated Practice Guidelines for Prevented Planting Coverage.

C Identify Irrigated Acres

The number of acres for which a good irrigation practice can be carried out must be identified and properly reported by the insured as early in the insurance period as possible, but no later than the published acreage reporting date.

D Provide Irrigated Practice Guidelines

Insurance providers are to provide a copy of the "**Irrigated Practice Guidelines**" found in subparagraph B above and in the Prevented Planting Guidelines to all insureds for whom the irrigated practice may apply. The "Irrigated Practice Guidelines" identify factors to be considered in determining the proper acreage to be reported and insured under an irrigated practice. Upon the insurance provider's request, insureds must document the factors they considered in reporting acreage to be insured under the irrigated practice. Insurance providers must verify this documentation whenever a claim for indemnity is made due to failure of the irrigation water supply, as well as anytime the accuracy of the irrigated practice reporting is suspect.

E Regional Irrigation Assessments

- (1) The RMA RO's will assist in a clearinghouse capacity for information concerning regional irrigation assessments in order to identify areas, water districts, aquifers, reservoirs, and other water sources where inadequate irrigation water is suspected.
- (2) The RMA RO may initiate a regional assessment on its own if warranted and may contact insurance providers as well as other appropriate sources for information concerning the availability and quality of irrigation water.
- (3) The RMA RO Director will provide this information to Insurance Services. RMA will issue an Information Memorandum to publish this information to be utilized by insurance providers operating in the affected regions. Each insurance provider is responsible for assuring compliance with these standards.

F Areas Suspected to Have Inadequate Irrigation Water

- (1) All insurance providers are to notify the appropriate RMA RO immediately of any areas they suspect to have inadequate irrigation water quality or quantities, so RMA can develop, update, and distribute the information.
- (2) Areas are to be identified by county, and if only a specific irrigation area or district is applicable, the identification should specify accordingly; e.g., Grant County (Nemaha Irrigation District only). Crops for which an irrigated practice is available that may be affected by suspected inadequate irrigation water should also be identified.

G National Assessment of Irrigation Supply

The Deputy Administrator for Insurance Services will coordinate a national assessment and issue further guidance if necessary.

H Random Reviews

- (1) All insurance providers are to conduct random reviews of policies with acreage reported for insurance under an irrigated practice in areas identified in the regional assessment as having suspected irrigation water inadequacies.
- (2) The minimum number of policies to review (by county) is to be the greater of, one policy or 5 percent of the policies reporting an irrigated practice in accordance with FCIC-14010.
 - (a) If the area identified as having suspected irrigation water inadequacies constitutes only a specific portion of the county, document the determination that the reviews are to be conducted only in that area.
 - (b) The reviews are to be conducted at the earliest possible time after insurance attaches. Findings of any review are to be maintained in the insured's file.
- (3) In addition to the random reviews specified in H (1) and (2) above, insurance providers are to review the adequacy of the irrigation water supply and facilities on all policies for which they are able to determine that:

- (a) an indemnity for failure of the irrigation water supply was paid or denied the previous crop year, or
- (b) the insured failed to carry out a good irrigation practice on acreage indemnified the previous crop year regardless of the identified cause of damage. These reviews are to be made on a case-by-case basis not later than 45 days after the acreage report is received by the agent. Insurance providers are to establish a system to identify such policies in subsequent crop years.

I General Irrigation Data Specific For An Area

The RMA RO Directors will compile data on water needs by crop in their region, normal precipitation figures, and other data considered appropriate to ensure uniform application of these irrigated practice standards. This task will be initiated first in those areas where irrigation problems are anticipated in the near future and/or have existed in the past.

J Adequate Irrigation Water and Facilities

Insurance providers are to determine the adequacy of the irrigation water and facilities.

- (1) The QUANTITY of irrigation water will be considered to be adequate ONLY if the insured can demonstrate to the insurance provider's satisfaction that, at the time insurance attached, there was a REASONABLE EXPECTATION of receiving an adequate quantity of water at the times necessary to carry out a good irrigation practice on the acreage insured under the irrigated practice. See the definition of "Water Adequacy" in 40 B (2) (c) when making determinations of water adequacy.
- (2) For the water quantity to be considered adequate, it also must be of sufficient QUALITY to be acceptable for irrigation purposes (e.g., water with high salt content or other yield-limiting properties may not be acceptable for irrigation or may be acceptable only if the amount used will not restrict the ability of the irrigated acreage to produce a normal crop). The local CES or NRCS should be utilized in making any necessary water quality determinations.
- (3) Water quality is a characteristic of the water supply. Thus, failure of the water quality to be suitable for irrigation would be considered as failure of the water supply. However, to be insurable, such failure must be unavoidable and must occur during the insurance period (e.g., intrusion of saline water during the insurance period caused the irrigation water supply to be unsuitable for the crop). If the insured was or should have been aware of a water quality problem prior to the insurance period, the adequacy of the irrigation water at insurance attachment is suspect and must be determined in order for the irrigated practice to apply.

K Determination and Administration Instructions. The following instructions are to be applied in determining the adequacy of the irrigation water supply and facilities, properly classifying acreage, and administering the standards.

- (1) Insurance Providers are responsible for advising insureds regarding irrigated practice requirements, and determining whether the requirements have been met.

- (2) Acreage properly insured under an irrigated practice, which suffers a water shortage during the insurance period, must be managed consistent with good farming practices to produce the best possible yield under the circumstances. Insureds must take appropriate actions to seek the best possible yields by utilizing farming practices which mitigate, as much as possible, the adverse impacts of insufficient irrigation.
- (3) If the insured has not followed a good irrigation practice by giving irrigation priority to uninsured acreage that results in a loss of production to the insured crop, an assessment must be made for that uninsured loss of production. See (6) below.

EXCEPTION: Producers may allocate life-sustaining amounts of water to their perennial crops (except forage crops) to avoid long term losses to their operations, regardless of whether or not a perennial crop is insured.

- (4) Deny irrigated practice coverage on any acreage reported under the irrigated practice, which is not eligible for that practice.
 - (a) Insure such acreage at appropriate practice other than irrigated if such a practice is available and the acreage qualifies for that practice. Otherwise, the acreage is not insurable.
 - (b) **INSUREDS ARE TO BE INSTRUCTED** to keep production separate for acreage insured under the irrigated practice, acreage insured under a practice other than irrigated (or with no practice applicable), and uninsured acreage.
- (5) If the acreage reported for insurance under the irrigated practice exceeds the capacity of the irrigation facilities and/or water supply reasonably expected at the time of planting (or on the calendar date for the beginning of the insurance period for perennial crops), limit (reduce) the number of acres insured under the irrigated practice to an amount which could have been adequately irrigated.

Example: An insured reports 100 acres under the irrigated practice. It is later determined that, at the time insurance attached, the facilities or water supplies were adequate for only 75 acres but were used on the 100 acres.) Proceed as follows:

- (a) Document the number of acres that are insurable as irrigated (75 acres, in this case).
- (b) Determine, to the extent practical, the highest yielding 75 acres to be the irrigated acres, appraise any reduction in production on the 75 acres caused by applying the available water to the 100 acres, and enter the appraisal on the claim as an uninsured-cause appraisal.
- (c) If only irrigated acreage is insurable in the county for the crop, prepare a revised acreage report showing 75 acres under the irrigated practice. Enter the 25 acres in the "Remarks" as uninsurable acreage due to inadequate facilities and/or water supplies.
- (d) If both irrigated and non-irrigated acreage are insurable in the county for the crop, prepare any claim and/or revised acreage report in accordance with approved procedures.

- (e) If facts support misrepresentation of the reported practice by the insured, document the facts and handle the case under misrepresentation procedures.

(6) Diversion of Water from Insured Crops

Although it is preferred that the insured notify the insurance provider in advance of any diversion, failure to do so will not, in itself, result in appraisals for failure to carry out a good irrigation practice. However, advance notification allows the provider the opportunity to verify the appropriateness of such diversion at the same time that the insured makes the decision to divert the water.

This subsection is intended primarily to address the insured's actions intended or taken to divert water. There may be situations, however, in which the insurance provider determines that the insured should have, but did not, divert water or divert the recommended amount of water to acreage insured under the irrigated practice. In such cases it may be appropriate to assess an appraisal for uninsured causes, unless it can be documented that justifiable circumstances prevented such diversion (e.g., multiple water sources or great distances between acreage, making diversion impractical or impossible).

- (a) Water Diversion within a Crop, When ALL Involved Acreage is Eligible (as stated in PAR. 40 J above) for the Irrigated Practice:

- 1 Verify that a water shortage exists or whether wind and extreme heat conditions have caused evaporation of the irrigation water before the water can reach all areas of the crop, thus, creating a need to irrigate only a portion of the crop that initially was being irrigated (e.g., instead of irrigating the entire pivot which is not receiving enough water to survive, irrigate only half of the crop so that at least this part will survive) and whether recommendations from local CES or NRCS (or other source recognized by CES, or NRCS to be an expert in this area) agree with the insured's intentions or actions taken.

Verify water shortage by verifying the insured's water source and/or supplier (water district, etc). Verify wind and extreme heat conditions by obtaining and documenting the data from the National Weather Bureau for the closest location to the insured acreage and/or other local sources that keep records of wind and temperatures. Based on this data obtain the recommendations of local CES or NRCS as stated above.

- 2 Determine that such diversion is appropriate. Recommendations from local CES or NRCS (or other source recognized by CES, or NRCS to be an expert in this area) should be used to document this determination.
- 3 Document (on an appropriate form) the insured's intention or action taken to divert water on the affected acreage. Include the circumstances affecting your determinations required by 1 and 2 above.

- 4 IF the requirement in 2 above is not met, consider this as failure to carry out a good irrigation practice for the insured crop, and assess any appropriate appraisal(s) representing the additional indemnification anticipated as a result of the diversion.

Use appraised and/or harvested production figures, APH yields, etc., of the acreage or units involved as a guide to establish any appropriate uninsured-cause appraisals that may be necessary to assess against the acreage or unit from which the water was diverted.

- 5 Inspect any acreage involved in the diversion and appraise any insured acreage that is not to be harvested.

- 6 Defer final settlement of claims of this type until total production on all involved acreage can be verified or determined.

- (b) Water Diversion from One Crop Properly Insured Under the Irrigated Practice to Another Crop(s) Properly Insured Under the Irrigated Practice:

Document the circumstances as in (a) 3 above.

- (7) Termination or reduction of production on perennial crops due to failure of the irrigation water supply after insurance attached: There is controversy over whether it is a recommended practice to terminate or reduce a developing perennial crop to enhance tree/vine survival. However, if an insured chooses to do so:
 - (a) Verify that a water shortage exists and that the local CES (or other source recognized by CES to be an expert in this area) has recommended that the insured terminate (remove) or reduce the crop on the affected acreage.
 - (b) Establish a zero per-acre appraisal on acreage for which the crop was completely removed as a recommended practice. If the crop is reduced, but not completely removed, the remaining production is counted in accordance with current procedures for the crop. That portion of the crop removed in accordance with recommendations from the local CES (or from other source recognized by CES to be an expert in this area) will not be production to count in determining any indemnity or for APH purposes.
 - (c) Verify crop termination or reduction at final inspection.
- (8) If the insured fails to carry out a good irrigation practice on acreage properly insured at the irrigated practice, assess an appraisal for uninsured causes representing:
 - (a) the loss of production due to failure to carry out a good irrigation practice, or
 - (b) not less than the guarantee for the acreage if the loss is due solely to uninsured causes.

NOTE: If a loss is evident, acreage reported as an irrigated practice that qualified, as an irrigated practice at the time insurance attached

cannot be revised to a non-irrigated practice even if liability stays the same or decreases, even if the insured never applied any water.

- (9) See the NOTE in paragraph 29 for information regarding acreage report revisions from non-irrigated to irrigated acreage and vice versa.

L When Insureds Are Aware of Water Restrictions, Reductions, Etc.

Insureds who obtain evidence of decreased water allocation due to an insurable cause AFTER insurance begins may report losses due to failure of the irrigation water supply in accordance with the policy provisions. See PAR. A above for information regarding insurability of certain causes resulting in water reduction; e.g., environmental, increased costs, buy-back programs, etc.

Instructions regarding insureds who are advised of (or should otherwise have been aware of) water restrictions, reductions, or diversions by water districts, municipalities, or other water regulatory agencies:

(1) Annual Crops

- (a) If announcement or knowledge of such restriction, reduction or diversion occurs PRIOR to insurance attachment, the insured will be expected to reduce planting accordingly, to plant other less-water-demanding crops, or to take other prudent actions necessary. However, if announcement or knowledge first occurs AFTER insurance attachment, the acreage will be considered as insurable under the irrigated practice, UNLESS information on the situation was such that the majority of producers took prudent actions necessary. In such cases, all insureds under similar circumstances will be expected to do likewise.

(b) Prevented Planting Due to Decreased Water Allocations

Carryover policyholders (those with active policies prior to the current crop year) who have evidence of decreased water allocations due to an insurable cause PRIOR TO planting may report acreage for prevented planting for crops eligible for prevented planting provisions in accordance with the prevented planting provisions in the Basic Provisions. New policyholders are eligible for prevented planting payments only if the peril insured against occurred after the sales closing date for the current year. For more information regarding prevented planting, see the Prevented Planting Handbook.

(2) Perennial Crops

Perennial crop producers seldom have the option to respond to such announcements or knowledge by reducing plantings, other than refraining from planting additional acreage and removing less productive or less desirable plantings. Producers may allocate life-sustaining amounts of water to their perennial crops to avoid long-term losses to their operations, regardless of whether or not a perennial crop is insured. However, all other standards herein are to be followed to safeguard against adverse selection and other unacceptable risk exposure.

M Pre-Acceptance Inspections

Apply these irrigated practice standards to determine the adequacy of irrigation water and facilities when conducting pre-acceptance inspections that are required by current procedures. (Pre-acceptance inspections primarily affect perennial crop first-year policies and acreage increases exceeding 35 percent for a unit.)

N Properly Identifying Cause of Loss

- (1) Insurance providers are responsible for ensuring that damage and losses due to failure of the irrigation water supply are properly identified as such, and are not misidentified as drought, excessive heat, hot winds, etc. The insurance provider **MUST NOT** pay drought losses on acreage insured under the irrigated practice, except where drought has caused the failure of the irrigation water supply, and in that instance, the cause of loss code must be shown as failure of the irrigation water supply, not drought.
- (2) In some areas, it is a normal and recognized practice to prepare furrows for irrigation after the crop is planted and established. In some instances severe, prolonged drought may not allow a crop to mature to a height sufficient enough to allow furrows to be made without severe damage or destruction of the crop trying to establish the furrows. Also, in some instances severe, prolonged drought may cause some soil types to collapse when trying to make the furrows. In either instance, without the furrows, irrigation water cannot be properly distributed to all areas of the field, which may lead to loss of production. If it is determined that the severe drought was the sole reason for the furrows not being made, the resulting loss of production is covered. Confer with the local NRCS and other similar sources knowledgeable in furrow type irrigation operations to help make these determinations. The cause of loss would be coded as ~~Another~~ with supporting documentation explaining why it has been determined that drought was the sole reason the furrows were not made.
- (3) Also, while heat, hot winds, poor pollination, etc., may be appropriate causes of loss on acreage insured under the irrigated practice, the likelihood of such is less than for non-irrigated acreage.

O Notification and/or Reminder of Irrigation Policy Provisions and These Guidelines

Agents, insureds, and adjusters are to be advised of the significance of this issue. It is recommended that documentation of any notification to insureds be placed in each insured's file, particularly in irrigation water shortage areas identified by the RMA RO.

P Center Pivot Irrigation System

Reference. For information regarding center pivot irrigation systems and the corners of the field on which there is a center pivot irrigation system, see PAR. 45 (Unit Structure).

41 NON-IRRIGATED PRACTICE

Explanation. Usually used in combination with irrigation practice (where insurance is offered on both practices) and distinguishes dry-land acreage from irrigated acreage.

42 INITIAL PLANTING PRACTICE (IBR, NIBR, etc.)

- A General Information. If the insured replants the acreage to a different planting practice, the crop will continue to be insured under the practice initially planted and reported even when the crop is replanted by a practice that was uninsurable as an initial planting. This is not applicable to practices such as irrigated, non-irrigated, staked tomatoes, ground tomatoes, etc.; these practices are considered to be production practices rather than planting practices.
- B Claim Instructions. If the insured files a claim for indemnity, the **planting practice** initially reported will be entered in the **practice** column on the claim form and the replanted practice will be documented in the narrative.

SECTION 7 INSURABLE ACREAGE

43 VERIFYING INSURABLE ACREAGE

- A The adjuster must verify that the acreage on which the crop is planted is insurable, in accordance with the policy provisions, and if applicable, the Special Provisions. If uninsurable acreage is detected, notify your next level of supervision, and document on a Special Report the reason why the acreage is uninsurable.
- B In accordance with the Basic Provisions (unless specified otherwise in the crop provisions or Special Provisions), all acreage planted to the insured crop in which the insured has a share is insurable except acreage:
- (1) That has not been planted and harvested within one of the 3 previous crop years, unless:
 - (a) Such acreage was not planted:
 - 1 To comply with any other USDA program;
 - 2 Because of crop rotation, (e.g., corn, soybean, alfalfa; and the alfalfa remained for 4 years before the acreage was planted to corn again);
 - 3 Due to an insurable cause of loss that prevented planting; or
 - 4 Because a perennial tree, vine, or bush crop was grown on the acreage;
 - (b) Such acreage was planted but was not harvested due to an insurable cause of loss; or
 - (c) The crop provisions or a written agreement specifically allow insurance for such acreage;
 - (2) That has been strip-minded, unless otherwise approved by written agreement, or unless an agricultural commodity other than a cover, hay, or forage crop (except corn silage), has been harvested from the acreage for at least five crop years after the strip-minded land was reclaimed.

- (3) On which the insured crop is damaged and it is practical to replant the insured crop, but the insured crop is not replanted;
- (4) That is interplanted, unless allowed by the crop provisions;
- (5) That is otherwise restricted by the crop provisions or Special Provisions; or
- (6) That is planted in any manner other than as specified in the policy provisions for the crop, unless a written agreement to such planting exists.

C See PAR. 40 about restrictions regarding irrigated acreage.

D Insurable acreage may be restricted to the amount allowed under any acreage limitation program established by the United States Department of Agriculture if USDA (RMA) notifies the insurance provider and in turn the insurance provider notifies the insured by the sales closing date.

E Triple and Quadruple Plantings

(1) In accordance with Section 508 A (e) of the Federal Crop Insurance Act (Act), except in the case of double cropping described in subsection (d) of the Act, if a producer elects to plant a crop (other than a replanted crop) subsequent to a second crop on the same acreage as the first and second crop for harvest in the same crop year, the crop acreage will not be insurable.

(2) For the purpose of this subparagraph, and in accordance with ARPA, the following definitions apply:

- (a) **First Crop** – means the first crop of the first agricultural commodity insured and planted for harvest, or prevented from being planted, on specific acreage during a crop year.
- (b) **Second Crop** – means a second crop of the same or different agricultural commodity following the first crop that is planted for harvest on the same acreage as the first crop in the same crop year. However, the term does not include a replanted crop.
- (c) **Replanted Crop** – means the second planting of the first crop on the same acreage in the same crop year, if the replanting is required by the terms of the policy of insurance on the first crop.

F Acreage Under Contract With a Processor

Several crop provisions require that a processor contract be in effect for acreage to be insurable. In addition, the contract must contain a commitment by the processor to purchase the production stated in the contract, and the contract must be executed not later than a specific date. Sometimes there are situations where it is questionable whether all or part of the acreage planted is insurable under the contract provisions. The following provides different situations with answers of whether the acreage is insurable. These situations assume that the acreage otherwise is insurable under the terms of the crop insurance provisions and the actuarial material (e.g., there is no uninsurable land designated in the actuarial tables).

Q 1: What acreage is reported as insurable when the processor contract states that the processor will accept the production from a specific number of acres and the insured plants more than this amount?

A 1: The acreage reported as insurable will be the acreage stated in the processor contract. The remaining acreage must be reported as uninsurable. See question # 4 for instructions on processing a claim for indemnity.

Q 2: What acreage is insurable when the processor contract states a minimum or a maximum number of acres, or both?

A 2: If a minimum number of acres is specified and the insured fails to plant this amount, and the contract contains no provision that makes the processor liable to accept the production, there is no contract and thus no insurable acres. If a maximum number of acres is specified, the acreage to be reported as insurable is planted acres, not to exceed the maximum. Planted acres that exceed the maximum are to be reported as uninsurable. If both a minimum and a maximum are specified, the same rules as stated above apply. For prevented planting purposes, the minimum number of acres stated in the contract will be used if both a minimum and a maximum are specified.

Q 3: If the insured plants more acres than are stated in the processor contract, and the processor is willing to accept the production from the additional acreage, can the processor amend the contract, and is the additional acreage insurable?

A 3: The number of insurable acres is the acres stated on the amended contract if it is amended prior to, or on the acreage reporting date unless otherwise specified in the crop provisions. If the contract is amended after this date, the additional acreage may not be reported as insurable.

Q 4: How will the production to count be determined in situations when the insured plants more acreage than what is insurable under the crop provisions?

A 4: The total production (harvested and appraised) from all planted acreage (whether reported as insurable or uninsurable within each unit will be divided by the number of planted acres to establish the average yield per acre. This yield per acre will then be multiplied by the insured acreage to determine the production to count for the claim and subsequently for APH purposes. This approach eliminates the need to determine which acreage is the insurable acreage (e.g., 40 acres specified in the processor contract and 45 acres planted).

Q 5: If the processor contract does not state the insured's name, is the crop considered as being under contract?

A 5: In most instances, the processor contract must contain the name or names of each individual whose production will be accepted under the processing contract. However, in some cases a person's name may not be listed on the contract even though their share of the production is considered to be under contract by the processor.

In these instances, if the insurance provider can verify that the production will be accepted under the processor contract, then the insurance provider can consider all production under this contract as insurable. Verification that the production is under contract should be documented and maintained in the insurance file.

Q 6: If the processor contract stipulates both the number of acres to be planted and the amount of production to be delivered, which unit division guidelines are effective?

A 6: Acreage insured to fulfill a processor contract which provides that the processor will accept a designated amount of production or a combination of acreage and production will not be eligible for optional units (optional units for green peas may be established based on shell type and pod type).

Q 7: If a producer contracts with more than one processor and plants the crop in one of more fields, how does the insurance provider know what acreage is covered by which processor contract?

A 7: The producer must designate on the acreage report on or before the acreage reporting date, what acreage is under which contract (i.e., the 10 acres in the south part of the field is covered under processor A, the 15 acres in the middle of the field is covered under processor C).

Q 8: What acreage is insurable when the contract contains both an acreage and production figure and the insurance provider verifies that the processor will take all of the production from the listed acres in the processor contract; particularly if harvested production exceeds the production figure listed in the contract?

A 8: All acreage specified in the contract will be insurable.

Q 9: What if the processor contract allows for an acreage tolerance of XX%. Is the insurable acreage still the stated acreage figure on the contract, or can it be increased not to exceed the acreage percentage tolerance.

A 9: The insurable acreage would be up to the amount stated with the tolerance applied. For example, if the stated acres were 100 acres with a tolerance of 5%, then the insurable acres could be up to 105 acres.

SECTION 8 UNIT DETERMINATION

44 UNIT VERIFICATION

Unit verification will be made by the adjuster during an on-the-farm inspection; however, no further DIVISION of optional/guideline units (hereafter called optional units) will be made at loss time. Basic/policy unit(s) (hereafter called basic units) will be corrected when found to be in error.

A Verifying Unit Structure

- (1) Be knowledgeable with (and as needed refer to) unit provisions in the applicable policy provisions or endorsement (or if applicable, unit division guidelines in the **Special Provisions**).
- (2) Use the procedure in PAR. 45 (Unit Structures) below.
- (3) More than one basic unit.

Verify with the insured that the reported shareholders have an interest in the crop. If you suspect or question whether there is an interest or that there are separate insurable interests (such as spouse, children or other household members), contact the insurance provider.

(4) Optional units

Determine that all field requirements are met for qualification (other insurance provider personnel will verify record requirements unless delegated to you):

(a) Optional units by section, section equivalent, or FSN

- 1 Locate fields and verify that there is acreage planted in separate legally identifiable sections or other applicable optional unit separators allowed by the crop policy.
- 2 Visit fields and determine whether planting patterns have crossed optional unit boundaries; e.g., section lines, FSN lines, or other section equivalent boundary lines.

(b) Optional units by irrigated and non-irrigated practice.

Visit the fields and determine if planting patterns and other requirements outlined in this procedure qualify the unit as separate optional units by irrigated and non-irrigated practices.

(c) Optional Units by Unit Division Option

If a Unit Division Option is in effect, the section for the optional unit will be identified by the legal identification of the parcels of land that has been aggregated to form such Asection.@ To verify that such Asection@ qualifies for an optional unit, verify it in the same manner that you would other optional units divided out by section; e.g., planting pattern does not cross section lines, production is kept separate, etc.

B Incorrect Unit structure

Basic units will be corrected at loss time; however, no further DIVISION of optional units will be made at such time. See PAR. 29 D (4).

45 UNIT STRUCTURES

- A Guidelines. Each insured crop has its own unit structure defined in the policy and/or respective endorsement. However, the CAT Endorsement **generally** limits the units available for each insured crop to BASIC units determined ONLY by the crop share arrangement on the date coverage begins for the crop year. Further unit division (examples: type, noncontiguous land, FSA FSN, etc.) as defined in the applicable crop endorsement, **policy provisions, or Special Provisions** are not allowed under the CAT Endorsement. See the CAT Endorsement for the unit definition. All insurable acreage of each insured crop within the unit is the basis for determining coverage, premium, and indemnities.

B Basic Units for Guaranteed Production Tobacco and Quota Tobacco. Unless specified otherwise in the Special Provisions, for Guaranteed Production Tobacco and Quota Tobacco policies with additional coverage, the basic unit consists of all insurable acreage of the crop covered by a single FSA FSN without regard to state or county lines.

C CAT Coverage/Basic Units for Dry Beans and Quota Tobacco

The CAT Endorsement changes the basic unit structure for dry beans and quota tobacco to units by crop share arrangement. However, producers of tobacco for which a marketing card is issued by FSA and who agree to insure 100 percent of the tobacco acreage covered by the marketing card under one policy, are limited to one basic unit for all of the acreage covered by the marketing card. A policy covering all landowners with an undivided interest in the land upon which an insured crop is planted is limited to one basic unit. GRP policies at the CAT level of coverage are limited to one unit per crop per county.

D Unit Structures for Most Crops. For most other crops, the basic unit structures in the policies are as follows, except the CAT Endorsement limits to basic units. See subparagraph E for dry beans: (See applicable policy and crop provisions.)

(1) **Basic Units**

A basic unit for most other crops, is all of the insurable acreage of a crop in the county on the date coverage begins for the crop year in which the insured has:

- (a) **100 percent share in the crop.** This is one basic unit. See PAR. 13 B (1) and C for examples of 100 percent share arrangements.
- (b) **Less than 100 percent share in the crop** (acreage is owned by one entity and operated by another entity on a share basis). A crop shared with each different landlord, tenant, or sharecropper is a separate basic unit. Reversed roles do qualify for separate basic units. See PAR. 13 B(2) and C for various examples of crop share arrangements.

Example: The insured is a landlord on part of the farming operation and a tenant on another part of the farming operation.

NOTE: Varying percentages of shares within a basic unit do not qualify for separate basic units. However, for loss adjustment purposes, production commingled from two or more basic units (including high-risk land excluded from additional coverage and insured under a CAT policy) will be allocated in proportion to the liability for the harvested acreage from the commingled units; see PAR. 115.

(2) **Optional Units**

When the policy allows, land that would otherwise be one basic unit may be divided into optional units according to the optional unit definition contained in the Basic Crop Provisions, Crop Provisions, and/or Special Provisions. Optional units may be available when the acreage of the insured crop is located in separate, legally identifiable sections, section equivalents, or FSA FSN's, whichever applies. Some perennial crops allow optional units for acreage of the crop grown on non-contiguous land and/or for different type/varieties. Most crops allow optional units for irrigated and non-irrigated practices. See subparagraph 45 E below for dry beans.

- (a) **Qualification Requirements.** To qualify for optional units, all of the following must be met:

- 1 For APH crops, **by the Production Reporting Date**, the insured must file acceptable production reports for all planted insurable acreage for at least the most recent APH crop year in the base period that have been arranged according to the optional units that will be requested for the current crop year. (See 3 below for exceptions.) The insured must have supporting records which can be independently verified, of planted acreage and production used to determine the insured's production guarantee for each optional unit.

NOTE: "Files acceptable production reports," as used above, refers to the most recent APH crop year in the base period. When assigned yields are used for the most recent crop year of the base period, optional unit provisions DO NOT apply for the crop/county. Optional units will be combined at the time of loss adjustment if the insured failed to meet any provision required to qualify for optional units. Basic units cannot be further divided into optional units at the time of loss adjustment nor can further division of optional units occur at loss time.

- ***** 2 The crop must be planted in a manner that results in a clear and discernable break in the planting pattern at the boundaries of each optional unit unless a written agreement is provided for this purpose by the RMA RO. Planting means the original planting, including any reseeded or replanting. (Cultivating, disking, mowing, etc., between sections, section equivalents, FSA FSN's, irrigated and non-irrigated practices, etc., after planting or harvesting does not qualify the acreage for optional units.) In addition, if irrigated and non-irrigated practices are carried out within a single section, section equivalent, or FSA FSN:

- a Proper planting and fertilization practices must be carried out for each respective practice; and
- b Records of harvested production must also be maintained separately for each practice.

3 **EXCEPTIONS FOR CROPS REQUIRING PRODUCTION REPORTS (APH RECORDS):**

EXCEPTIONS: Insureds who do not provide production reports for the most recent crop year in the base period may qualify for optional units if either of the following apply:

- a The insured is a new producer who has not produced the crop and is not providing records from another person sharing in the crop, and intends to keep separate acreage and production records by practice, type, or variety according to the optional unit division requirements; or

- b New land or a new practice (irrigated or non-irrigated), type or variety is added to the operation for the current crop year that meets all optional unit requirements, and the insured:
 - i has not produced the crop,
 - ii is not providing records from another person sharing in the crop on that acreage, and
 - iii intends to keep separate acreage and production records according to optional unit provisions.

NOTE: Verifiers (as applicable, RMA RO or insurance providers) have the option of considering a bona fide zero acreage report for a unit as a production report for that unit.

(b) **Separate Optional Units Determined By:**

- 1 **Section**, for most crops, when the Rectangular Survey System is applicable. For the purpose of the unit structure, a section is defined as a unit of measure under the rectangular survey system describing a tract of land usually one mile square and containing approximately 640 acres.
- 2 **Section equivalents**, such as Spanish land grants, railroad surveys, leagues, labors, and Virginia Military Lands in the absence of section descriptions. Each section equivalent must contain 640 acres or more.
- 3 **Separate FSA FSN's:**
 - a in the absence of sections, section equivalents, or other unit division arrangements approved by FCIC;
 - b in areas where survey boundaries are not readily discernable;
 - c in Alabama, Arkansas, Florida, Louisiana, Mississippi, and South Carolina for barley, corn, cotton, grain sorghum, oats, rice, rye, soybeans, and wheat.

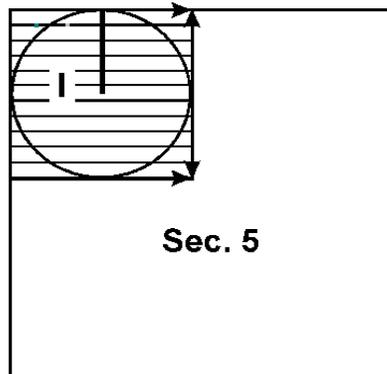
NOTE: See Exhibits 2, 3, 4, and 5 in the CIH for further explanation and illustrations. The boundaries of the section, section equivalent, or FSA FSN must be easily identifiable by the insurance provider without using survey instruments or locating survey markers.

- 4 **Irrigated and non-irrigated practices** within a single section (section equivalent, or FSA FSN) may qualify for separate optional units, provided such division is allowed by the crop policy and all requirements in subparagraph D (2) (a) above are met. For annual crops, this includes the non-irrigated corners of a field in which a center pivot irrigation system is used to irrigate the insured crop.

(c) **Center pivot irrigation systems for all annual crops for which the crop policy permits unit division for irrigated and non-irrigated practices.**

- 1 If the crop's planting pattern/rows continue into one or more non-irrigated corners of the field and the portion of the field irrigated by a center pivot irrigation system (circle), the acreage within intersecting lines drawn at right angles to the radius of the center pivot is NOT eligible for a separate optional non-irrigated unit.

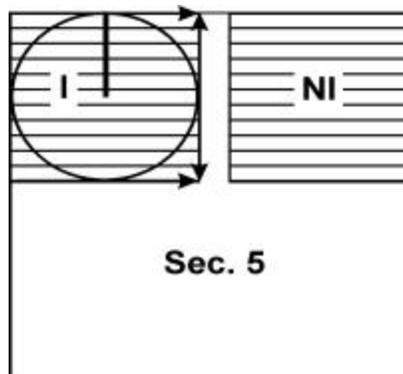
(One Unit)



NOTE: The acres and production from the non-irrigated corners of a field planted to the insured crop may be included in the irrigated acreage. A separate line entry for a non-irrigated practice is not required on the acreage report for the corners of the field when they are considered to be irrigated. Refer the CIH for further information.

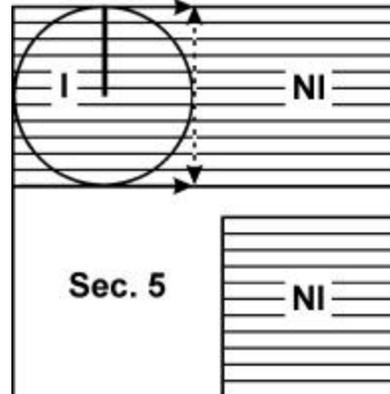
- 2 If the crop's planting pattern/rows continue between the non-irrigated corners of the field and the portion of the field irrigated by a center pivot irrigation system (circle), but do NOT extend into other non-irrigated acreage in the same section, section equivalent, or FSN; other non-irrigated acreage can qualify as a separate non-irrigated optional unit if the requirements in subparagraph D (2) (a) above are met.

(May qualify for two units.)



- 3 If the crop's planting pattern/rows extend beyond intersecting lines drawn at right angles to the radius of a center pivot into other non-irrigated acreage of the crop in the same section, section equivalent, FSN; the insured is not eligible for a non-irrigated optional unit.

(One Unit)



NOTE: The non-irrigated acreage beyond the intersecting lines will require a separate line entry on the acreage report (will be the same unit number as the irrigated acreage). Any other non-irrigated acreage from other fields in the section (or section equivalent) will also be included in the line entry for non-irrigated acreage. The irrigated acreage is limited to the irrigated circle.

(d) **When Optional Units Are Established**

- 1 For crops that require production reports and that are eligible for optional units, insureds must qualify for optional units at the time the APH form is completed and signed by the insured. However, insureds may make the final determination of whether optional units or basic units will apply at the time the acreage report is submitted.
- 2 For all other crops that do not require production reports but are eligible for optional units, optional units are established at the time the acreage report is submitted.

(3) Cranberries

For cranberries, further division of a basic unit is permissible, provided that the requirements in subparagraph D (2) (a) above are met, and that each unit's insured acreage is located in separate tracts of noncontiguous land. Contiguous Land may be defined as Any separate tracts of land owned and/or operated by the insured, whose boundaries touch at any point. Land that is separated by a public or private roadway, waterway, or irrigation ditch is considered as contiguous.

E Unit Structures for Dry and Contract Seed Beans

- (1) **BASIC UNITS.** Acreage planted to dry beans and contract seed beans are separate basic units. For dry beans and contract seed beans, a basic unit is all insurable acreage of dry beans in the county in which the insured has a:
 - (a) 100 percent share, or
 - (b) is owned by one entity and operated by another specific entity on a share basis.
- (2) **OPTIONAL UNITS.** Basic units determined in subparagraph A above may be further divided into optional units by:
 - (a) Bean type shown on the Special Provisions (dry beans ONLY). For more information see the CIH.
 - (b) Section, section equivalent, or FSA FSN (dry beans or contract seed beans IF the contract specifies the number of acres under contract).
 - (c) Irrigated and non-irrigated practices (dry beans or contract seed beans IF the contract specifies the number of acres under contract).
 - (d) Written Unit Agreement (dry beans or contract seed beans IF the contract specifies the number of acres under contract).

NOTE: Optional units are not available for contract seed beans grown under a seed bean processor contract that specifies ONLY an amount of production.

F Written Unit Agreements for Optional Units

The guidelines in the following subparagraphs of PAR. 45 F are as stated in the CIH. The guidelines are restricted to annual crops for which the Basic Provisions or the applicable crop provisions allow for optional units located in separate sections, section equivalents (in the absence of sections), or FSN's (in the absence of sections or section equivalents or where section boundaries are not readily discernable).

- (1) Section equivalent (states of Maine, New York, and Pennsylvania ONLY)
 - (a) Optional units are allowed only when such areas of the listed states HAVE NOT been surveyed using sections or section equivalents, such as Spanish grants, or surveyed using sections or section equivalents and the boundaries are not readily discernable.
 - (b) The specific parcels of land that establish the optional unit boundaries will be identified on a map attached to the approved Written Agreement. (The map may be a county road map, tax map, aerial photo, or other map that identifies each proposed sectional equivalent and optional unit that has been signed and dated by the insured.) Adjusters will use these maps to verify unit and unit production.

(2) Topographical/Physical features (states of Idaho, Oregon, and Washington ONLY)

(a) Optional units are allowed in these states when:

1 Topographical/physical features are not conducive to farming in a manner that conforms to the existing U.S. Rectangular Survey System resulting in inequitable unit division based on sections or section equivalents. (Although surveyed using the U.S. Rectangular Survey System delineating sections, the section boundary lines are not readily discernable due to topographic/physical features (physical features include irrigation systems) that determine the manner in which the land must be farmed.);

2 There is at least 640 cropland acres in the insured's farming operation;

3 Each optional unit established under the written unit agreement contains a minimum of 160 cropland acres, and is separated by permanent boundaries such as permanent field boundaries, fences, waterways, woodlands, physical features (canyons, lakes, rivers, mountains, irrigations systems), roadways, or similar features that are not readily movable.

4 A clear and discernable break in the planting pattern at the boundaries of each optional unit must be maintained.

(b) The approved optional unit must be delineated on a map or photo and show the section locations. The FSN, tract, or multitract number, and field number for each parcel contained in the optional unit must also be noted on a map or photo. (FSA aerial photos/tax maps/county road maps/GIS maps may be used). This map will delineate all optional units established by section or section equivalent according to policy guidelines. The map is attached to the approved Written Unit Agreement.

(c) Only one written unit agreement, by county, will be effective for the insured. The agreement will establish the same optional units for all insured annual crops for which optional units are allowed under the policy provisions, that meets the criteria in 2 (a) above, and that are insured under any applicable policy by any insurance provider (including any qualifying crop subsequently added to the policy).

(d) Tenant/landlord arrangements (companion policies) will have separate written unit agreements and are not required to have the same optional units designated under each agreement. If a landlord and a tenant have different optional units, each entity or policy will have its own approved APH yield and unit arrangement and keep acreage and production records, etc.

(e) If the insured has policies with more than one agent (i.e., individual crops in the same county are insured with different agents), the insured must decide which agent to work with to develop the written unit agreement. The insured must advise all other agents that a written unit agreement has been requested and provide copies of any approved written unit agreement to each agent.

- (3) The adjuster will use the criteria above to verify the insured's qualification for optional units, and must use the maps described in 2 (b) above to verify the location, size of the optional unit(s), and unit production.

G Unit Division Option

For certain areas of Indiana, Illinois, Ohio, and Texas that have not been surveyed under the U.S. Rectangular Survey System or a similar system allowing for "sections" (640 or more acres), insureds may request this option to aggregate two or more (any shape) legally identifiable parcels of land into "sections." By doing this, such land will be eligible for optional units, if allowed by the policy provisions. However, the insured must have complied with the production reporting, record, and planting pattern guidelines specified in the applicable crop policy/endorsement or actuarial documents. Even though such land will be eligible for optional units under this option, the insured still has the choice each crop year of insuring each crop(s) under basic unit(s) or optional units. Refer to CIH.

H Enterprise or Whole Farm Units

(1) General Information

- (a) Enterprise (EU) or whole-farm unit (WFU) coverage may be requested by the insured (in writing on or before the earliest sales closing date for the crop(s) and county insured) if shown as available in the Special Provisions.
- (b) The unit designation remains in effect from year to year unless written notification is provided to the insurance provider by the earliest sales closing date for the crop year for which the insured wishes to change this election.

(2) Enterprise Unit Determination

Enterprise units are available for some crops and counties. The requirements vary for different coverage plans. Refer to the crop provisions for unit composition requirements.

- (a) An EU, as defined in the MPCCI Basic Provisions (may vary for other plans), consists of all insurable acreage of the insured crop in the county in which the insured has a share on the date coverage begins for the crop year, and requires:
 - 1 Two or more basic units of the same insured crop that are located in two or more separate sections, section equivalents, or FSA farm serial numbers; or
 - 2 Two or more optional units of the same insured crop established by separate sections, section equivalents, or FSA farm serial numbers.
- (b) The insured may not combine qualifying basic units or optional units into a EU unless provided for by the applicable Special Provisions. A basic unit structure will be assigned if the insured does not qualify for a EU.
- (c) The insured may select the EU structure for one crop/county and basic/optional units for other crops/counties.

- (d) To allow the insured to elect basic or optional units in subsequent crop years, the insured must maintain ALL required production records for each basic or optional unit within the EU.
- (e) Although the insured must have insurable acreage of the same crop for the current crop year and request the enterprise unit structure by the earliest applicable sales closing date, qualification for the EU will be determined at acreage reporting time when the insured reports all insurable acreage of the insured crop in the county for all basic and/or optional units comprising the EU. Once elected and qualified, a EU may not be further divided except as specified in the individual policy. However, the unit structure may be changed based on information determined to be correct when adjusting a loss.
- (f) If the insured qualifies for an EU, a premium discount based on the insured crop and the number of acres in the unit will apply (refer to the County Actuarial Table).
- (g) A five-position unit number and abbreviation (EU) will be used. The unit designation is shown as 00100EU on the acreage report. (Unless the insurance provider specifies otherwise, do not show EU with the unit number on the claim form.)

(3) Whole-farm Unit (WFU) Determination

A WFU structure is available under MPCCI if shown as available in the Special Provisions (RA and Adjusted Gross Revenue (AGR) have similar concepts). A WFU consists of all insurable acreage of all insured crop(s) in the county in which the insured has a share on the date coverage begins for the crop year. In order to qualify for a WFU, the following unit guidelines apply:

- (a) If the insured selects a WFU coverage:
 - 1 No other unit structure can be selected for the county. (Different unit structures may be selected for other counties insured.)
 - 2 The insured will be required to pay a separate administrative fee for each crop included in the WFU.
- (b) A WFU will be determined when the acreage is reported but may be adjusted or combined to reflect the actual unit structure when adjusting a loss.
- (c) A five-position unit number and WFU abbreviation (WU) will be used. The unit designation is shown as 00100WU on the acreage report. (Unless the insurance provider specifies otherwise, do not show **WU** with the unit number on the claim form.)

SECTION 9 USDA FARM PROGRAM COMPLIANCE

46 CONTROLLED SUBSTANCE VIOLATION

Under the Food Security Act of 1985, any person who is convicted under Federal or state law of planting, cultivating, growing, producing, harvesting, or storing a controlled substance in any crop year will be ineligible for USDA benefits, including crop insurance, for 5 years from the date of conviction.

SECTION 10 HAZARDS CONNECTED WITH PESTICIDES OR OTHER CHEMICAL SUBSTANCES

47 PESTICIDE OR OTHER CHEMICAL SUBSTANCE HAZARDS

- A General Information. Most all pesticides have a period of time that must lapse after they have been applied before it is safe to enter the treated field without wearing protective clothing and equipment. Normally, this is at least the time necessary for sprays to dry and dusts to settle (8-48 hours). Material Safety Data Sheets (MSDS) contain pertinent detailed information about specific chemicals including health hazards, emergency and first-aid, and the safe re-entry period after a chemical has been applied. Some USDA field offices such as FSA and NRCS house MSDS's. Other local agencies may have these data sheets for possible use. In addition, each state has a poison control center which normally carries a toll-free number and maintains a 24-hour consultant service in the diagnosis and treatment of human illnesses resulting from toxic substances. Check with NRCS or FSA for MSDS's or other literature pertaining to pesticide or chemical hazards.
- B Prior to Inspection. At the time the appointment is set up, ask the insured or the insured's representative if the field, orchard, or vineyard to be entered has been treated with pesticides or other chemicals. If the field, orchard, or vineyard is to be treated or has been treated within this time period, reschedule the appointment(s) and document the visit accordingly.

SECTION 11 FSA OFFICE

48 FSA INFORMATION

- A Background
- (1) Although insured producers are not required to certify acreage to FSA, insurance providers may use certain information or documents from the FSA office as one option to verify and/or determine data for loss adjustment inspections if it has not already been done by a previous inspection for the crop year.
 - (2) FSA offices are required to ensure that anyone requesting information on another person is authorized. Identify yourself, the insurance provider you are representing, and provide some kind of evidence that shows that the insurance provider you represent has a policy in effect for the insured. FSA offices have been instructed to accept any one or more of the following documentation as evidence that the insurance provider you represent has a policy in effect for the insured:

- (a) A producer signed FCIC-approved form showing request for cancellation and transfer of the insured's MPCl insurance to the insurance provider for which you are working;
- (b) A claim form completed or partially completed indicating loss adjustment work will be performed for the producer;
- (c) A personal request by the producer;
- (d) A signed statement or telephone call from the producer asking for copying or releasing of FSA documents to a named insurance provider representative (contractor or employee);
- (e) Summary of Insurance Protection (or Schedule of Insurance);
- (f) Notice of Acceptance; or
- (g) A written statement by the agent in the FSA-426, item 10, stating the following:

I certify that the producer(s) listed above has a current policy with the insurance company I represent. This information will be used solely by the insurance company I represent for the express purpose of fulfilling its loss adjustment and compliance obligations.@

- (3) The FSA County Office will provide, without charge to FCIC employees or insurance provider representatives, one copy of the following, when requested for MPCl insureds: FSA 425 and reproduced copies of FSA-578 (Producer Print), aerial photographs, and copies of other forms available to the public. Additional copies of aerial photographs are available for \$1 each. See Exhibit 7.
- (4) FSA offices have been instructed to strikeout (black out) any personal information that does not apply to the specific producer identified on the FSA-426.
- (5) To avoid delays in obtaining copies, work with FSA county office personnel during busy periods, program sign-up, etc., to determine the best times to come into the office to obtain the forms and aerial photographs.

49 INFORMATION REQUESTS

A Requesting Forms, Aerial Photographs, Documents, Etc.

FSA offices require that requests are made on an FSA-426, MPCl/FCIC Information Request Worksheet (Exhibit 7). The FSA-426 is a self-explanatory form that was designed to provide uniformity for processing crop insurance information and as a measurement tool to record the number of requests.

NOTE: Do not make requests on the FSA-426-A for normal loss adjustment activities. The FSA-426-A is to be used only for activities outlined in the FCIC Program Integrity Handbook (4-RM); i.e., reconciliation of discrepancies of data reported by an insured to FSA and the insurance provider and regional compliance office initiated review-activities of insureds who are suspected of program abuse, misrepresentation, or fraud.

B How requests are submitted

The FSA-426 may be mailed, faxed, or submitted in person.

C When the FSA-426 should be submitted

Most FSA offices will require that the FSA-426 be submitted in advance of filling the request. Because of this, it is best to submit the request as soon as possible after receiving the notice of damage.

D Who submits the FSA-426

There is no set procedure on who submits the FSA-426. It can be submitted by the agent, adjuster, supervisor, etc. Each insurance provider should implement a plan that will work best for them and ensure copies are available for subsequent use by insurance provider representatives (employees or contractors).

E Untimely filled requests

FSA offices should have the requests filled within 3 workdays of the receipt of the request. If an FSA office continually takes longer than this, notify the insurance provider. The insurance provider will notify Insurance Services of the situation. Insurance Services will coordinate with FSA to resolve the problem.

50 FSA-425

A General Information. The FSA-425 is a computer-generated form that FSA created for use by FCIC and the insurance providers. The FSA-425 contains quota information for quota tobacco and peanuts. See Exhibit 7 for example.

B Abbreviations/codes

Exhibit 8 contains some of the codes that may be found on aerial photographs. If you are unsure of the codes or abbreviations that appear on the FSA-425 and -578, a listing will be available on the Internet that will define them.

51 VERIFICATION MATERIALS/INFORMATION

A Materials/Information. The following FSA office material and information can be used to verify data and to make determinations.

- (1) Aerial photographs and other required forms or data.
- (2) Existing acreage figures.
 - (a) Identification of permanent fields.
 - (b) FSA measurements which the insured obtained through FSA-measurement service. (Measurements may be used as "Determined Acres" for loss adjustment purposes as outlined in PAR.70.)
 - (c) Identification and measurements obtained from large-scale aerial photographs. See PAR. 70 regarding "Determined Acres."

- (d) Cropland acres from the FSA-578 (Producer Print) to use in calculating eligible prevented planted acreage. See the prevented-planting procedures in the Prevented Planting Handbook.
- (3) Insured's entity recorded with FSA to compare against entity recorded with the insurance provider for crop insurance purposes. (The entities should agree; if they do not, further research is needed to establish the correct entity.) Also see PAR. 14.
- (4) Insured's share reported on the FSA-578 (Producer Print) (used to compare with share reported to the insurance provider for insurance purposes). See PAR. 13.
- (5) The FSN and/or legal description of land (used to compare FSN and legal descriptions recorded on the insured's acreage report and any other crop insurance document where it is pertinent, such as APH forms, etc).
- (6) Information from FSA-425 (peanut or tobacco marketing cards if information cannot be obtained from FSA-425) and MQ-108-1, Report of Unmarketed Tobacco (needed to complete claims). See crop handbooks for information needed.
- (7) Information from the FSA-1007, Inspection Certificate and Sales Memorandum (needed to complete peanut claims). See crop handbook for information needed.
- (8) Any other information that may be helpful or is needed or required in procedures for determinations or verification purposes.

PART 3 ON-THE-FARM INSPECTION

SECTION 1 TYPES OF INSPECTIONS

52 GENERAL INFORMATION

There are only two types of inspections: indemnity inspections and special contract services inspections, such as Crop Inspections, Growing Season Inspections, etc.

53 INDEMNITY INSPECTION - PRELIMINARY

A When Required. Preliminary inspections are required when insureds give notice of damage before the time of harvest to: (1) replant, (2) obtain consent to put acreage to another use, or (3) abandon the crop. **Be aware that:**

- (1) Written consent must not be given until you are satisfied:
 - (a) It is no longer practical to replant to the same crop when consent is being given to go to another crop and to finalize the claim. Winter and spring types are considered the same crop - see exception for spring crop planted in counties having only winter types in PAR. 55 A (3). See PAR. 55 A (2) or definition for "Practical to Replant" and for crop policy/provisions requiring processor contracts.
 - (b) It is possible to make an accurate appraisal of potential production. Certain types of damage or conditions require delays in appraisals; e.g. frost, freeze, hail, crop is still in dormancy, etc. See PAR.'s 75 and 77 for details. Appraisals must represent the maximum potential production that could be expected with normal weather conditions and proper crop care from the time of the appraisal through the completion of harvest.
- (2) Written consent to put acreage to other use is considered given by the insurance provider when acreage has been appraised and when the insured and adjuster sign the claim with such appraisal. **HOWEVER:**
 - (a) If the acreage HAS NOT been put to other use and the acreage is harvested, the insurance provider reserves the right to make a determination based on harvested production rather than the appraised potential production.
 - (b) The acreage can be re-appraised if harvest becomes general in the county (area) or additional damage occurs.
 - (c) For some crops, such as table grapes, the crop provisions indicate that the insured must not destroy the damaged crop (or take it to another use) until the EARLIER of 15 days from the date the insured gave notice or the insurance provider gives written consent to do so. For this reason insurance providers should make every effort to inspect and appraise the potential production within 15 days of the insured's notice of loss. See the applicable crop provisions.

- B During the preliminary inspection inform the insured that:
- (1) If acreage is put to another use without written consent, an appraisal will be assigned for such acreage of not less than the amount of the production guarantee. This may result in no indemnities being paid, but premium will be charged.
 - (2) When prior written consent is given and the acreage is not put to another use before harvest, or the acreage is harvested, the indemnity will be determined without regard to the written consent or appraisal made. **(Replanting to the same crop under any practice is not putting the acreage to another use. See PAR. 55 A (3) for exception.)**
- C Claim Completion Instructions. Refer to individual crop handbooks for completion instructions for a preliminary claim for indemnity.
- D Prevented Planting or Late Planting Instructions. For specific instructions regarding preliminary inspections involving late planted acreage see PART 5 of this handbook. For specific instructions regarding prevented planting acreage, see the Prevented Planting Handbook.

54 REPLANT PAYMENT INSPECTION AND CERTIFICATION

A General Information

- (1) There are two types of replant inspections, on-the-farm replant inspections and self-certification replant inspections. At the discretion of the insurance provider, the self-certification replant inspection may be used for certain crops with 50 gross acres (before share) per unit or less to be replanted. The self-certification replant program allows an insured consent to replant and receive replanting payments without a crop inspection. If there is any reason to suspect that the insured will misrepresent information regarding the replanting claim, an on-the-farm replant inspection should be conducted.
- (2) For specific replanting questions general to replanting requirements (also includes crops to which a replanting payment is not applicable) refer to PAR. 55.

B On-the-Farm Replant Inspection

- (1) The insurance provider, upon receiving the notice of damage, will assign the claim as a Preliminary Inspection. The adjuster will determine at the time of inspection if it is a final inspection.
- (2) The adjuster upon field inspection will determine if the unit qualifies for a replanting payment based on the provisions of the individual crop policy or endorsement.
- (3) See individual crop handbooks for completion instructions for preliminary and final replant claims.

- (4) Decisions regarding whether or not the unit qualifies for a replant payment will be made on the basis of:
- (a) The Date of the Initial Planting
- Crop acreage planted earlier than the initial planting date specified in the Special Provisions for the applicable crop and county is not eligible for a replanting payment. However, if acreage is replanted after the earliest planting date, and then this acreage is replanted a second time, the acreage replanted a second time may be eligible for a replant payment.
- (b) The Acreage Damaged
- 1 The acreage to be replanted must be at least the lesser of 20 acres or 20 percent of the insured planted acreage for the unit as determined on the final planting date or within the late planting period if a late planting period is applicable. (This is not applicable to forage seeding.)
- NOTE 1:** Acreage planted after the final planting date for crops not having late planting periods or after the late planting period for crops having late planting periods, will not be considered in determining the 20 acres or 20 percent of insured planted acres to qualify for a replanting payment.
- NOTE 2:** For Enterprise and Whole Farm Units, the 20 acres/20 percent rule applies to the total acreage for the damaged crop (e.g., corn) in the Enterprise or Whole Farm Unit.
- 2 If this determination cannot be made because additional insured acreage on the unit is to be planted and the minimum may not be met, consent to replant may be given, but the replant claim is to be handled as a preliminary replant inspection as instructed in the appropriate crop handbook and below.
- (c) An appraisal of potential production cannot exceed the amount stated in the crop policy. See the individual crop provisions for specific amount.
- (d) A previous replanting payment must not have been made on the same acreage for the same crop year.
- (e) For wheat, replanting must take place no later than 25 days after the spring final planting date. (Replanting payments do not apply to wheat having **ONLY** a fall final planting date.)
- (5) If the unit qualifies for a replant payment, the notice will be changed from a preliminary notice to a FINAL notice (Final replant claim) utilizing a Certification Form (Exhibit 11).
- (6) An acreage report must be submitted with the final replant claim, if not previously submitted. If the acreage report is revised for the replant units after submission of a replanting payment (final) claim, a corrected claim must be submitted with the revised acreage report.

- (7) A Certification Form cannot be accepted until the ENTIRE unit has been INITIALLY PLANTED. The adjuster must have the completed Certification Form (by personal contact or otherwise) prior to signing the claim form.
- (8) Certification Form spot-checks should be conducted regularly by the adjuster. The insurance provider will determine the number of reviews to be conducted. Any questionable Certification Form should always be reviewed.
- (9) If the unit did not qualify for a replant payment but later has a routine final claim filed, the original preliminary inspection entries should be reviewed and corrected as necessary.
- (10) Replant payments, as determined by individual crop policy, endorsements, or crop provisions, will be based on the insured's actual cost per acre not to exceed the amount specified by individual crop policy, endorsement, or crop provisions.

Some crop provisions allow that if more than one person insures the same crop on a share basis, a replanting payment based on the total shares insured by the insurance provider may be made to the insured person who incurs the total cost of replanting. Payment will be made in this manner only if an agreement exists between the insured person(s) which requires one person to incur the entire cost of replanting or gives the right to all replanting payments to one person. Refer to applicable crop handbooks and specific Crop Provisions for more information. The amount of the replant payment paid cannot exceed the total sum that each is entitled to receive under the respective replant policy provisions.

Example:

There are three parties sharing in the crop. Each insured has one-third share in the crop. There has been 80 acres replanted. Insured A and B have additional coverage with insured A having a \$5 price election and insured B having a \$3.75 price election. Insured C has CAT coverage. Insured A incurs the total replant costs and there is an agreement between all parties for insured A to receive a replanting payment based on the total shares. If, in accordance with the replant provisions for the crop, the maximum amount that each individual can receive is as follows:

Insured A: 8 bu. X \$5 price election X 80 acres X .333 share = \$1065.60 (rounded to \$1066.00)

Insured B: 8 bu. X \$3.75 price election X 80 acres X .333 share = \$799.20 (rounded to \$799.00)

Insured C: \$0.00. No payment is allowed on insured C's share since replant payments are excluded from CAT coverage

The maximum replant payment that insured A is entitled to receive is \$1865.00 (\$1066.00 + \$799.00 + \$0.00).

- (11) If the insured replants the acreage to a different planting practice, the crop will continue to be insured under the practice originally planted and reported even when the crop is replanted by a practice that was uninsurable as an original planting. (This is not applicable to such practices as irrigated, non-irrigated, staked tomatoes, ground tomatoes, etc.; they are considered **production**

practices rather than **planting** practices. This is also not applicable to skip-row planting patterns for cotton.) If the insured files a claim for indemnity, the practice originally reported will be entered in the appropriate column for practice on the claim form, and the replanted practice will be documented in the narrative.

- (12) Some crop provisions have a liability limitation when the crop is replanted by a practice that was uninsurable as an original planting. Specific claim preparation instructions will be found in the applicable crop handbooks.

C Self-Certification Replant Inspections

(1) General Information

(a) If authorized by the insurance provider, the self-certification inspection can be used on the following crops provided replanted acreage will be 50 gross acres (before share) or less on a unit and the unit acreage qualifies for a replanting payment in accordance with policy/endorsement replanting provisions. **Authorized crops: corn, dry beans, grain sorghum, popcorn, peanuts, soybeans, sugar beets, sunflowers, and spring wheat (if replant payment allowed by crop provisions and/or effective endorsement).**

(b) No provisions of the contract are waived. As outlined below, the Self-Certification Replant Worksheet (Exhibit 12) will be used in lieu of the on-the-farm-visit and in place of the Certification Form. The APPROVED Self-Certification Replant Worksheet constitutes the insurance provider's determination that all replanting payment requirements are considered to have been met.

(c) To claim a replanting payment, the insured must give notice of damage to his/her insurance provider prior to obtaining consent to replant without an inspection. (The agent CANNOT give consent to replant without an inspection.) The insurance provider upon receiving the notice of damage will prepare the claim form as a Preliminary Notice.

(d) A Self-Certification Replant Worksheet is mailed to the insured when insurance provider consent is given to replant. A form letter provided by the insurance provider which highlights the insured's requirements will be attached to the worksheet.

- (2) Prior to mailing the Self-Certification Replant Worksheet to the insured, the adjuster will:

(a) Contact the insured to determine if the insured's damaged acreage to be replanted is 50 gross acres or less per unit and if the unit acreage will qualify for a replanting payment.

1 Unit replanting acreage qualifications are based on the same qualifications as in subparagraph B (4) (a)-(d) above.

2 If this determination cannot be made because additional insured acreage on the unit is to be planted and the minimum may not be met, consent to replant may be given, but handle as a preliminary replant inspection with an on-the-farm visit.

- 3 Refer to subparagraph B (9) above if the unit does not qualify for a replanting payment at this time.
 - 4 Damaged acreage appraisals will be based on the insured's judgment that the potential production from the damaged acreage will not exceed the amount stated in the applicable policy. Obtain the insured's estimated yield per acre to determine this, and enter in item 18 of the worksheet. The insured must certify to this information by completing and signing the worksheet.
 - (b) Complete as many items as possible from information obtained from the insured's file folder information and/or from the insured. Circle the uncompleted items that are to be completed by the insured. (Completion instructions are included in Exhibit 12.)
- (3) The insured is to be advised:
- (a) To review the Self-Certification Replant Worksheet items completed by the adjuster, line through any incorrect information, insert the correct information, and initial any changes;
 - (b) To complete the circled uncompleted items on the worksheet (upon replanting the acreage), sign and date, and immediately return the completed worksheet to the person/office instructed by the insurance provider;
 - (c) To submit a copy of receipts to support his/her actual replanting cost;
 - (d) That further notification is required if additional acreage will need to be replanted;
 - (e) That a crop inspection is required at any time the total (cumulative) replanting payment acreage will exceed 50 gross acres for a unit;
 - (f) That the acreage replanted in EXCESS of 50 gross acres for a unit WITHOUT a farm visit and a crop inspection by us, WILL NOT be eligible for a replanting payment;
 - (g) That a random review will be conducted on self-certification replants;
 - (h) That the replant payment cannot be processed until ALL acreage for the unit has been planted, and the insured reports the unit acreage to his/her agent; and
 - (i) That it's the insured's responsibility to report ALL other acreage planted for all insured crops to his/her agent prior to the acreage reporting date for the crop and county.
- (4) A Self-Certification Replant Worksheet cannot be approved until the entire unit has been initially planted.
- (5) The adjuster (or other authorized employee) will review the insured's completed worksheet and attached receipts to verify eligibility for a replanting payment in accordance with policy/endorsement provisions (see subparagraph B (4) above

and B (9)-(10) and any procedural restrictions for self-certification before signing and dating the completed worksheet.

- (6) For the applicable replant unit(s), compare the reported acres, practice, etc., shown on the acreage report against the acres, practice, etc., shown on the replant worksheet.
 - (a) If there is a discrepancy in acres and/or practice which would result in a lower premium when the replant claim is processed, contact the insured to clear up the discrepancy or make an on-the-farm visit to determine the acres and/or practice. If an on-the-farm-visit is not made, the insured must be in agreement with the reduction in premium as a result of the reduced acres or different practice.
 - (b) The insured should understand that if the liability is reduced as a result of the information on the replant worksheet and the acres/practice determined at final loss time results in a greater liability than the unit liability established by the insured on the replant worksheet, the unit liability at time of final loss will be held to the unit liability reported for the replant claim. Also, any production from any under reported and/or unreported acreage will count against the adjusted guarantee.
- (7) If an initial acreage report has not been previously submitted and processed by the insurance provider, it must be submitted and processed before the replant claim can be processed.
- (8) If the acreage report HAS NOT been received by the agent by the acreage reporting date, but the Self Certification Replant Worksheet was received prior to that date; the acreage on the replant worksheet will be considered the timely reported acres for the crop. Contact the insured and do a field inspection.
 - (a) Determine all insured and uninsured acreage for the unit(s) for which a replant payment has been claimed, and prepare an acreage report accordingly.
 - (b) Any insurable acreage not reported on the replant worksheet at this time is considered late filed and will require a crop inspection to determine if such acreage will be accepted or rejected, as outlined in PAR. 64.

NOTE: If crops other than the crop reported on the worksheet has not been reported by the final acreage reporting date, the insurance provider will determine whether the inspection will include determinations for a late-filed acreage report for the unreported crop(s). For example, the acreage reported on the Self-Certification Replant Worksheet was for soybeans; however, the insured has a policy for corn and grain sorghum but failed to timely report the acres for these two crops.

- (9) If the acreage report is revised after submission of a replanting payment (final) claim, a corrected claim must be submitted with the revised acreage report if it affects the replant unit.
- (10) After confirming that the insured acreage for the unit is eligible for a replanting payment, and any discrepancy on the acreage report and replant worksheet have been resolved:

- (a) Change the notice from a Preliminary to a Final Replant Claim.
 - (b) Transfer the information from the worksheet to the claim form in accordance with completion instructions in the crop handbook for replanting payments, with the exception of obtaining the insured's signature. Enter "See attached" on the line for the insured's signature, and enter the same date the insured signed the worksheet.
 - (c) Attach the worksheet original and receipts to the insurance provider's copy of the claim form.
 - (d) Attach a copy of the worksheet to the insured's copy of the claim form.
- (11) Self-Certification Random Reviews
- (a) Insurance providers are to establish a system to monitor the disposition of self-certification replant worksheets, and implement a random review of not less than 10 percent of the replanted policies based on the self-certification inspections in accordance with FCIC-14010.
 - (b) Random reviews are to be assigned and completed prior to processing the Replant Claim for payment. These reviews must have priority above all other reviews.
- (12) If there is any reason to suspect misrepresentation by the insured for this type of inspection, do not allow the insured to self-certify a replant claim. An actual field inspection must be completed in this type of situation.

D Replant Payments Offsetting Amounts Due

Replant payments are not to be used to offset amounts due (i.e., premium, interest, or overpayments), unless the insured agrees to this.

55 REPLANTING PROVISION ISSUES

This section applies to crop provisions that have replanting provisions regardless of whether the crop provisions also include replanting payment provisions.

A When an Insured Must Replant (Annual Crops)

- (1) Most crop provisions indicate that damaged insured acreage must be replanted in order to maintain insurability when the crop acreage is damaged before the final planting date to the extent that a majority of producers in the area would not normally further care for the crop, and the insurance provider determines it is practical to replant the insured crop. Some crop provisions may contain different or additional language that is specific to that crop. Refer to the appropriate crop provisions (or, if applicable, a stand-alone crop policy) for specific language.

If the insured has given notice of damage when it is still practical to replant, advise the insured of these provisions and if applicable, replanting payment provisions provided in the crop policy or endorsement. Do not release such acreage for other use until it is no longer practical to replant. If it is practical to replant and the insured does not replant, see subparagraph B below. See PAR. 54 for Replanting Payment Inspections if replant payments are applicable.

(2) PRACTICAL TO REPLANT

The determination of whether it is practical to replant is made by the applicable insurance provider after loss or damage to the insured crop. These determinations must be based on all factors including, but not limited to moisture availability, marketing window, condition of the field, and whether the replanted crop can attain maturity prior to the calendar date for the end of the insurance period. It will not be considered practical to replant after the end of the late planting period (or final planting date if no late planting period is applicable) UNLESS replanting is generally occurring in the area. Unavailability of seed or plants will not be considered a valid reason for failure to replant, unless otherwise provided in the specific Crop Provisions or Special Provisions. (See notes below.)

NOTE 1: Some crop provisions may provide additional or modified requirements/factors in order for it to be considered practical to replant, such as, the additional items stated in examples below. Refer to the specific crop provisions for this information.

Examples:

Some crop provisions, for which processor or seed contracts apply, contain language stating that it is not practical to replant if the production from the replanted acreage cannot be delivered under the terms of the contract or the processor/seed contractor does not agree in writing to accept the production from the replanted acreage. Some crop provisions for which processor contracts apply, state it is not practical to replant if the replanted acreage cannot produce at least the specified percentage of the approved yield and the processor agrees in writing to accept the production from the replanted acreage (e.g., processing sweet corn, processing beans, processing tomatoes, and green peas).

The Sugar Beet Crop Provisions state it will not be considered practical to replant 30 days after the initial planting date for all counties where a late planting period is not applicable unless replanting is generally occurring in the area.

(3) Spring Wheat Replanted In Counties Having Only Fall Planting Dates:

If the insured-s planted winter wheat is damaged to the point there is a loss situation and the insured wishes to plant the winter wheat acreage to a spring variety, the claim will be finalized based on the insurance provider-s appraisal of the winter wheat crop. The spring-planted variety would not be considered replanted to wheat since spring wheat is not insurable in these counties. HOWEVER, if the insured inter-seeds the spring variety into the existing winter variety, DO NOT finalize the claim. The winter wheat will continue to be insured. See subparagraph G below.

B When It Is Practical to Replant

If the insurance provider determines it is practical to replant any acreage (subparagraph A (2) above), it cannot be released to go to another crop. If the insured does not replant or is going to plant to another crop; the insurance provider:

- (1) WILL NOT pay an indemnity on such acreage; and

- (2) WILL revise the acreage report to remove such acreage and the acreage must be designated as uninsurable in the "remarks" section of the acreage report.

C When It Is Determined That It Is (Was) IMPRACTICAL to Replant

(1) **Insured notifies insurance provider of intent to replant, but the insurance provider determines that it is TOO LATE TO REPLANT.**

- (a) During the farm visit, appraise the acreage. Inform the insured that the insurance provider no longer considers it practical to replant the crop (subparagraph A (2) above), but the insurance provider will release the acreage for ANOTHER USE. **(Replanting to the same crop (even to a different practice) IS NOT putting the ACREAGE to another use. See exception in subparagraph A (3) above.)** If the entire unit acreage is damaged, the claim can be finalized AFTER the insured certifies that the entire unit acreage was put to another use. (If the entire unit is released to go to another use, a Certification Form must be left with the insured, see PAR. 56.)
- (b) If the insured replants rather than putting the acreage to another use, inform the insured of the following:
- 1 IF it is a crop which has a replant-payment provision, no replant payment will be made on such acreage,
 - 2 The claim cannot be finalized at this time,
 - 3 The greater of, harvested and/or appraised production (from appraisal before replanting) from the replanted acreage will be counted against the guarantee, and
 - 4 If an indemnity is later claimed on the unit, any loss of production (reappraised and/or harvested) below the initial appraisal will be assessed against the guarantee as an uninsured-cause appraisal. HOWEVER, if comparisons of surrounding acreages reveal that the replanted acreage would have suffered all or part of the additional damage even if the acreage had not been replanted, adjust the uninsured-cause appraisal accordingly.

NOTE: Document all facts. Anytime the replanted-acreage production is less than the initial appraisal and you have determined that the additional loss of production should not be assessed against the production guarantee as described in (1)(b)4 above, indicate why and how you arrived at your figures.

(2) **Insured Does Not Notify Insurance Provider of Intent to Replant**

If the insured replants without giving proper notification of damage and the insurance provider determines that the replanting was done later than was practical to do so (subparagraph A (2) above), any potential production lost as a result of this will be assessed against the production guarantee as an uninsured-cause appraisal. If the potential production lost can be solely attributed to the late replanting, an uninsured-cause appraisal of NOT LESS than the PRODUCTION GUARANTEE will be assessed against the acreage.

D Replant Provision/Herbicide Usage

- (1) When an herbicide has been properly applied as a recommended farming practice, and the label restrictions prohibit replanting the crop by the final planting date, replanting the acreage will generally be considered impractical. The individual circumstances should be documented using label restrictions and local CES information to make individual determinations.
- (2) Advise the insureds that to protect their interest in determining the impracticality to replant they should notify the insurance provider of the circumstances in order to provide timely documentation of the facts.
- (3) No standard response can be given as to the practicality to replant in this situation. Every case may have varied conditions that will affect the decision. Included in these conditions are the following:
 - (a) Label restrictions for herbicide used;
 - (b) Crop variety;
 - (c) Planting date;
 - (d) Soil, moisture, and temperature conditions; and
 - (e) Stage of plant growth;

E Availability or Cost of Seed/Plant

Unless specified otherwise in the definition of Practical to Replant in the individual crop provisions, availability or cost of seed/plants IS NOT a consideration in determining if it is practical to replant. The insured must pursue normal options to obtain necessary seed to replant (if necessary) in the same manner that a noninsured producer would make prudent management decisions.

F Planting Other Acreage in Lieu of Replanting the Acreage Initially Planted

- (1) Susceptibility to plant disease, susceptibility to damage due to soilborne insects or herbicides, blowing ground, or other soil conditions may make it impractical to replant on the initially-planted acreage. The insured IS NOT allowed to receive a replanting payment on other acreage planted to replace the initially-planted and subsequently destroyed acreage. Any such "replacement" acreage is treated as any other initially-planted acreage.
- (2) If it is not practical to replant the crop on the initially planted acreage, the insured must elect whether to carry the crop to harvest or receive consent for other use. Follow all instructions for the appropriate preliminary or final inspections as outlined in the crop handbook.

G Replanting on Interplanted Acreage

- (1) There is no specification in the endorsement/policy as to how a crop is to be replanted. However, if a replanting method contributes to any subsequent loss of production, such loss should be reflected in an appraisal for production lost due to uninsured causes.

- (2) An existing stand does not have to be destroyed prior to replanting in order to qualify for a replanting payment as long as the acreage being replanted meets the minimum requirements in the policy/endorsement. If the insured chooses to interplant a spring variety with a winter variety, for example, the insured's inability to market or loss of value of the production because of the mixed classes is not insured against. If subsequent damage occurs which lowers the quality of the crop due to insurable causes, a determination of the value of the grain WITHOUT consideration of its mixed status must be made to determine the extent of any quality adjustment.
- (3) In all replant claims, the actual cost of replanting must be considered when making the replant payment. The policy/endorsement specifies that the replant payment cannot exceed the actual cost of replanting. In cases of interplanting, it is even more important to ascertain the actual cost of the replant operation to assure that the replant payment claimed does not exceed this cost.

H Inability of Insured to Replant

No potential production will be assessed to acreage the insured has destroyed with consent to replant if, due to weather and/or soil conditions, the insured is unable to replant. However, if it is determined that the insured could have replanted within the time frame that it was still practical, prepare a revised acreage report designating the acreage as uninsurable (see PAR.'s 28-29 for revised acreage report instructions).

I Inspection to Release Acreage to be Replanted

Even though a crop or crop coverage may not be eligible for replanting payments, a majority of the crops still have replanting requirements, and the insured must provide notice of damage as described in preceding paragraphs.

- (1) In all cases, the insurance provider representative, or other party responsible for recording notices, will record the notice of damage or loss and forward the notice to the person or office designated by the insurance provider to assign losses to adjusters.
- (2) The adjuster will contact the insured to determine the insured's intent for handling the damaged crop and to determine whether a field inspection is required. The insured will be informed that if a field inspection is not performed, the insured should be prepared to show original seed receipts/tickets and other supporting receipts/tickets to support that the crop was initially planted and replanted in case of an audit or final loss to this unit.
- (3) Determinations that field inspections are not required, must be fully supported by information documented in the insured's loss claim file, based on contact with the insured or the insured's authorized representative.

NOTE: Notices of damage MAY NOT require a field inspection when the crop provisions do not provide for replanting payments (or replant payments are not applicable because the policy has CAT coverage) for the crop and crop damage is consistent with other producers' crop damage in the area, and the other producers are replanting. See (5) below.

- (4) When the notice of damage is cleared without a field inspection, consent to replant will be considered given to the insured when the adjuster:
 - (a) documents why the insured's claim file does not require a field inspection, and
 - (b) closes the notice of damage.
- (5) A field inspection **MUST** be completed **WHEN**:
 - (a) Policy provisions provide for replant payments (except self-certification replant inspections and policies with CAT coverage);
 - (b) An insured requests consent to put insured acreage to another use;
 - (c) There is reason to suspect poor farming practices or uninsured causes of loss;
 - (d) Damage is inconsistent with other crops in the insured's area;
 - (e) There is any need to document actual field crop conditions; or
 - (f) It becomes evident (from contact with the insured or general crop conditions) that these insured crops have been damaged to the extent that replanting would be required, but the insured does not intend to replant the insured acreage. An inspection is required in order to determine practicability to replant and therefore insurability of the damaged acreage.
- (6) No potential production will be assessed to acreage the insured has destroyed with consent to replant (with or without a field inspection if, due to weather and/or soil conditions, the insured is unable to replant). However, if the insured could have replanted within the time frame that it was still practical, the acreage must be considered uninsured and the acreage report revised accordingly.

56 PURPOSE OF THE CERTIFICATION FORM

A Uses of the Certification Form

Prepare the Certification Form upon completing:

- (1) A replant inspection (for a replant payment) or;
- (2) The "final" inspection when any of the following apply:
 - (a) ALL the acreage on a unit has been appraised to be put to another use, and it is expected that the insured's intentions for such other use will not change.
 - (b) Mature appraised or harvested production with applicable quality adjustment is declared zero value (due to insured causes). See PAR. 85 J for zero value-harvested production.
 - (c) Production records are not readily available, for certain crops (or unavailability of price information to determine production value, if required to complete a claim; e.g., the value of cherries is not available until the marketing pools close. See PAR. 59 C 3.

- (d) The crop can never be mechanically harvested. The insured must sign a certification statement on this form as instructed in PAR. 75.
 - (e) The requirement to destroy an immature or mature crop or put an immature crop to another use on the entire unit before indemnification is waived due to wind and soil conditions as indicated in PAR. 123. The insured must sign a certification statement on this form as stated in PAR.123.
 - (f) The insured wishes to allow gleaning of the crop or remaining crop. The insured must sign a certification statement on this form as stated in PAR. 82 G (2).
- (3) See Exhibit 11 for Certification Form completion instructions.
- B When Insured is to Return Certification Form. The insured returns the Certification Form to the person or office designated by the insurance provider when, as applicable:
- (1) The acreage has been replanted,
 - (2) Put to another use,
 - (3) The production with zero value, as described in A 2 (b) above, (due to an insurable cause) is destroyed, or
 - (4) The production records have been received as indicated in A 2 (c) above.
- C Adjuster Review of Returned Certification Form. When the insured signs and returns the Certification Form with a proper indication of "Replanted" or "Other Use" of the acreage, review all data on the Certification Form and claim.
- (1) If all data on the Certification Form and the claim agree, the adjuster signs and dates the claim form. (The claim will have been prepared as a "Final" during the appraisal inspection, and signed by the insured.) After receiving the certification form, the adjuster must have the certification reviewed and the claim signed and returned to the insurance provider within the time frame designated by the insurance provider.
 - (2) If any data on the Certification Form and the claim do not agree, the adjuster **MUST NOT** sign the claim form. The adjuster will make another farm visit. If, during the subsequent farm visit, the adjuster still does not agree with the information on the claim, the claim will be voided and a new claim prepared based upon the facts found on the farm visit.
- NOTE:** In the case of mycotoxin-infected production that the insured is required to destroy under Federal or State laws, another farm inspection is required to verify that the production has been destroyed. (The affected production should be destroyed in accordance with any applicable State or Federal regulations.) See PAR. 91 for information pertaining to mycotoxins.
- D Claim Form Completion Instructions. Refer to the individual crop handbooks.

57 INDEMNITY INSPECTION - FINAL (INCLUDING NO INDEMNITY DUE CLAIMS)

A final inspection must be made in order to document production, acreage, insured and uninsured causes of loss, and all other pertinent entries to determine the amount of indemnity, unless the notice has been withdrawn or cleared.

- A Field Visit. To make adequate determination, actual visits to the field(s) where the crop is/was grown must be made.
- B Information to Consider. Consider information from preliminary inspections, and review the determinations of any previous inspection(s), if any.
- C Additional Determinations. Make additional determinations as required to establish the amount of production and loss, if any.
- D Procedures. Refer to specific areas of this handbook for more information regarding determinations of total production, acreage, appraisals, insured/uninsured causes, shares, etc. Refer to PART 5 for claims involving late planted acreage or the Prevented Planting Handbook for prevented planting acreage.
- E Comparison of Representative Strip Production to Harvested Production

Use representative strips that are left to determine whether harvested production is comparable to production in the strips.

- (1) If there is a large discrepancy between harvested production and production within the strips, obtain all pertinent information needed; however, DO NOT sign the claim(s) at this time. Contact the insurance provider for assistance in completing these cases. If necessary, controversial claims will be prepared (some insurance providers use Non-Waiver Agreements rather than controversial claims). See PAR. 109.
 - (2) In the event representative strips are comparable to harvested production and the representative strips do not represent a significant portion of the insured acreage, the acreage strips will be considered as harvested; however, no production from the strips will be counted. The insurance provider has the authority to develop guidelines for determining the portion of the insured acreage involved for representative strips which would be considered "significant." IF the strips represent a "significant" amount of the acreage, the production from the amount of acreage that is excessive will be included in the production to count.
 - (3) If the representative strips have not been left or have been destroyed prior to the inspection, determine if production is reflective of crop residue and conditions in the area. If you are satisfied the production to count is reasonable, prepare the claim accordingly. If production to count is not reflective of crop residue and area conditions, refer the case to the insurance provider for assistance in handling. (In some cases, this may be grounds for rejection of the claim by the insurance provider in accordance with the applicable Basic Provisions and crop provisions.
- F Review Prior Determinations. Review the determinations of any inspection giving written consent for other use of a part of the total acreage in a unit. If the earlier inspection was incomplete or the information is incorrect, explain in narrative of the claim form or submit documentation on a Special Report.

G Claims of Persons Affiliated With MPCI Program

If the claim is filed by any FCIC employee or insurance provider employee; or loss adjustment contractor, agent, or anyone directly affiliated with FCIC, or an insurance provider; the claim must be reviewed by the insurance provider (or other disinterested party assigned by the insurance provider) prior to payment of the claim. Generally, the insurance provider will accompany the adjuster on the initial loss adjustment inspection and will conduct the review at the same time. If it is not known prior to the loss adjustment inspection that the claim is for an employee or any other person described herein, the adjuster is to notify the insurance provider immediately so that an insurance provider representative has the opportunity to accompany the adjuster during the inspection.

H DO NOT finalize claims until you are satisfied with all determinations, including but not limited to:

- (1) Total disposition of the crop;
- (2) Value (or reduction in value (RIV), if applicable) of the crop needed for quality adjustment purposes. Special care must be given when there are zero value (1.000 RIV) offers (or non-marketability) in a local area or extremely low market price (or extremely high RIV, if applicable) for the crop in the local marketing area (See PAR. 85 **H.**); and
- (3) The insured-s Certification Form, if applicable, has been received and verified. See PAR. 56.

I Indemnity Due. If an indemnity is due, refer to the individual crop handbooks for procedure in completing the claim.

J ANo Indemnity Due@Claims

- (1) ANo Indemnity Due@claims must be verified by an APPRAISAL or NOTIFICATION from the insured that the production exceeded the production guarantee (or value of crop exceeded the dollar guarantee, if applicable); i.e., damage/amount of loss (or revenue) was not great enough to generate a loss.
- (2) If it is determined that NO INDEMNITY IS DUE during an inspection:
 - (a) Complete the inspection;
 - (b) Record all pertinent information on either of the following:
 - 1 the claim as instructed in the crop handbook, OR
 - 2 if directed by the insurance provider, complete and have the insured sign a AWithdrawal of Claim NCIA-M920 or other FCI approved AWithdrawal of Claim@form rather than prepare a ANo Indemnity Due;@ and
 - (c) If inspection determinations indicate a reduction in premium is applicable, follow the insurance provider-s instructions.

K Final Claims Based on Appraised Production that Is Later Harvested

If a claim is to be settled on the basis of appraised production, the insured must agree to notify the insurance provider if the appraised acreage is later harvested. The harvested production will then be used to determine any additional indemnity due or any indemnity amount that will have to be repaid.

For the purpose of administering this provision (contained in the Basic Provisions), **claims** settled on appraised acreage that is subsequently harvested will only be corrected (**recalculated**) using **harvested production WHEN:**

- (1) The amount of **harvested production is greater than the amount of appraised production** (it does not matter whether harvest is completed before or after the calendar date for the end of the insurance period); or
- (2) The amount of **harvested production is lower than the amount of appraised production, AND harvest was completed on or BEFORE the calendar date for the end of the insurance period, AND** no cause of loss occurred between the end of the insurance period (any event that ends the insurance period including failure to timely harvest which is considered abandonment) and the date of harvest.

NOTE 1: If production is **harvested AFTER the calendar date for the end of the insurance period, AND** the amount of **HARVESTED production is LOWER THAN the amount of APPRAISED production, the harvested production will not be used to correct (recalculate) a claim.**

NOTE 2: The standard corrected claim tolerances apply to these procedures.

58 **INDEMNITY INSPECTION (FINAL) - END OF THE INSURANCE PERIOD**

- A When the end of the insurance period has been reached, a final inspection is required as soon as practical unless FCIC's Product Development Division and Insurance Services authorizes insurance providers to allow additional time for harvest because of insurable perils (listed in the policy) delaying or preventing harvest of the crop. If additional time is not granted and there is significant snow cover, the crop is under water, or extreme wet conditions exists, insurance providers should not, and are not required to, perform final inspections when such conditions make it impossible to obtain appraisals accurately according to procedures. Insurance providers are expected to perform appraisals and close out any open claims after the end of the insurance period once conditions improve sufficiently to do so.

NOTE: When an appraisal is deferred for immature crop acreage that has been released to go to another crop or use, the end of insurance period does not occur for such acreage until the representative areas left for the deferred appraisal have been appraised or harvested (within time frame specified in procedures or crop provisions where there is a disagreement of appraisal amount), unless the insured failed to care for the representative areas (i.e., abandons the acreage in the representative areas). See PAR.'s 75 C and 77 for more information about deferred appraisals.

B When authorization to the extend the time for harvest is provided, follow the instructions below:

- (1) If harvest completion was delayed due to an insurable cause occurring within the insurance period, any subsequent damage to the crop, due to the insurable causes specified in the contract, is covered provided that it is determined on a case-by-case basis that the insured has:
 - (a) complied with the notice of damage or loss requirements identified in the policies and administered in accordance with the loss adjustment procedures, and
 - (b) made every reasonable attempt to harvest the crop timely and properly.

NOTE: This does not include a mature crop that could have been harvested by the calendar date for the end of the insurance period but was not because the insured was waiting for the moisture to decrease to avoid drying costs. In such cases, appraise the crop and finalize the claim as soon as possible after the calendar date for the end of the insurance period.

- (2) The calendar date for the end of the insurance period is NOT extended. Rather, the insured is given additional time to attempt to harvest the crop in order to settle any loss on the basis of harvested production.
- (3) In the above circumstances, any subsequent and unavoidable loss of production caused by insurable causes is to be considered as an unavoidable loss resulting from the original insurable cause, which prevented the timely harvest of the crop. Any avoidable loss of production is to be charged as an appraisal against the guarantee.
- (4) The insured is expected to harvest the crop if a window of harvest opportunity arises. If the insured had the opportunity to harvest and failed to do so, insurance providers are to appraise the acreage and finalize the claim based on the appraisal. Damage occurring after the producer had an opportunity to harvest is uninsurable.
- (5) Verify and document that damage resulted from insured causes occurring during the insurance period (as clarified in B (3) above). Items to verify include (but are not limited to) the following:
 - (a) Specific variety planted.
 - (b) Planting date.
 - (c) Length of normal growing season needed for the insured crop variety.
 - (d) Insurable causes preventing timely harvest and dates of occurrence.
 - (e) Area conditions, surrounding producers' situations, percent of harvest completion in the area, the adequacy of the insured's harvest equipment and efforts to harvest, and windows of harvest opportunity.
 - (f) The rationale for establishing the portion of the loss resulting from causes which occurred during the insurance period and any appraisals for uninsured causes.

- (g) The following is to be used if the insurance provider wishes to further document that the insured was informed of the above: Copy of notice sent to the insured outlining the insured's responsibility to mitigate the damage by harvesting at first opportunity, and informing the insured that if a window of harvest opportunity occurs and harvest does not occur, appraisals will be assessed for failure to follow recognized good farming practices.
 - (h) Photographs, video, etc., if they will conclusively verify the reasons that the crop could not be harvested by the end of the insurance period.
- (6) If a loss is anticipated and acreage remains unharvested, perform an inspection on the unharvested acreage in the unit as soon as possible after the calendar date for the end of the insurance period. Although it is preferred to provide the insured reasonable opportunity to harvest the crop and to settle losses on the basis of harvested production, very few claims should remain to be finalized beyond 60 days after the calendar date for the end of the insurance period. Such cases will require extensive documentation to support proper payment of the affected claims.
- (7) All applicable instructions in PAR. 57 also apply.

59 INDEMNITY INSPECTION (FINAL) - DELAYED NOTICE OF DAMAGE OR LOSS AND/OR DELAYED CLAIM

A Delayed Notice Definition

A DELAYED NOTICE is a notice that is filed after the time required in the policy.

Example: The policy requirements for coarse grains require that the insured provides notice, by unit, within 72 hours of the insured's initial discovery of damage (but not later than 15 days after the end of the insurance period). The insured finished harvest of the loss unit on October 1. (In accordance with the policy provisions, the insurance period ended upon harvest.) The insured mailed the notice on October 30, and the insurance provider received it on Nov 3. In order to meet the policy requirements, the notice would have to be received by the insurance provider by October 16. In this instance, the notice was 18 days late.

NOTE: If the notice is filed LATER than the time required in the policy for the insured to submit (sign) a claim (generally 60 days after the end of the insurance period), any resulting claim for which the notice was given is a DELAYED CLAIM. See C below.

B Acceptance of a Delayed Notice

The insurance provider may accept the notice; however, the acceptance of the notice does not constitute approval of the claim. When the notice is accepted, the insurance provider will perform any necessary inspections. When the insured submits a delayed notice, remind the insured of:

- (1) The requirement for filing timely notice of damage.
- (2) The right of the insurance provider to reject any claim if failure to give timely notice affects the insurance provider's ability to SATISFACTORILY establish ALL data needed to properly adjust the claim.

C Delayed Claims

- (1) When the insured signs a claim later than the time specified in the policy or endorsement for submitting claims, it is a DELAYED CLAIM. The time specified in most policies (or endorsements) is the earlier of, 60 days after:
 - (a) the total destruction of the insured crop on the unit;
 - (b) harvest of the unit; or
 - (c) the calendar date for the end of the insurance period.
- (2) When the insured signs a claim later than the time specified in the policy or endorsement for submitting claims, **and subparagraph (3) is not applicable**, remind the insured of the following:
 - (a) The policy provision for submitting a claim within the time specified in the applicable policy or endorsement.
 - (b) The right of the insurance provider to reject any claim if the delayed claim affects the insurance provider's ability to satisfactorily establish all data needed to properly adjust the claim.
- (3) Delayed Claims Due to Unavailability of Production Records (or unavailability of price information to determine production value, if required to complete the claim.)

For such crops as almonds, cotton, citrus, hybrid seed, peaches, prunes, walnuts, and occasionally others; production records are not always available at loss adjustment time. For some crops the settlement price is not always available at loss adjustment time; e.g., cherries may not have a settlement price(s) until marketing pool(s) close. This may result in insureds having to sign the claim later than the time specified in the policy. A Certification Form may be used when through no fault of the insured, the production records are not available from the processor, gin, or seed company or the settlement price when the price is necessary to complete the claim. **In such situations, the following instructions will apply:**

- (a) Make all determinations possible and complete the claim form without the production records or settlement price information.
- (b) Enter "Certification Form" in the heading of the claim form or note in the narrative that a Certification Form was used.
- (c) Obtain the insured's signature and date. Do not sign or date the claim form during the initial inspection.
- (d) Complete a Certification Form. (See Exhibit 11.)
- (e) Instruct the insured to do the following when the production records or settlement price(s) are available:
 - 1 Enter "Production Records Available" or "Settlement Price Available" in the "remarks" section of the Certification Form;

2 Sign and date the Certification Form; and

3 Return it to the person/location indicated on the Certification Form or as instructed by the insurance provider.

(f) Upon receipt of the completed Certification Form; sign, date, and mark the Certification Form indicating a farm visit is required to obtain the production records (or settlement price, if applicable) and for completion of the claim.

(g) For this type of delayed claim, the Certification Form will be all the documentation required; the instructions in the following subparagraphs will not apply unless the claim is also a delayed notice.

D Delayed Claims or Delayed Notices Which Have Companion Contracts That Have Been Finalized

(1) Unless you disagree with the findings, use the information from the companion contract to make your determinations. Do not make your determinations until you have reviewed the companion contract and all respective documentation. Enter date and code number on the claim form, but DO NOT sign the claim.

(2) Submit a Special Report with the following information and any other information relevant to the case: Do not include the items in subparagraph G below, except as stated in subparagraph D (4) below.)

(3) State whether you agree with the companion-contract findings. If you disagree, identify any findings that you do not agree with and why.

(4) If the companion contract was a delayed notice or a delayed claim, were all the items listed in subparagraph G addressed in the report for the companion contract? Document your findings on any pertinent items omitted. Include a copy of the report initially prepared for the finalized companion contract as part of the documentation.

NOTE: If a companion contract has not been finalized, follow the procedures pertaining to companion contracts found in the crop handbooks; and if **applicable**, subparagraphs B, C, E, F, and G.

E Caution. For an inspection involving a delayed notice or a delayed claim, the adjuster DOES NOT have the authority to bind the insurance provider to any particular course of action, UNLESS authorized as outlined in C (3) above. If this inspection IS NOT authorized under C (3) above, do not make statements to the insured which could be construed as admitting or denying liability. Inform the insured of the following:

(1) The adjuster's responsibility is limited to establishing the facts and assisting in the preparation of the delayed claim for consideration by the insurance provider.

(2) The insurance provider will inform the insured in writing of the approval or rejection of the claim.

F Delayed Notice and/or Delayed Claim Inspection

These instructions do not apply to delayed notices and/or delayed claims involving companion contracts that have been finalized (see subparagraph D above), or for

delayed claims involving unavailability of production records (see subparagraph C (3) above. In addition to the instructions within this paragraph (PAR. 59):

- (1) Follow the loss adjustment procedures for making appraisals, acreage determinations, acreage report information verifications, uninsured causes, etc.
- (2) Complete all claim form entries for which the determination CAN satisfactorily be made, but DO NOT SIGN the claim. If there is any determination that cannot be satisfactorily determined, do not make an entry on the claim form for that information. Document it as indicated in subparagraph G below.

G Delayed Notice and/or Delayed Claim Report

Document on a Special Report whether or not information necessary to accurately determine the amount of loss is available by addressing the items listed below, and any other pertinent information. Attach the completed Special Report to the claim form and forward to your insurance provider.

- (1) The number of acres of the insured crop, by unit, practice, and type which had been plowed, pastured, or otherwise used after the time the insured was required to give notice of loss under policy provisions.
- (2) Whether all acreage could be accurately identified and whether such acreage was measured or estimated.
- (3) How the actual production was determined, including information as to whether the records of anyone buying production from the insured were examined.
- (4) The cause of loss and how it was possible to establish that all of the loss occurred within the insurance period.
- (5) How appraisals of unharvested, mature production were determined.
- (6) Whether any uninsured causes contributed to the loss, and if so, the methods used in making per-acre appraisals for such causes. (See PAR. 110.)
- (7) How production on the unit compared with that of other farms in the community; include a statement as to whether other insureds or producers on nearby farms incurred similar losses.
- (8) If the insured's reason for delay was inability to harvest timely because of unfavorable weather during the normal harvest period, include the following information:
 - (a) The date when the insured started harvesting this crop, and the date harvest was started on this unit.
 - (b) To what extent neighboring farmers (both insured and uninsured) were able to complete harvest by the calendar date for the end of the insurance period specified in the crop policy or endorsement.
 - (c) Whether the insured owns harvesting equipment and if it was adequate to complete harvest timely under normal conditions. Whether the insured performed custom work in lieu of timely harvesting his/her insured crop.

(d) If the insured does not own adequate equipment, document whether:

- 1 There were firm, advance custom arrangements, assuring prompt harvest of the crop upon maturity,
- 2 The insured deferred making arrangements until harvest time, or
- 3 The insured depended upon equipment which would not be available until the custom operator completed his/her own harvest or that of other farmers.

(e) With readily available equipment and other necessary facilities, the earliest date harvest could have been completed under the weather and soil conditions which existed.

H Approval or Rejection

(1) The insurance provider-s approving official will:

- (a) Approve claims for which the amount of loss CAN be accurately determined; and
- (b) Reject claims for which the amount of loss CANNOT be accurately determined.

(2) Provide written notification to the insured of approval or rejection of the claim.

I Approval/Rejection Guidelines

Generally, the amount of loss CANNOT be accurately determined if the insured failed to give the insurance provider the opportunity to examine the unharvested crop potential or the harvested crop residue. Therefore, usually a claim will be rejected if the crop and crop residue have been removed from the fields prior to loss adjustment inspection. However, if such a claim is approved, it will require extensive documentation to support satisfactory determinations of planting practices, production, etc.

60 PRODUCTION PRE-MEASUREMENT SERVICE INSPECTION

A General Information. In order to keep production separate by unit when there is a probable loss situation for a crop, ADJUSTERS, not insureds (unless the insurance provider-s authorization is given - see PAR. 94), are to measure existing production in a single storage structure when an insured is going to add production from another unit, crop year, or production harvested from acreage which has been identified as uninsurable.

B Insured-s Notification. Prior to adding such production, the insured will notify his/her insurance provider that measurements are needed for this reason. The insurance provider will immediately forward this information on to the appropriate personnel who sets up the adjuster assignments so that the insured can be contacted for an appointment or as otherwise described in PAR. 94, **provided all parts of the criteria for authorization in PAR. 94 have been met.**

C Recording Production Pre-Measurement. The Pre-Measurement Service will be recorded on a claim form or other FCI-approved form used for this purpose. At least the following information must be recorded when performing a Pre-Measurement Service Inspection:

- (1) Insured's Name (as shown on the most recent Policy Confirmation).
- (2) Policy Number from the Policy Confirmation.
- (3) County and State if it cannot be identified within the policy number.
- (4) Unit Number.
- (5) Crop Year (crop year in which the production pre-measurement service is conducted).
- (6) Location of the storage structures being measured.
- (7) Date the insured requested the production pre-measurement service. (This date can be considered as a notice of loss for follow-up purposes.)
- (8) Measurement of each structure being measured and depth of production in each structure. Identify, space displaced by chutes, vents, etc. Use separate line entries to identify each structure and varying share(s).
- (9) If measurement is for corn, indicate whether the corn is shelled, ear, silage, etc.
- (10) Indicate, by structure, from what crop year the production was harvested.
- (11) Sketch map showing structure design of the storage facility(ies) and its relative location to the farmstead home. (Identify each structure with a numeric or alpha designation. Correlate the numeric/alpha identification of each structure with the line entry for the measurement or calculation of each structure.)

D Distribute the documents containing this information, as follows:

- (1) Copy to insured, and
- (2) Original to office that the insurance provider has designated to maintain insured's files of original documents.

61 GROWING SEASON INSPECTION

Growing Season Inspections (GSIs) are done as a part of quality assurance and are normally done in conjunction with Pre-Harvest Inspection (see PAR. 62). The minimum policy selection criteria are provided in the FCIC-14010.

A Recording Inspection

Record the GSI on the following:

- (1) GSI Report; (See C below.)
- (2) Aerial photocopy. (See D below);

- (3) Appraisal Worksheets for each unit of the crop being inspected (see **Exception** below); and
- (4) One of the following:
 - (a) A claim form completed like a preliminary inspection, but identify on the claim form that it is a GSI; or
 - (b) A FCIC-approved Growing Season Inspection form; or
 - (c) A Special Report recording all the required information.

B Appraisals

Appraisals must be performed during the inspection, and recorded on the appropriate appraisal worksheet for each unit. See the appropriate crop handbook for appraisal instructions.

EXCEPTION: For GSIs that the insurance provider selects that exceed the requirements in the FCIC-14010, appraisals may or may not be made for each unit, at the discretion of the insurance provider. However, other items listed for recording GSIs are to be completed. Also, if an inspection is being done shortly after the final planting date to determine if the crop has been planted by the final planting date and/or within the late planting period (if applicable), appraisals are not expected for this early inspection. However, as much information as possible should be obtained and recorded for this inspection.

C GSI Report

Determine and document the answers to the following questions on a Special Report. Label the beginning of the report as **GSI Report**.

NOTE: Insurance providers may develop a **GSI Report** form with the following questions rather than using a Special Report form

- (1) **Planting date (and replanting date, if replanted).**
- (2) What kind of tillage methods has the insured carried out?
- (3) What kind of weed control practices are being carried out?
- (4) Has a current soil test(s) been taken on any of the insured acreage?
- (5) How does the crop inspected compare with those in the general area?
- (6) What type of fertilizer program is being followed?
- (7) **Briefly explain the weather in the past 4 to 6 weeks, the current conditions, and the long-range forecast for the area.**
- (8) Should the producer's farming operation be reviewed at a later date?
- (9) Briefly enter any **other** pertinent remarks.

D Documentation on Aerial Photo Copy

On the aerial photocopy, clearly identify the following:

- (1) Insured's name and contract number,
- (2) Insured's farm and the field(s) inspected,
- (3) Area in the field where the appraisals were taken,
- (4) Any problem areas within the field(s), and
- (5) Any field(s) of the same crop that border (a neighbor's field and the condition of that neighbor's field).

E GSI Report Package and Distribution

Attach together completed aerial-photo documentation, GSI Report, appraisal worksheet, and claim form prepared as a GSI Inspection if the claim form is used to record GSI information. Distribute originals to office designated by the insurance provider to maintain insureds' files of original documents and as otherwise instructed by the insurance provider.

62 **PREHARVEST INSPECTION**

Pre-harvest Inspections are done as a quality assurance/control function to deter insureds from shifting or hiding production in order to create losses or create larger losses. It also serves to discover producers who are attempting to do this. By appraising all fields prior to harvest, the appraised production can be compared against the harvested production. If there are large discrepancies, it may be possible to use the appraisals to establish misrepresentation or as a key that further investigation is needed to establish the misrepresentation. The minimum policy selection criteria are provided in the FCIC-14010.

A How to Complete the Pre-harvest Inspection

- (1) Do appraisals on all units of the crop.
- (2) Record the inspection on a claim form and appropriate appraisal worksheets using the same instructions as for a preliminary inspection. Final claims can also be prepared during this inspection, if appropriate, by using the instructions for final claims in this handbook and appropriate crop handbook. Prepare one claim form for each unit.
- (3) Identify somewhere in the heading of the claim form that this is a Pre-harvest Inspection, unless the unit is going to be finalized on this visit. Document any pertinent information in the narrative of the claim or on a Special Report.
- (4) Post-Audit of Inspections

Any loss units submitted for payment that have harvested acreage will be compared against the pre-harvest appraisals. When there are significant discrepancies, the insurance provider will try to resolve these discrepancies with the insured. If these discrepancies cannot be resolved, insurance providers may

forward such cases to the appropriate FCIC Compliance Office for further review, action, or assistance.

63 ACREAGE REPORT REVIEW INSPECTION

Acreage Report Reviews are done as a part of quality assurance. In accordance with FCIC-14010, insurance providers must conduct field inspections for a percentage of its crop insurance contracts to verify the accuracy of the information certified on the acreage reports.

A During the inspection, verify the following:

- (1) Insurable and not insurable acreage planted;
- (2) Legal Descriptions;
- (3) Shares (and shareholder-s name);
- (4) Practices;
- (5) Types, classes, or varieties;
- (6) Planting dates;
- (7) Risk classifications;
- (8) APH yields as listed on the appropriate forms;
- (9) Unit arrangements; and
- (10) Any other information contained on the acreage report pertaining to the reported crop or/and acreage; e.g., contract prices for peas, information provided in the remarks or attachment pertinent to the report, etc.

B Revised Acreage Reports. Revised acreage reports will be prepared when appropriate. (See PAR. 29.)

C Recording the inspection. Record the results of the inspection on a Special Report or other form provided by the insurance provider.

64 CROP INSPECTION TO DETERMINE ACCEPTANCE OF UNREPORTED ACREAGE FOR INSURANCE

A This inspection can be initiated when the:

- (1) insured files a late-filed application (late-filed applications permitted only as specified in the CIH) and/or acreage report or wishes to add acreage that the insured had a share in at the time insurance attached but was initially not reported on the timely filed acreage report for the crop(s), or
- (2) insurance provider discovers that acreage in which the insured had an insurable share at the time insurance attached was under-reported, a unit(s) was not reported, or no acreage was reported by the insured or for the crop. (See PAR. 32)

NOTE 1: Acreage, for which the insured did not have a share until after the time insurance would have attached, cannot be insured under the insured's policy, **unless specified otherwise in the Basic Provisions, crop provisions, or Special Provisions.**

NOTE 2: The following criteria also apply to crops covered under Crop Revenue Coverage, Income Protection, and Revenue Assurance.

B Crop Inspection. The crop inspection will consist of an on-the-farm visit to determine the number of acres and to perform crop appraisals and make observations of the current general crop, soil, and weather conditions to determine if the crop acreage for the unit will produce at least 90% of the yield upon which the per-acre guarantee or per-acre amount of insurance is based.

C Approval/Rejection. The approving official may accept (with the exception of subparagraph D below) or reject, by UNIT, at his/her discretion (based upon crop, soil, weather conditions, etc.) the unreported acreage when appraisals indicate that the crop acreage for the unit would produce at least 90% of the yield upon which the per-acre guarantee or per-acre amount of insurance is based. Unit acreage appraising below 90% of the yield will be rejected. **See exception in subparagraph D below.** Also, see "Note 1 in subparagraph A above.

NOTE: The unit acreage for the purpose of crop-inspection appraisals includes the reported acreage and unreported insurable acreage.

For example, if the reported acreage for unit 00100 was 90 acres but a field consisting of 80 insurable acres was omitted from this unit, the appraisal would be conducted for all 170 acres to determine if the unit acreage appraised at least 90% of the yield upon which the per-acre guarantee or per-acre amount of insurance was based. For unreported units, the individual unit acreage is comprised of all the acreage that could have been insured under the particular unreported unit. However, when there are unreported units involved, all units of the crop must be appraised until one unit fails or all units pass the criteria for accepting an unreported unit; see subparagraph D below.

D Unreported Units.

(1) **Units that the insured omitted from his/her timely submitted acreage report for the crop**

Unreported units CANNOT be added IF ANY reported insured unit for the crop at this time WILL NOT produce at least 90% of the yield upon which the per-acre guarantee or per-acre amount of insurance is based. When unreported units are rejected, the unreported unit procedure in PAR. 116 must be followed.

(2) **Insured did not timely submit an acreage report for the crop**

Any unit of the crop that is rejected during the crop inspection is considered an unreported unit, and the unreported unit procedure in PAR. 116 must be applied.

E Recording the Appraisal. Record the appraisal performed during the crop inspection on the appropriate appraisal worksheet.

F Inspection Report/Documents Submitted to Insurance Provider. Submit to the insurance provider, the original or revised acreage report prepared during the inspection, the appraisal worksheet, and a Special Report with the following information:

- (1) Whether any significant damage has occurred on the unit, and
 - (2) Whether the appraisal for the unit acreage (reported and insurable unreported acreage) was at least 90% of the yield upon which the per-acre guarantee or per-acre amount of insurance is based can be expected under the current crop, moisture, and weather conditions.
- G Notification of Approval/Rejection. Inform the insured that he/she will be notified in writing by the insurance provider of approval or rejection of the acreage.

65 INTEREST PAYMENT ON CLAIMS

A Policy Provisions

Unless otherwise specified, the Basic Provisions (or as applicable, crop policy) state that simple interest will be paid from the 61st day on the net indemnity after the insured signs, dates, and submits the properly completed claim, if the reason for failure to pay within 60 days is not due to the insured's failure to provide information.

B Interest Determined From Adjuster's or Approving Official's Signature

FCIC has identified the following types of claim situations on which interest should be paid from the 61st day of the adjuster or approving officer's signature date rather than the insured's signature date. The claim situations are as follows:

- (1) Certification Form has been used on the unit.
- (2) The insured is an absentee insured (adjuster will enter the date when the claim form was mailed to insured for signature in the narrative).
- (3) Controversial or other unusual type of claim.

SECTION 2 VERIFYING THE CAUSE OF LOSS

66 GENERAL INFORMATION

A The causes of loss insured against are clearly identified in the individual crop provisions. Insured causes of loss, by crop, are listed in Exhibit 3.

B The insured must establish the cause of loss; the adjuster will:

- (1) Verify the cause of loss during the on-the-farm inspection.
- (2) Be satisfied that the damage or loss is due to one or more insured causes(s) of loss; e.g., drought CANNOT be an insured cause of loss for acreage with an irrigated practice; however, failure of the irrigation water supply due to drought would be an insured cause of loss under an irrigated practice. Each inspection must be an individual determination. If the cause of loss appears to be different from what the insured has stated, document the facts on a Special Report. For more information see Unusual/Controversial Cases in Part 4.

67 HAIL AND FIRE EXCLUSION

When hail and fire have been excluded as insurable causes of loss and hail or fire is determined to be the sole cause of loss, there generally will be no indemnity. Refer to the individual crop handbooks for instructions. See verification requirements in PAR. 22.

68 UNINSURED CAUSES

It may be determined during the on-the-farm inspection that the cause of loss was not insurable. Refer to PAR. 110 for details.

69 ABANDON VERSUS NOT FOLLOWING A GOOD FARMING PRACTICE

There is a definite distinction between “not following a good farming practice” and “abandon.”

A Abandon

- (1) Basic Provision Definition of Abandon. “Failure to continue to care for the crop, providing care so insignificant as to provide no benefit to the crop, or failure to harvest in a timely manner, unless an insured cause of loss prevents the insured from properly caring for or harvesting the crop or causes damage to it to the extent that most producers of the crop on acreage with similar characteristics in the area would not normally further care for or harvest it.
- (2) Acreage where the producer has stopped caring for the crop, at whatever stage, is considered to have been abandoned, regardless of whether the crop was otherwise damaged by an insurable cause of loss. There does not need to be an express intent to abandon the crop. The producer must simply have stopped all care for the crop, or the care provided must be so insignificant as to provide no benefit to the crop. An appraisal as stated in PAR. 75 (B) (9) below must be assessed when the crop is abandoned.

NOTE: Although rare, the insured may decide to harvest the abandoned acreage if there is production that can be harvested. If this happens, and the harvested production from the abandoned acreage is commingled with the harvested production from the acreage not abandoned, all of the harvested production from the abandoned acreage will be included in the production to count.
- (3) A crop damaged to the extent that harvest is not practicable will not be considered as abandoned because the producer fails to harvest the crop. In these cases, the producer should provide a notice of loss and the acreage should be appraised. For “failure to timely harvest” to be considered as abandonment, the crop must be in a condition where harvest would be considered as a good farming practice and no condition exists which would make it physically impossible to harvest the crop, such as the ground is too wet.
- (4) The insured turns in a notice of damage or loss after the act of abandonment.

It must be considered abandonment if the insured stops caring for the crop PRIOR to providing notice of damage or loss and the time elapsed is such that the insurance provider cannot satisfactorily distinguish whether damage is solely from the insured cause or a combination of the insured cause and the abandonment.

- (5) The insured abandons the crop for a length of time and then begins caring for the crop. If enough time has elapsed that the care is untimely and will not benefit the crop or the care is so insignificant that it does not benefit the crop, it is still considered abandonment as stated in (2) above.

B Not Following A Good Farming Practice

Acreage where the producer continues to care for the crop by performing all the practices needed to produce a mature crop, but does so inadequately, such as the application of an insufficient amount of fertilizer or herbicides, topping only a portion of the tobacco acreage, etc., will be considered not following a good farming practice. The amount of loss attributed to not following a good farming practice will be included as the production to count; i.e., an uninsured cause of loss appraisal. These determinations must be on a case-by-case basis. The insurance provider must first determine whether the necessary farming and cultural practices have been carried out by the producer and, if they have, whether they were adequate. Refer to PAR.'s 110 K and R for additional information.

SECTION 3 ACREAGE DETERMINATION

70 GENERAL INFORMATION AND METHODS

Determined acres are required on some preliminary claims and all final claims as specified in the crop handbooks. Determined acres must consist of ONLY crop acres. Significant amounts of non-crop acres must also be measured so that this measurement can be deducted from the total measurement of the field, orchard, etc. See illustrated example in 71C (6). Use the following procedures for determining acreage:

A FSA Measured Acres

Acres measured through FSA Measurement Service requested by the insured or during FSA spot check of the insured's certified acres for the current crop year, may be used as the determined acres. If for some reason it is believed that the measured acres are incorrect, re-measure the acres.

NOTE: For CAT Policies: If the insured has requested FSA measurement service prior to the crop insurance acreage report date, the determined acres from the measurement service may be used on the claim. See PAR. 29 F.

B Previously Measured Acreage

- (1) Use acres that have been previously measured for the current crop year by:
 - (a) FSA as described in A above unless the insurance provider chooses to measure the acres for the current crop year or believes the measurement is incorrect, or
 - (b) Another insurance provider (measurement of a companion contract) unless it is felt that measurement is incorrect.

NOTE: Because discrepancies between FSA's and insurance provider's acreage measurements may have to be reconciled at a later date, it is recommended that insurance providers verify with the FSA whether actual measurements of the acreage

being inspected have been made, **and if actual measurements have been made, to use those measurements.** HOWEVER, if the insurance provider believes the FSA measurement is incorrect and re-measures the acreage or chooses to make their own measurement and finds that their measurement is not in agreement with FSA's, the insurance provider should try to resolve the difference with FSA.

- (2) Prior year(s) measurements of a field that was measured by an insurance provider, local FSA office, or firm engaged in land measurement services, will be used if the acres have not been measured for the current crop year, provided the:
 - (a) entire field is planted to a single crop (same practices or types if there are separate guarantees), and
 - (b) field boundaries have not changed.

If there is reason to suspect that the measurements are not accurate, the acres must be re-measured as described in D below.

C Acres Not Measured

If measured acres as described in subparagraphs A or B are not available:

- (1) The acres reported on the Crop Insurance Acreage Report may be considered "determined acres" for claim purposes, IF the:
 - (a) insured has signed the acreage report indicating certification of the reported information; AND
 - (b) the adjuster can determine through visual inspection of the acreage, the use of FSA certified acreage reports or aerial photo copies (obtained from the local FSA office or other acceptable sources), landmarks, etc., that the acreage would measure within 5 percent of the acreage reported on the acreage report.
- (2) When a determination is made that differs from the reported (certified) acreage, even within the 5 percent tolerance, the determined acreage must be used on the claim.

NOTE: The following is an example of a situation where the reported acreage is within the 5 percent tolerance, but cannot be used as the determined acreage:

- Previous measurement = 80 acres (field boundaries have not changed).
- Crop insurance acreage report = 80 acres of corn
- Entire field planted to boundaries, but about 2 acres are oats.
In this instance, the reported acres cannot be used as the determined acres. Either an actual measurement must be made (e.g., wheeled) OR because the reported acreage is within the 5 percent tolerance, the acreage can be determined as follows: estimate the oat acreage and deduct from the reported corn acreage. Determined corn acres = 78 acres (80 ! 2 = 78).

D When Insurance Provider Must Measure Acreage

Acreage must be measured (or re-measured, as applicable) IF it fails to meet the criteria described in A, B, or C above OR if any of the following apply:

- (1) Part of a unit is released and that part released will lose its field identity (i.e., there will be no way to establish the amount of acres at the time of a final loss inspection because of the loss of field identity);
- (2) The insurance provider or the insured has reason to question the accuracy of the measurement or does not agree with the previously measured acres;
- (3) Field boundaries have changed;
- (4) Only a portion of a field is planted and measurements for determining the planted portion are unavailable; or
- (5) Acreages of varying practices, types, appraisals, etc., (as appropriate to separate on the claim) are not separated.

E Measurement Methods

Acreage measurement for loss adjustment purposes must be performed by using:

- (1) the measuring wheel, or
- (2) FSA-accepted measuring methods or devices used with aerial photos that are to scale (such as: polar planimeter, digitizer, or scale rule).

NOTE: Surveying devices, global positioning systems (GPS), remote sensing devices used in conjunction with aerial photos or satellite imagery, etc., may be used if accuracy is comparable to the measurement methods listed above.

F When Measurement Estimates Are Allowed

Acreage breakdowns WITHIN a unit or field may be estimated if a determination is impractical. An example would be where irregular areas of a field (low area, along a draw, etc.) are being harvested. Such acreages may be estimated (use width of combine or swather, length of cut, etc., to assist). Explain any estimated acreages in the Narrative of the claim or on a Special Report. Total acreage for the field or unit, however, must be determined in accordance with **the procedures in subparagraph A-E above.**

- G Documentation. Document, in the narrative of the claim or on a Special Report, the method of acreage determination and any calculations used to arrive at the determined acres; e.g., "Acreage wheel measured - Field A - 215.0 W X 180.0 W = 38.7 acres; Field C - 220.0 W X 185.0 W = 40.7 acres; Total unit acreage - 38.7 + 40.7 = 79.4 acres , or in the case of determined acres via the acreage the insured certified to on his/her MPCl acreage report; A\Determined acres using MPCl acreage report-would measure within 5 percent.@

71 WHEEL MEASURING METHOD AND FORMULAS

A When measuring with a measuring wheel:

- (1) Determine the basic lines of linear measurements needed to calculate the acreage. See subparagraph D below for examples of basic measurements (and Combinations) required.
- (2) Begin each linear measurement with the revolution counter turned to indicate all "0's." If the wheel has a white spoke, start with the white spoke on the ground and the counter at "0."
- (3) Walk in a straight and direct line. Do not lift the wheel off the ground or allow the wheel to skip or bounce. If an obstacle (to the wheel) is encountered directly in the path, grasp the wheel with the handle shaft (so that the wheel will not turn in relationship to the handle), and move at a right angle to clear the obstacle. Place the wheel on the ground and wheel forward enough to clear the obstacle. Again, grasp the wheel and the handle shaft to immobilize the rotation, walk at a right angle again in order to be directly in line with the original path of measurement, and continue making the measurement.
- (4) Note the position of the handle. It must be in the same position when being set to zero, as it is when it is read, at the end of the linear measurement. Additionally, at the end of the linear measurement, if the wheel has a white spoke, count the number of spokes past the last whole revolution of the white spoke, and add to the counter reading. Each spoke past the white spoke, is one-tenth of a wheel. Round according to procedure for the crop being measured.

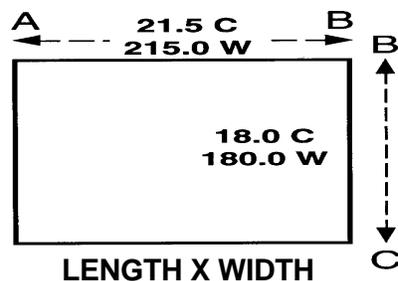
NOTE: Significant amounts of non-crop acres must also be measured so that this measurement can be deducted from the total measurement of the field, orchard, etc. See D6 below.

B Converting Square Wheels to Acres. When converting square wheels to acres, move the decimal three places to the left; i.e., 38700 square wheels = 38.7 acres. (1000 square wheels equals one acre.)

NOTE: 1.0 chain = 10.0 wheels = 66.0 feet
1.0 wheel = 6.6 feet

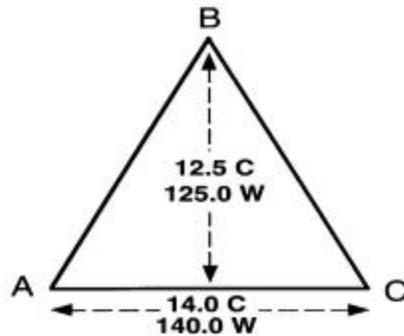
C Wheel Measuring Formulas

- (1) **Square or Rectangular Field Formula:** Length (wheels) x Width (wheels) = Square wheels. (Move the decimal point three (3) places to the left to determine the acres).



$$215.0 \times 180.0 = 38700$$
$$38.7 \text{ ACRES}$$

- (2) **Triangular Field Formula:** Base (Wheels) x Height (Wheels)) by 2 = Square Wheels. (Move the decimal point three places (3) to the left to determine the acres)



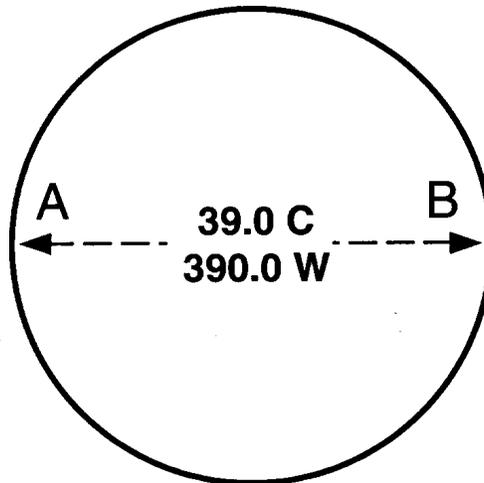
$$\frac{140.0 \times 125.0}{2}$$

$$= 8750$$

8.8 ACRES

BASE X HEIGHT

- (3) **Circular Field Formula:** Diameter (Wheels) x Diameter (Wheels) x .7854 = Square Wheels (Move the decimal point three (3) places to the left to determine the acres).



$$390.0 \times 390.0 = 152100$$

$$152100 \times .7854 = 119459.34$$

119.5 ACRES

DIAMETER

- (4) **Irregular Field Formula:** Length (Wheels) x Average Width (Wheels) = Square Wheels (Move the decimal point three (3) places to the left to determine the acres).



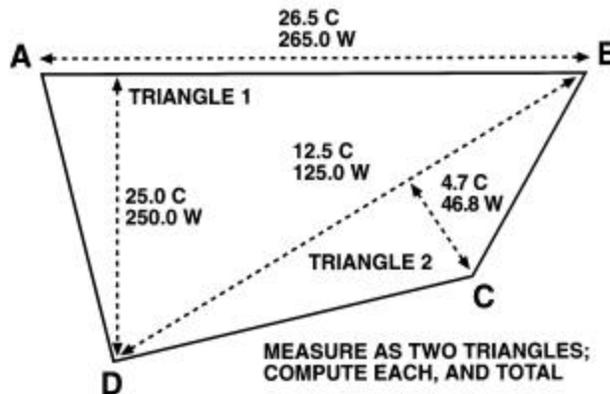
AVERAGE WIDTHS X LENGTH $40.0 + 35.0 + 60.0 + 50.0 =$

$$185.0 \div 4 = 46.25$$

$$46.3 \times 200.0 = 9260$$

9.3 ACRES

- (5) **Combination Field Formula:** When a field will not conform to any regular formula, measure the field into regular pieces to determine the acreage.



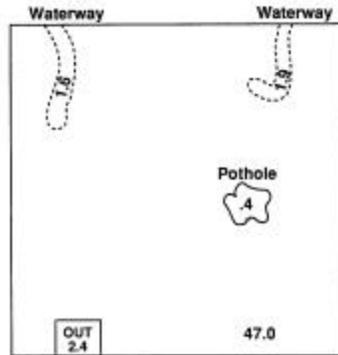
MEASURE AS TWO TRIANGLES;
COMPUTE EACH, AND TOTAL

TRIANGLE 1
 $\frac{265.0 \times 250.0}{2} = 33125 = 33.1 \text{ ACRES}$

TRIANGLE 2
 $\frac{125.0 \times 46.8}{2} = 2925 = 2.9 \text{ ACRES}$

TOTAL ACREAGE = $33.1 + 2.9 = 36.0 \text{ ACRES}$

- (6) **Deductions From Acreage:** Anytime a significant amount of acreage in a field is not planted to the crop it must be deducted from the total acreage in the field. The insurance provider will determine what to consider a significant amount of acreage, by crop.



Field 47.0 acres MINUS deduction of 6.3 acres = 40.7 insurable acres.

72 SKIP-ROW PLANTING PATTERNS (Cotton)

- A Acreage Report and Claim Entries. When the cultural practice of skip-row planting patterns are followed, NET acres are entered on the acreage report and the claim.
- B Determining Net Acres. Follow established procedures outlined in the AUP/ELS Cotton Handbook to determine NET acreage for cotton.

SECTION 4 ESTABLISHING PRODUCTION

73 GENERAL INFORMATION

- A Insured's Requirements. The insured is required, by the policy, to keep records of the harvesting, storage, shipment, sale, or other disposition of all of the insured crop produced on each unit, and separate records including the same information for production of the crop from any uninsured acreage. The insured must make these records available to the insurance provider for any purpose related to the contract.

NOTE: Records of production kept from printouts from combine monitors are not acceptable for production records for loss purposes.

- B Establishing Total Production on Damaged Units

Establish the total production for each damaged unit by appraising the potential production and/or by measuring and/or recording harvested production. The total production for the entire damaged unit will be established by the insured and the adjuster working together. The TOTAL production for the entire damaged unit is the insured's production share plus the production share of each person sharing in the unit. If the insured has not kept acceptable records separate by unit (whether stored, fed, or sold), the production is considered commingled. See PAR. 115.

C Establishing Total Production from Non-Loss Units

Obtain **and document** an estimate of production per acre for each undamaged unit of the indemnified crop from the insured or the insured's authorized representative and record as instructed in the crop handbook.

D Insured's Request of Measurement of Stored Production When Crop Damaged

The insured is responsible for providing separate records of production for each unit and for notifying the insurance provider for measurement of production when production from another unit, crop year, or uninsured acreage is to be added to existing production in a single storage structure. (See PAR. 60.) If the inspection indicates that separate records have not been kept for each unit, see PAR. 115 for commingled production. Also, see PAR. 115 if production from more than one practice/type which have separate APH yields has been commingled.

E Determining and Recording Production

Accurately determine and enter in the appropriate column(s) of the claim the amount of established production for the entire damaged unit including production from unreported unit(s) if applicable (see subparagraph F below). Enter the unit number and estimated production for each undamaged unit on the claim (See the individual crop handbook for specific instructions).

F Accounting for Production from Unreported Units

Production from unreported units discovered at loss time will be counted. See PAR. 116 for specific instructions.

74 VERIFYING TOTAL PRODUCTION - APPRAISED OR HARVESTED

A In determining if total production is correct, check:

- (1) Representative sample of unharvested production left under the terms of the policy.
- (2) **The harvested fields to determine whether there is an excessive amount of production remaining on the stalk, stem, ground (cracked, fallen, or discarded by the harvest equipment) etc., due to malfunctioning or improperly adjusted harvesting equipment, rather than due to an insured cause of loss (such as lodging due to storm damage).**
- (3) For available evidence of yield such as stand, number of bolls or burrs, stage of maturity, amount of straw stubble, size of stalk, etc., from acreage harvested.
- (4) Other farming operations of the insured.
- (5) The productive capacity of the land.
- (6) **For the presence of livestock or poultry to determine whether any of the current year's production has been fed.** Also, see PAR. 80 for more information pertaining to fed production.

- (7) For the location and quantity of a crop retained for seed, or which has been sold for seed.
- (8) Production from comparable acreage when there is reason to question harvested production reported. If the insured has comparable acreage, use it; however, when comparable acreage is not available on the insured's farming operation, use comparable acreage from other neighboring farms. Comparable acreage is acreage that is planted to the same crop, following the same farming practices, management practices, similar planting dates, etc. If comparable acreage is not available from the insured's operation or from neighboring farms, see PAR. 110 L (2) (c). If production is still questionable, refer to subparagraphs C and D.

B Another Person Sharing in the Crop

When another person is sharing in the crop, you must verify that all of the actual production for the entire unit(s) has been reported, not just the INSURED-S share. Verify and make production determinations of the other person's production share as you would the insured's production share; i.e., if the other person's production is farm stored and the production had not been weighed prior to storage, storage measurements **must** be made, etc. Do not establish the total production by dividing the insured's production by his/her share unless you are unable to establish it by any other means. If this should happen, document the circumstances preventing the measurement of the other entity's share of the production. Generally, the fact that the other share of the production is located in another storage structure at some other location is not a justifiable reason for determining the total unit production by dividing the insured's portion by his/her percent share. **NOTE: If the other person(s) share is insured through another insurance provider, refer to the procedure for companion contracts in PAR. 25.**

C Amount of Production Reported for Unit(s) is Questionable

Anytime the actual production reported is in question and you are going to meet with the insured about the questionable reported production follow the individual insurance provider's instructions.

D Documentation. Prepare a Special Report if there:

- (1) is unreported production, or
- (2) are unjustified differences in production between different shares or different units.

E Adjuster's Signature. DO NOT sign a claim if there is any evidence of additional production that has not been accounted for.

75 APPRAISALS

A General Information

Appraisals must not be made until an accurate appraisal of potential production can be made.

- (1) If during an inspection any crop acreage is not going to be carried to harvest and an accurate appraisal of potential production CANNOT be made, do not release acreage to another use or to replant when replant payment is applicable until an

accurate appraisal can be made OR representative sample areas are left for later appraisals as described in subparagraph C below and PAR. 77.

- (2) If the inspection is performed at a time when production can be determined accurately by appraisal and the crop is not being carried to harvest (except when pre-harvest appraisals are required), appraise the production by unit, and grant written consent to put insured acreage to another use. Record this production on an appraisal worksheet and a Special Report, if needed. See applicable crop handbook for appraisal methods.

B Appraisals are made when:

- (1) The insured requests consent to put acreage to another use or to replant to the same crop originally planted if a replant payment will be claimed.
- (2) The insured chooses not to harvest all of the acreage.
- (3) The insured plans to use a crop in such a way that it will not be possible to determine production after harvest; e.g., a crop insured as grain (e.g. corn) will be partially or all cut for silage.
- (4) The insurance period ends for a crop. The appraisal will establish the potential production of the unharvested acreage at the time the insurance period ceases.
- (5) Late-filed acreage is requested or unreported acreage is discovered (to determine acceptance or rejection of such acreage).
- (6) An unreported unit (not reported on the acreage report) is discovered, and it is suspected or known that it will not be harvested or harvested and stored in such a manner that production cannot be accounted for. See PAR 116 for more information on unreported units.
- (7) The insured insists on replanting, but it is determined it is too late to replant. See PAR. 55 for more information.
- (8) The crop will be stored in such a manner that production cannot be measured; e.g., high-moisture corn, silage stored in an airtight structure, etc.
- (9) Uninsured causes of loss are determined, acreage is destroyed without consent, abandoned, or if the insured has failed to provide production records that are acceptable. Acreage damaged solely from uninsured causes or if any of the other aforementioned reasons exist in this item, not less than the per-acre production guarantee for the acreage involved will be assessed.

NOTE: The definition for abandon in the Basic Provisions indicate that when the crop is not timely harvested, it is abandoned; however, exercise good judgment in establishing that a crop that has not been **timely harvested** is truly abandoned. See PAR. 69.

- (10) An unharvested portion of the field remains after harvest or harvested production that could have been removed from the field was not removed due to improperly functioning harvesting equipment, windrows of crop not all picked up; etc.

NOTE: This does not include unharvested representative samples areas the insured has left in accordance with policy requirements, unless the areas represent a significant portion of the acreage. See PAR. 57 E (2).

- (11) If the policy provisions, Special Provisions, or a Written Agreement authorizes direct marketing, conduct an appraisal within the time frame stated in the applicable policy that will be used to determine production to count for production that will be sold by direct marketing.

C Deferred Appraisals

Deferred appraisals are appraisals that are deferred to a later date in order to assess crop recovery and/or obtain more accurate appraisals.

- (1) Appraisals must be deferred when:
 - (a) Hail damage or damage from blowing sand has occurred on immature crops. Defer appraisals 7-10 days from the date damage occurred, unless specified otherwise in the individual crop handbook.
 - (b) Frost/freeze damage has occurred on immature crop. Defer appraisals at least 7-10 days from the date of frost/freeze, unless specified otherwise in an individual crop handbook. If at the end of the 7-10 day period (or end of other time period specified in an individual crop handbook), it is questionable that an accurate determination can be made, utilize local Cooperative Extension Service or other like source's recommendations for the length of time the appraisal should be deferred.
 - (c) A crop is in dormancy. Defer appraisal until at least the time the crop is out of dormancy. See (3) below.
 - (d) For spring-seeded crops where insufficient soil moisture has affected seed emergence, appraisals must be deferred until at least 8 days after the late planting period (15 days after the final planting date if no late planting period applies.) None of the acreage in the field(s) can be released until the appraisals are completed. The seed must have been planted at least 15 days prior to release for a final indemnity. Use the stand reduction appraisal method.
- (2) Defer appraisals anytime a more accurate appraisal can be made at a later date due to type of damage or circumstances; e.g., extent of damage or recovery of crop after flooding, pollination problems, freeze, etc. See (3) below.
- (3) Utilize local Cooperative Extension Service or other like source's recommendation for the length of time appraisals should be deferred for the particular crop and situation. Include a copy of these recommendations with the paperwork pertaining to the inspection to support the insurance provider's actions.
- (4) Unless specified elsewhere (as in (1) (d) above), the deferred appraisal may be made from representative sample areas (as specified in PAR. 77) when the insured wants immediate release of crop acreage in order to put it to another use or to replant it, provided the insured agrees to leave and maintain the representative sample areas as described in PAR. 77.

- (5) In widespread deferral situations, all insurance providers should maintain coordination through Insurance Services so that uniform guidance can be provided to all insurance providers regarding the length of deferral time necessary to allow accurate appraisals to be made for the circumstances.

D When appraisals are made, inform the insured of the following:

- (1) The method used to determine potential production and how the appraisal will be used if an indemnity is claimed. If at all possible, the insured or an authorized representative of the insured should accompany you on the entire appraisal. Encourage the insured or authorized representative to participate in determining the appraisal.
- (2) Appraisals on acreage for which the insurance provider has given consent to be put to another use are final when the claim is signed by the insured or insured's authorized representative and the adjuster, unless such acreage is:
 - (a) not put to another use before harvest becomes general in the county and is reappraised by the insurance provider,
 - (b) further damaged by an insured cause and is reappraised by the insurance provider, or
 - (c) harvested.

For this reason, DO NOT finalize a claim until you are satisfied with all determinations. See PAR. 57 H.

- (3) The appraisal determination. (Never advise the insured whether or not to harvest the crop; this must be the insured's decision.)

E Approved Methods. The appraisal methods for the crop are identified in the individual crop handbooks.

F Harvested Representative Sample Appraisals

Appraise mature production by arranging with the insured to harvest representative sample areas, if possible. See PAR. 77 for representative sample area instructions. Use this production to determine the yield per acre.

G New Appraisals for Additional Damage

If an insured notifies the insurance provider of additional damage after consent to put acreage to other use and requests re-inspection, a new appraisal may be made provided the additional damage was due to an insured cause of loss and the acreage has NOT been put to another use.

H Unable to Mechanically Harvest

When crop acreage which is routinely mechanically harvested is damaged by INSURED cause(s) to the extent that it can NEVER be mechanically harvested with normal harvest equipment, no production will be counted for such acreage. If mechanical harvest is feasible with normal harvest equipment on any portion of the unharvested acreage, appraise and count only the production that you determine could have been

mechanically harvested. **However, if the insured elects to hand harvest, such as handpick corn, or use specialized harvesting equipment, the harvested production will be counted.**

NOTE: Wet field conditions or snow covered fields that prevent harvest of the crop by the end of the insurance period does not mean it can NEVER be mechanically harvested with normal harvest equipment. This is only a temporary condition.

Examples: Hurricane, tropical depression, or tornado damage has rendered the crop unharvestable with normal harvesting equipment or small grain that has been drought-stressed may be so short that it cannot be mechanically harvested with the normal harvest equipment in the area. For grain height too short to harvest with normal harvesting equipment, the adjuster must establish and document the individual cutting height based on the terrain (rocky soil, level field, terraces, slopes, etc.) and the insured's farming practices (type of harvesting equipment, swathed grain, etc.). Remember, insureds employing good farming practices will lower the combine headers or swather bars to recover a short crop to the maximum extent possible.

- (1) Determine (on an individual basis) whether any portion of the acreage can ever be mechanically harvested with normal harvest equipment. Consider what other insured and noninsured growers in the area are doing with the same crop, similar soil and terrain, or equipment (whether owned or otherwise available to the insured).
- (2) Determine whether the insured did or could have made every reasonable effort to harvest such acreage, and whether the insured plans to hand harvest or use specialized harvesting equipment.
- (3) If it is difficult to determine what potential is machine harvestable, arrange with the insured to harvest representative areas of the crop. Use this production to determine the production to count.
- (4) Document your determinations thoroughly on a Special Report when zero appraisals have been made under these circumstances. Photographs to show the condition of the crop, terrain, etc., may be a necessary part of the documentation to support determinations of "0" appraisals which are made under these procedures.
- (5) If it is determined that the crop cannot be harvested with normal harvesting equipment and the insured does not elect to hand pick or use specialized harvesting equipment, a Certification Form must be signed by the insured with the following statement in the body of the Certification Form: AAs indicated by the insured's signature below, the insured certifies that the damaged acreage that cannot be mechanically harvested with normal harvest equipment will not be harvested. If the crop is harvested after this certification, the insured understands he/she may be subject to the misrepresentation provisions in the crop insurance policy, attach the Certification Form to the claim.

76 APPRAISAL METHOD VARIATIONS

A Appraisal Modifications

The insurance provider's authorizing official may authorize the use of any appraisal modifications listed in the crop handbooks **without prior approval from FCIC**. A copy

of the written authorization stating the modification, effective crop year, area affected, and effective beginning and ending dates is to be provided to Insurance Services so that they can notify other insurance providers, RMA Product Development Division and the affected RMA RO's and regional compliance offices.

B Appraisal Deviations

- (1) Appraisal deviations **require** the RMA-s written authorization after receiving approval from Research and Development and/or Insurance Services, and consist of deviations which:
 - (a) ARE identified in the specific crop handbook (such as drought deviation); or
 - (b) ARE NOT identified in the specific crop handbook, but are necessary to apply to the standard appraisal method in order to provide an accurate determination of crop potential under the circumstances.
- (2) The insurance provider will immediately notify RMA-s Research and Development and/or Insurance Services of the situation with a recommendation and justification, before proceeding. The recommendation will include the deviation recommended, the effective crop year, area affected, and beginning and ending dates for which the deviation is to be applied.
- (3) FCIC will:
 - (a) Immediately advise the affected RMA RO's of the situation;
 - (b) Coordinate the recommendation with the appropriate insurance providers;
 - (c) Assess the need for and impact of the deviation.
- (4) Upon receiving written authorization from RMA, the insurance provider will issue written authorization to use the approved deviation, and ensure the proper implementation and monitoring of the deviation.

77 **REPRESENTATIVE SAMPLE AREA APPRAISALS**

Representative sample areas are areas of unharvested acreage that the **adjuster selects during the adjuster's on-the-site inspection** of the field(s) the insured wants released. Appraisals from the agreed representative sample areas of the unharvested crop acreage are made at a later date to determine the per-acre appraisal for the entire unharvested acreage.

A **Representative Sample Area Appraisals are used when any of the following apply:**

- (1) Heavy workload situations exist and timing is critical to give consent to put acreage to other use or replant.
- (2) Deferred appraisals are required, as stated in PAR. 75, and the insured desires immediate release of the acreage in order to put acreage to another use or to replant acreage.
- (3) The insured does not plan to harvest the acreage, and agrees to harvest the representative areas for appraisal purposes.

- (4) The insured does not agree with the initial appraisal of the acreage to be released, and the insurance provider agrees to allow the insured to leave representative sample areas, as described herein.
- (5) Such sample areas are otherwise required by the policy (e.g., for grain deficient corn silage).

NOTE: PAR. 77 is not referring to the policy provisions that require the insured to leave representative areas of the insured crop if the insured initially discovers damage within 15 days of, or during harvest.

B Insured's Agreement. When representative sample areas of immature production are established for appraisal purposes, the insured **MUST** agree, in writing:

- (1) to leave the size, number and location of representative sample areas, per field, selected by the adjuster (as described below). The sample areas must remain intact until the time they are appraised;
- (2) to care for the representative sample areas in the same manner as if they were to be harvested and this care must continue until the areas are appraised;
- (3) that production for the acreage released will be determined from appraisals from the sample areas, unless the insured fails to comply with any part of this agreement; and
- (4) that when the released acreage is to be grazed, to protect the representative sample areas from livestock by fencing or an equally effective barrier that is acceptable to the insurance provider. The fencing or effective barriers must remain in place until completion of the appraisal

NOTE1: Include on or attached to the agreement the items listed in C (4) below.

NOTE 2: Insurance providers may choose to leave representative sample areas due to disagreement with the initial appraisal. When this is done, some crop provisions state that the representative areas must be left and properly cared for until the crop has matured. **However, if the insurance provider determines there is no insured cause of loss present when the producer requests acreage to be released to be put to another use (e.g., grazing), then no deferred appraisal will be allowed. The insured must decide whether to take the appraisal, carry the crop to harvest, or in the case of short-rated wheat, take the short rate and graze or destroy the acreage by mechanical means as stated in the Special Provisions.**

C Adjuster's Instructions for First On-the-Farm Inspection

NOTE: Insureds' disagreement of an appraisal must be from the appraisal made prior to giving consent to put acreage to another use.

Do the following while on the first on-the-farm inspection:

- (1) Select at **least two or more** representative sample areas of the crop (per field) that:
 - (a) are at **least** the following size:

1 For fields where the direction of the rows

- a **follow the length of the field**, at least 10 feet wide and extend the entire length of the field. (Appraisal samples must not be taken in the same area of the strip; move down or up the strip for each sample.) To assure that adequate care of the crop can be achieved, it may be necessary to require the width of the sample area to be the width needed to maintain the crop with the equipment used to care for the crop up to the time the crop would be appraised.

NOTE: When acreage has been released for grazing and the only access the livestock has to a permanent structure containing water (e.g., pond, lake, etc.) is through the field, a small break (no more than a 30-foot break) in the length of the strip may be left for the cattle to pass through, provided the ends of the break are also fenced.

- b **are other than the length of the field** or contour farming is involved, it may be more practical to not have strips that actually extend the entire "length" of the field. In these cases, use the following procedures:
- i the shorter strips must accumulatively reflect the minimum area stated in (a) 1 above, and
 - ii must be sufficient enough in size to provide buffer areas of a size large enough to ensure that the area from which the appraisal will be extracted will not be exposed to damage in excess of what would be experienced had the crop not been released (e.g.; excessive drying, insect or weed infestation, grazing, etc.). There must be at least 10 feet of surrounding buffer area.

2 **For crops planted with row widths wider than small grains are normally planted**, the width of each sample must be wider than 10 feet and must be wide enough to maintain the crop with the equipment used to maintain the crop (i.e., sprayer with a 30 foot boom, cultivation with a six row cultivator, etc.) and large enough to ensure that the area from which the appraisal will be extracted will not be exposed to damage in excess of what would be experienced had the crop around the sample not been released (e.g.; excessive drying, insect or weed infestation, grazing, etc.). When wider widths are needed, the square feet of each representative area can be equivalent to the square feet of 10 feet X length of field).

- (b) Will enable, at least, the minimum recommended number of samples stated in the crop handbook to be selected on a proportional basis to the acreage represented. See example below for an explanation of what samples to be selected on a proportional basis means.

EXAMPLE: The minimum representative samples required are five for the acreage being appraised. The adjuster has determined that splitting the field into subfields is inappropriate because although one-third of the field is in uniformly satisfactory condition and two-thirds of the field is in uniformly poor condition, the respective portions are randomly scattered across the field. To maintain the proper proportionate sampling as it relates to

damage, six samples are to be utilized instead of five, two in the satisfactory areas and four in the poor areas. The number of samples to maintain a proportionate sampling may be taken from less than six separate representative sample areas if four samples of the sample size stated in the appropriate handbook can be obtained in the poor areas and two from the satisfactory areas.

- (2) Identify for the insured the selected representative area(s) by flags, physical markings, or sketch map to protect the integrity of the samples. In all cases, document the location of the selected representative area(s) in the field(s) on an aerial photo or on a sketch map and the agreed upon fencing or protective barrier that the insured intends to use. This documentation must be maintained in the insured's loss file.
- (3) Instruct the insured to continue to care for the selected representative samples areas as if they were to be harvested and not to move the representative areas from the areas selected by the adjuster since these areas will be the basis for the appraisal of the entire acreage.
- (4) On the agreement the insured signs:
 - (a) State what the consequences will be if they fail to comply with what they have agreed to as stated in B above. The consequence of the insured's failure to comply with the items listed in B above is as stated in D below.
 - (b) If the acreage is released for grazing, enter the type of fencing the insured plans to use before the insured signs the agreement.
 - (c) Make a sketch map showing the locations and size of samples in each field or attach to the copy of the signed agreement, a copy of a sketch map or aerial photo showing the location and size of the samples in each field.
- (5) Provide the insured a copy of the agreement the insured has signed, and leave the original in the insured's file folder.

D Appraisals of Representative Sample Areas

- (1) Representative areas of IMMATURE production:

Appraisals MUST be completed as soon as the production to count can be ACCURATELY determined (no earlier than 7-10 days after damage due to hail or frost/freeze). Very few circumstances would justify allowing the crop to become fully mature prior to completing the appraisal. If representative areas have not been adequately cared for, assess an appraisal for uninsured causes of loss.

Exception: In cases where the insured disagrees with the initial appraisal of the crop acreage to be released, and the insurance provider agrees to use representative areas for appraisal purposes. When representative areas are used for this purpose, the canola, coarse grains, cotton, dry beans, ELS cotton, small grains, sugar beets, and sunflower seed, provisions require that appraisals from the representative areas are deferred until the time harvest would have occurred. Any additional damage to the representative areas due to a named peril in the policy will be considered an insured cause of loss.

(2) Representative areas of MATURE production

(a) **Representative areas established solely for the initial appraisal of the released acreage .**

Appraise these areas immediately upon the crop's maturity. If representative areas have not been adequately cared for, assess an appraisal for uninsured causes of loss.

NOTE: If the insured agrees, these representative areas can be harvested, after the adjuster has inspected them, to obtain the per-acre appraisals as described in (2)(c) below.

(b) **Representative areas established because the insured disagreed with appraisal of immature crop acreage to be released.**

Appraise these areas at the time harvest should have occurred. If the insured agrees to harvest the areas for appraisal purposes, the adjuster must inspect the representative areas prior to the insured harvesting them to assure that the areas have been adequately cared for, protected, and left intact in the locations initially selected and agreed upon. When these areas are not left intact or have not been sufficiently cared for, use the per-acre appraisal made prior to giving consent to put the acreage to another use. Any additional damage to the representative areas due to a named peril in the policy will be considered an insured cause of loss.

(c) **Representative areas established at the time the crop is mature (solely for the purpose of basing the appraisal on harvest of the representative areas).**

After the representative areas have been harvested, establish the per-acre appraisal from the harvested production. If for some reason, the insured decides not to harvest the representative areas as agreed, appraise the unharvested representative areas immediately.

(d) **Representative areas of corn insured as silage for purpose of determining grain deficient silage when appraisals cannot be made before the corn is cut for silage.**

Appraise these areas as soon as possible. Additional damage after the date the corn was harvested as silage will not be considered an insured cause of loss even if the damage was from a named peril in the policy. This is because the insurance period ended at the time the crop was harvested; i.e., the corn was cut for silage. The appraisal of the representative areas will determine whether the corn met the criteria for grain-deficient silage. If the silage was put in an airtight structure, the representative strips can also be used to determine the production to count. If the insured agrees to harvest the areas, the adjuster must inspect the representative areas prior to the insured harvesting them to assure that the areas were adequately cared for and to assure additional damage after the date corn was harvested as silage has not occurred. Apply uninsured cause appraisals as stated in B above if the areas were not properly cared for, and for any damaged that occurred after the corn was harvested as silage.

78 VERIFYING HARVESTED PRODUCTION

A Harvested production will be determined by the following:

- (1) Acceptable evidence of sales and/or commercial storage.
- (2) Measuring farm-stored harvested production. (See Part 3, Section 6.)
- (3) Comparing fields to the appraisals made from unharvested sample areas left under the terms of the policy or crop endorsement.
- (4) Comparing reported production to appraisals and production in the area when there is reason to question the reported harvested production.
- (5) Weighed and farm-stored records (See PAR. 93).

B Caution. DO NOT rely solely on statements or evidence of sales to represent all of the production. Review all production evidence CLOSELY when the policyholder controls the transportation (e.g., trucking or handling company); manufacturing (processing plant); farm scales; or sales (warehouse) of a particular crop. If there is evidence that suggests the insured has misrepresented production, DO NOT (adjuster) sign the claim. Notify the insurance provider of the situation.

79 VERIFYING SOLD OR COMMERCIALY STORED PRODUCTION

A Names in which Production Was Sold. Verify with the insured the names(s) in which production has been sold on insured acreage under the contract.

B Harvested Production Records and Receipts. Follow up and verify harvested production records documented by receipts from but not limited to:

- (1) Commercial elevators
- (2) Seed companies
- (3) Packing Houses
- (4) Marketing Cooperatives
- (5) Mills
- (6) Warehouses
- (7) Gins
- (8) Processors

C Receipts/Settlement Sheets

Verify receipts against the entries on the summary/settlement sheets. Obtain GROSS PRODUCTION for the unit from the summary and/or settlement sheets after verification.

NOTE: Refer to the Forage Loss Adjustment Handbook for specific information regarding requirements for forage production records.

D Claim Entry

Enter the GROSS PRODUCTION (before deductions are made for dockage, moisture, percent of shell or sugar, or quality adjustment) in the appropriate column for gross production on the claim form.

E Individual Weight Tickets or Load Slips

DO NOT use individual weight tickets or load slips without supporting documentation of total production such as ledger sheet(s) or settlement sheet(s) to determine harvested production for an individual unit unless the storage facility or buyer will not provide ledger or settlement sheets. When the buyer or storage facilities will not provide ledger or settlement sheets, document the facts in the narrative of the claim or a Special Report.

NOTE: Loads cannot be split between units because this constitutes commingled production and must be handled as such. Refer to PAR. 115 for commingled production procedures.

80 **VERIFYING FED PRODUCTION**

A Include in Production to Count. Fed production must be counted as production when determining total production on a unit.

B Insured=s Responsibilities

The insured is responsible for maintaining a formal written record system (e.g., FCIC=s Guidelines for a Production Record Management System) of fed production and to have those records available at the time the claim is prepared.

C Review Records

Review the fed production records for reasonableness and if written records are questionable, document the reasons and notify your next level of supervision. Also, use the following guidelines when determining reasonableness: If feeding from a previous year=s inventory, to which current year=s production will be added, the amount of previous years= production must be measured prior to adding current year=s production. **For acceptable records of fed production, the following is needed:**

- (1) Amount of grain fed each day,
- (2) Bin ID from which the production was taken, if applicable,
- (3) Number and kind of livestock,
- (4) Estimated average weight of livestock per head and location or pen number,
- (5) The unit number from which the fed production was taken, and
- (6) Whether fed production was from previous years production or fed directly from the field or truck.

NOTE: Refer to the Forage Loss Adjustment Handbook for specific record requirements for fed and sold forage production.

D Claim Entry

If fed production records are reasonable, enter fed production on the claim form as gross production. (See the crop handbook for entry instructions for harvested production.) Adjustments for moisture, dockage, or quality will be allowed ONLY if acceptable records are available to support the deductions or a sample for grading is available; i.e.,

Settlement sheets from a landlord who has a share in the same crop acreage or adjuster obtained samples from the landlord-s stored production can be obtained for grading.

E Documentation

Document the fed production records in the narrative of the claim form or on a Special Report. If a Special Report is used, it must be signed by the adjuster and the insured.

81 **VERIFYING AND ACCOUNTING FOR PRODUCTION NOT TO COUNT**

There are times when production may not be counted as part of the total production of a unit. In order to enter production not to count on the claim form, ACCURATE RECORDS of such production must have been kept; i.e., it must have been measured or weighed (with satisfactory scale records available) before other production is added.

A Examples. Some common examples of production which should not be counted when accurate records of such production are provided.

- (1) Previous or prior crop year's production when stored with the current crop year's production,
- (2) Harvested production from uninsured acreage when stored with production from insured acreage,
- (3) Harvested production from acreage damaged solely by uninsured causes (appraisal for solely uninsured causes has been applied to such acreage in the "Uninsured Cause" column of the claim form),
- (4) Harvested production from multiple units or contracts when stored within one storage facility, and
- (5) Purchased grain is stored with harvested grain.

B Verification

Substantiate production not to count from **current year's production** with farm management records (settlement sheets, sales receipts, load counts, weight slips, feeding records, etc.) to assure that you are COMPLETELY satisfied that such production should be considered production **not** to count. **If the production not to count is prior year's production, the only acceptable record is the insurance provider's or another USDA agency's measurement of the prior year's production just prior to current year's production being added. This measurement must be kept in the insured's loss file. Otherwise, the production must be considered production to count. See "Note" in subparagraph C below.**

C Accounting for Production Not to Count on the Claim Form

There are two ways to account for production not to count on the claim form. Either method outlined below can be used unless your insurance provider specifies that only one of the particular methods listed below will be used.

- (1) For production with storage measurements that are to be recorded in the columns for recording such measurements on the claim form, the depth measurement of

the production not to count may be subtracted from the total bin measurement depth. The resulting depth measurement (production to count) will be entered in the appropriate column for depth measurements as instructed in the crop handbook. Although no specific entry for production not to count is required, document the depth measurement for the production not to count in the narrative of the claim form and explain why it is production not to count. See PAR. 102 E for detailed example; OR

- (2) Calculate all production not to count to net production, and enter in the AProduction not to Count@ column as instructed in the crop handbook.

NOTE: Insurance providers are not to authorize insured's to make bin markings to separate production from the current and prior year(s) stored in the same storage structure, as described in PAR. 94, unless the insurance provider or another USDA agency measures the prior year's production just prior to current year's production being added (a copy of the other USDA agency's measurements must be kept in the loss file).

82 GLEANEED ACREAGE

A General Information

Gleaning is the collection of crops from farmers' fields that have already been harvested or fields where it is not economically profitable to harvest. FCIC encourages and promotes gleaning efforts of insureds. Insurance providers are encouraged to allow gleaning in situations where a crop or portion of a crop may otherwise go unused or be destroyed.

NOTE: Refer to the definition of "Gleaner" In Exhibit 1.

B Gleaning Allowed Only If There Is An Acceptable Charitable Organization

- (1) FCIC will allow gleaning only when the crop has been gleaned by a charitable organization listed in the Department of Agriculture Handbook, *AA Citizen=s Guide to Food Recovery@* and the insured has not received compensation from the organization (see D below). If a particular organization is not listed in the handbook, contact the State coordinator listed in the handbook. The State coordinator will provide updated information on approved organizations added to the list. Include updated information from the State coordinator showing approval of the particular organization as documentation in the insured=s loss file.

- (2) *AA Citizen=s Guide to Food Recovery@* also contains other relevant information on gleaning and food recovery, such as the AGood Samaritan Law@ that protects the insured for liability issues. *AThe Citizen=s Guide to Food Recovery@* can be located on the Internet at www.fns.usda.gov/fns.

- (3) Documentation of Charitable Organization

The charitable organization=s name and address will be shown on the claim form in the ANarrative@ section, or on a Special Report.

C Gleaning will be allowed for all insured crops as follows:

- (1) Harvested Acreage

- (a) Gleaning will be allowed on crop acreage that has been harvested as long as any remaining crop production on the harvested acreage cannot be harvested using normal and proper harvest methods (e.g., production from lodged corn that can only be hand harvested).
 - (b) Some crop provisions (e.g., tomatoes, peppers) state that production not meeting the specific requirements of the crop provisions will not be considered production to count; other crop provisions may contain similar provisions. Producers should be encouraged to permit such production to be gleaned.
 - (c) For harvested production declared zero market value (quality adjusted to zero value or zero production to count) and that is required to be destroyed (e.g., corn with quality adjustment factor of .000); gleaning or food recovery of any salvageable production will be allowed (except as limited by subparagraph D below) and such production will not be considered as production to count.
- (2) Unharvested Acreage
- (a) If the crop can be harvested, but the insured elects not to harvest, the acreage must be appraised before gleaning is allowed and such appraisal will be used as production to count.
 - (b) On crop acreage that is routinely mechanically harvested and is damaged by insured causes (e.g., wind, hurricane, etc.) to the extent that it cannot be mechanically harvested with normal harvest equipment, no production is currently counted. However, if the insured elects to hand harvest or use specialized harvesting equipment, the production is counted. If the insured elects to allow gleaning in these situations, production on this acreage will not be considered production to count.
 - (c) For unharvested production declared zero value (quality adjusted to zero value or zero production to count) and that is required to be destroyed (e.g., unharvested potatoes in excess of 5.1 percent tuber rot that could not be sold); gleaning or food recovery of any salvageable production will be allowed (except as limited by subparagraph D below) and such production will not be considered as production to count.

NOTE: When gleaning is allowed for acreage qualifying as unharvested acreage, the acreage that is gleaned will not be considered harvested.

D Waiving Requirement to Destroy Zero-Value Production

In cases where FCIC normally requires destruction of harvested or unharvested zero-value production (quality adjusted to zero value or zero production to count), gleaning can be allowed as long as the crop does not contain substances or conditions identified by the Food and Drug Administration or other public health organizations of the United States as injurious to human or animal health.

E No Compensation Can Be Received For the Gleaned Crop

If any compensation is received by the insured for the gleaned crop from any qualified charitable organization, it will not be considered gleaning for crop insurance purposes. Compensation for non-crop items, services, labor, etc., as described in (1) below is not considered compensation for the crop.

- (1) Situations not to be considered compensation for the crop:
 - (a) States tax credits and other state and federal tax advantages for donating gleaned commodities.
 - (b) Reasonable compensation from a qualified charitable organization to the insured for harvest and/or transportation of the gleaned (donated) crop:
 - 1 the qualified charitable organization indicates in writing the amount of compensation and that the compensation is solely for reimbursement of harvest and/or transportation costs incurred by the insured, and
 - 2 the insured certifies in writing that the compensation is solely for harvest and/or transportation costs.
- (2) Situations considered to be compensation for the crop:
 - (a) When the qualified charitable organization and/or insured have not provided the required information in writing as specified in (1) above, the compensation received will be considered to be for the crop.
 - (b) When the insurance provider determines that the compensation for harvest and/or transportation as allowed in (1) above is excessive (i.e., not reflective of the associated costs) and/or that part of the compensation is for the crop, the insurance provider will consider the compensation received to be compensation for the crop.
- (3) Do the following when compensation is considered to be compensation for the crop:
 - (a) If the claim has already been processed, a corrected claim will be prepared for the types of claims described in the above subparagraphs C (1) (a), C (1) (c), C (2) (b) and C (2) (c). The harvested production will be used as production to count and, in cases where production records are not available, the amount received for gleaning will be divided by the elected price election to determine production to count. For dollar amount crops, the dollar amount received will be used to determine the amount of production or value to count.
 - (b) For the types of claims described in above subparagraphs C (1) (b) and C (2) (a); the claim will not be corrected.

CONTINUED ON THE NEXT PAGE

F Gleaning Codes For the Claim Form

In the AStage@column on the claim form (Production Worksheet for most crops), code acreage that is released to be gleaned as shown in the table below:

GLEANNING CODE	USE WHEN. . .
AHG@	it is the type of claims described in the above subparagraphs C (1) (a) and C (1) (c) AND it IS NOT a crop for which stage guarantees apply.
<p>A2G,@A3G,@OR applicable stage code the crop was gleaned in followed by AG.@</p> <p>NOTE: For Mint, claims having stages W1, W2, and W3 (claims having damage covered under the winter coverage option) would never be changed to show a gleaning code.</p>	it is the type of claims described in the above subparagraphs C (1) (a), C (1) (c), C (2) (a), C (2) (b), and C (2) (c); AND it IS a crop for which stage guarantees apply.
AUG@	it is the type of claims described in the above subparagraphs C (2) (a), C (2) (b), and C (2) (c) AND it IS NOT a crop for which stage guarantees apply.

G Signed Certification of Gleaning

A Certification Form will be prepared, as follows:

- (1) For the type of claim described in above subparagraph C (2) (b), the certification on the Certification Form as required in PAR. 75 H (5) is still required except the statement must be modified as follows:

As indicated by the insured-s signature below, the insured certifies that the damaged acreage that cannot be mechanically harvested with normal harvest equipment will not be harvested and if the acreage is gleaned it will be gleaned by the organization shown in the narrative of the claim form (or other USDA approved charitable organizations) and the insured will not receive any compensation from the organization. If the insured harvests the crop after this certification or receives compensation from the charitable organization, the insured understands he/she may be subject to the misrepresentation provisions in the crop insurance policy.@

- (2) For the type of claim described in above subparagraph C (1) (c) and C (2) (c):

Before a claim can be finalized, the insurance provider must receive a completed Certification Form from the insured showing the insured's certification of the name and address of the approved charitable organization that gleaned the acreage and/or production released for gleaning, that all such acreage and production was gleaned, and that the insured received no compensation from the charitable organization. Refer to the PAR. 56 for procedures regarding the Certification Form.

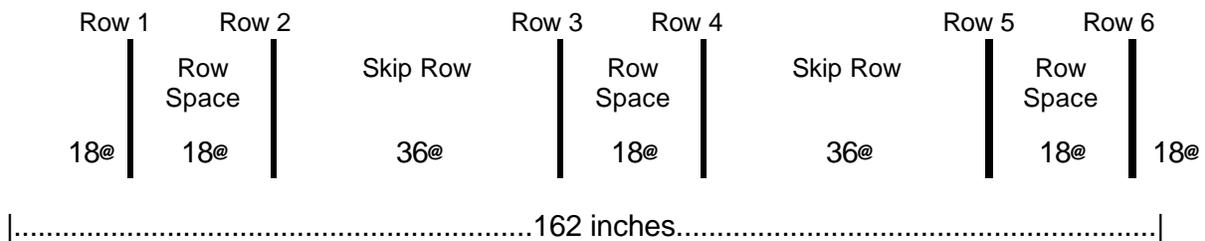
NOTE: When the entire production is not gleaned on any acreage as indicated by the insured on the Certification Form, then the adjuster must make a farm visit to verify that the balance of the production has been destroyed or a completed Certification Form will need to be signed for destruction of the balance of the production.

83 APPRAISALS INVOLVING AVERAGE ROW-WIDTH MEASUREMENTS

When appraisal instructions in a specific crop handbook require an average row-width measurement to be used in determining sample selections AND where rows are skipped for tractor and planter tires (except for cotton or tobacco, use the respective cotton or tobacco handbook instructions for skip-row or sled-row patterns), determine the average row width as follows:

- ! Measure across one entire pattern;
- ! Count the number of planted rows; and
- ! Divide the total distance measured by the number of rows measured across.

EXAMPLE:



$$162 \text{ inches} \div 6 \text{ rows} = 27 \text{ in. average row width}$$

For other types of row-width measurement instructions, see the individual crop handbook.

SECTION 5 ADJUSTMENTS TO PRODUCTION

84 GENERAL INFORMATION

A Reasons Why Production May Be Adjusted

Adjustments are allowed for the following:

- (1) Moisture when the moisture percentage meets the requirements stated in the crop provisions or endorsement (unless specified otherwise in the Special Provisions). Refer to PAR. 86 for more information.
- (2) Foreign-material (FM) or Conspicuous Admixture or Admixture, as defined by FGIS, (adjustment for dockage (as defined by FGIS) ONLY if allowed for the crop, as specified in PAR. 87). Adjustments for any of these items can only be made if they meet all of the criteria specified in PAR. 87.

NOTE: If there is a conflict about FM instructions between the LAM and the individual crop handbook, the LAM will prevail.

- (3) Low quality caused by an insurable cause of damage. Adjustment for quality is made only when deficiencies and conditions of the crop meet the requirements stated in the crop provisions or endorsement to the crop (unless specified otherwise in the Special Provisions). Refer to PAR. 85 for more information.

B Who Makes Adjustment Determinations

Refer to PAR. 86 for moisture adjustments and PAR. 87 for FM (dockage percentages if allowed in PAR. 87). All deficiencies and conditions of the crop for which quality adjustment applies MUST have been graded or determined by the entity specified in the crop provisions (Special Provisions or endorsement, if applicable), except test weights can be determined by the adjuster as specified in PAR. 85.

Note: Samples to make determinations CANNOT be obtained by the insured or insured's representative. Samples must be obtained by an adjuster or disinterested third party. See PAR. 85 for more information.

C Production Disposed of Before Determinations Are Made

- (1) When the insured's interest is 100 percent in the crop:

Adjustments in production for moisture, FM (dockage ONLY if allowed for the crop, as specified in PAR. 87), or quality (quality adjustment) cannot be allowed for production disposed of before necessary determinations are made, unless sales or weight tickets show gross weight, moisture content, FM and/or dockage, and any other applicable deficiency (deficiency for which quality adjustment applies, must be graded by the entity specified in the crop provisions before deductions for deficiencies or conditions can be made; see PAR. 85.)

- (2) When the insured's interest is LESS than 100 percent in the crop:

- (a) Moisture or FM (dockage ONLY if allowed for the crop, as specified in PAR. 87) can be allowed IF:

1 The production belonging to the other person sharing in the crop is available to make determinations, or

2 Weight tickets are available which show gross weight, FM, and moisture content.

NOTE: This is applicable ONLY when the other production is representative of the insured-s share.

(b) Quality adjustment can be allowed ONLY if:

1 The production belonging to the other person is available for the adjuster to pull samples to be sent to the entity allowed in the applicable crop provisions, Special Provisions, or quality endorsement to make determinations of deficiencies and/or substances or conditions injurious to human or animal health. Refer to PAR. 85 for more information concerning quality adjustment; or

2 A copy of records (tickets, slips, receipts or other records) from the other person's share of the crop is furnished and the records specify the deficiencies (and deficiency amounts) for which quality is allowed under the insurance contract. These records are only acceptable if the crop was delivered to a buying point where samples were pulled by a disinterested third party and were graded by an entity specified in the applicable crop provisions, Special Provisions, or quality endorsement or option to the crop.

NOTE: This is applicable ONLY when the other production is representative of the insured-s share.

85 QUALITY ADJUSTMENT (QA)

A Policy/Endorsement Provisions

Some policies/endorsements provide for a reduction in the production to count when the quality of the appraised and/or harvested production is reduced due to insurable causes. The quantity of **mature** production to count is reduced when it meets the requirements stated in the crop policy/endorsement **(Special Provisions, if applicable)**.

B Who Can Obtain the Samples for Grading/Analyzing

Only the adjuster or a person who is a disinterested third party approved by the insurance provider can obtain the samples for grading. For claims involving mycotoxins see PAR. 91.

C Sample Requirements For Adjuster-Obtained Samples

The following applies, unless samples involve mycotoxin-infected production. Refer to PAR. 91 for sample requirements for mycotoxin-infected production.

(1) Samples from unharvested production

- (a) The minimum number of representative samples and size of the representative sample areas must be at least the required number and size stated for appraisals in the applicable crop handbook.
- (b) Encourage the insured to harvest representative sample areas. However, if the insured is unwilling or unable to harvest the selected representative sample areas, the adjuster must hand harvest representative sample areas of the production to obtain the samples.
- (c) From the production harvested from the representative sample areas, the samples to be graded must be obtained and identified by unit number and field I.D. and/or subfield I.D., if applicable. See (3) below for information about sample size and transportation of samples.

(2) Samples from Harvested Production

If the insured has harvested the production and samples are taken from trucks, wagons, etc., prior to delivery, the adjuster should probe in different areas of the trucks, wagons, etc., to obtain a sample from each load (refer to paragraph 91 E) (2) (d). If the quality of grain in the field or subfield of a unit appears similar, a blended sample may be used. If the production is stored, obtain the sample from the storage structure for all QA factors other than mycotoxins. Identify samples by bin ID and unit number. If the production has been commingled between units, see PAR. 115.

NOTE: When samples are taken from farm-stored production or from unharvested mature production to obtain quality determinations, only adjusters can extract the samples, unless specified otherwise in the crop provisions or Special Provisions. The adjuster is responsible for taking enough samples to ensure that the combined samples will be representative of all production in the storage structure. For stored production, this is done by using a probe (may need an extension) or other various means to extract samples from various depths and areas of the storage structure.

(3) Sample size and transportation

Follow the instructions provided by the entity specified in the crop provisions to grade samples in regards to sample size, container, and transportation to ensure the integrity of the sample(s).

(4) For crops administered under the United States Grain Standards Act or the Agricultural Marketing Act, adjuster obtained samples can ONLY be submitted to FGIS, AMS, or their designee, as applicable for the crop.

(a) United States Grain Standards Act

- 1 Crops administered under this Act are, as follows: barley, canola, corn, flaxseed, oats, rye, grain sorghum, soybeans, sunflower seed, and wheat.

2 Locations of offices that can grade samples of a particular crop

Refer to the GIPSA Official Agency Directory for official inspection sites. A copy of the directory can be obtained through the GIPSA Compliance Division in Washington, D. C. An abridged version can also be found on the GIPSA Internet site or links can be found on the RMA Internet site.

(b) Agricultural Marketing Act

1 Insurable crops administered under the Agricultural Marketing Act (crops include but not limited to dry beans, lentils, dry peas, rice, safflowers; check individual crop provisions)

2 Locations of offices that can grade samples of a particular crop

Contact the nearest FGIS field office for the location of the nearest facility that can give a grade for submitted samples for the applicable crop. A list of FGIS field offices can be found at the GIPSA Internet site or a link can be found at the RMA Internet site.

NOTE: Not all facilities working under FGIS are licensed to grade all commodities administered under the Agricultural Marketing Act.

D Samples from Harvested and Delivered Production

The U.S grading standards require graders to pull samples from each conveyance (i.e., load, lot, etc.). If harvested production is delivered to an elevator, terminal, or other buying point where there is a disinterested party available who meets the criteria in the policy provisions for grading the particular production for quality adjustment purposes but it is discovered that samples were not pulled from each conveyance, the grade deficiencies based on these samples cannot be used. This is because the samples were not graded in accordance with the U.S. grading standards required in the crop provisions (Special Provisions, if applicable). Notify the insurance provider of the name and location of this buying point. The insurance provider will notify Insurance Services or PDD.

E Who Can Determine the Quality of Most Crops for Quality Adjustment Purposes

(1) For canola, coarse grains (corn, grain sorghum, and soybeans), small grains crops (barley, flax, oats, rye, and wheat), and sunflowers, determinations of deficiencies in quality (except test weight, which may be determined by the adjuster), the production must be analyzed by a:

(a) Grain grader licensed under the United States Grain Standards Act or the United States Warehouse Act;

(b) Grain grader licensed under State law and employed by a warehouse operator who has a storage agreement with the Commodity Credit Corporation; or

(c) Grain grader not licensed under State law, but who is employed by a warehouse operator who has a commodity storage agreement with the Commodity Credit Corporation and is in compliance with State law regarding warehouses; and

- (d) With regard to substances or conditions injurious to human or animal health, the samples must be analyzed by a laboratory that meets the required criteria for an insurance provider-approved testing facility (laboratory) as outlined in PAR. 91 F.
- (2) For dry beans, dry peas, rice, and safflowers, deficiencies in quality (except test weight, which may be determined by the adjuster) must be made by:
- (a) A grader licensed under the United States Agricultural Marketing Act or the United States Warehouse Act,
 - (b) A grader licensed under State law and employed by a warehouse operator who has a storage agreement with the Commodity Credit Corporation; or
 - (c) A grader not licensed under State law, but who is employed by a warehouse operator who has a commodity storage agreement with the Commodity Credit Corporation and is in compliance with State law regarding warehouses; and
 - (d) With regard to substances or conditions injurious to human or animal health, the samples must be analyzed by a laboratory that meets the required criteria for an insurance provider-approved testing facility (laboratory) as outlined in PAR. 91 F.

(3) Information About USWA and Location of USWA Licensed Warehouses

A facility licensed under the USWA must have individuals on site who are licensed to weigh, inspect, or grade specific commodities, and may only give a grade for production that is delivered to that warehouse for storage or handling. Warehouse employees licensed to grade specific commodities under the auspices of the USWA cannot provide grades for samples submitted for grading purposes only. A listing of licensed warehouses, the city and the applicable crops (e.g., CTN is cotton, GRN is grain, DEB is dry edible beans) can be found on the FSA Internet site or a link can be found on the RMA Internet site.

NOTE: Each warehouse is only licensed for certain types of commodities. For example, a warehouse licensed for grain cannot inspect, weigh, or grade dry beans unless it is also licensed to handle dry beans.

Refer to the applicable individual crop handbook, crop provisions, endorsement or option (if applicable), or Special Provisions for specific quality adjustment qualifications and provisions.

F Who Can Determine the Quality of Other Crops

For crops other than those specified in subparagraph E above that have quality adjustment provisions, the policy provisions may allow various factors of quality to be determined by the processor, State grader, or USDA grader, or may not specify who grades the crop but only requires that the crop be graded in accordance with specified U.S. standards for fresh fruit, dried fruit, standards set forth in Marketing Orders, or standards set up by other industry standards, etc. (For example: Samples of Crambe must be analyzed in accordance with standards of North Dakota Grain Inspection, Inc., or by a laboratory approved by the insurance provider.) When policy provisions do not specify a specific entity to grade the crop but only specifies that the crop meet or not meet certain standards in order to qualify for quality adjustment, the insurance provider

must assure that the entity that is grading the crop is qualified to do so; i.e., if an adjuster is grading the crop, the adjuster must have received adequate training to make the grade determinations (this may be on the job training from another adjuster proficient in grading the crop or through the agency or association that sets the standards for the crop. A state grader or Federal grader will be assumed to be qualified. If the crop provisions specify the deficiencies identified by the processor are acceptable, the entity that grades for the processor will be assumed to be adequately trained. Refer to the applicable crop handbook and/or crop policy/endorsement for specific quality adjustment qualifications and provisions.

NOTE: When there is farm-stored production or unharvested mature production, only adjusters can obtain samples for quality determination purposes, unless specified otherwise in the crop provisions or Special Provisions.

G Actual Test Weights to Tenths of Pound

- (1) GENERAL INFORMATION. Some grain handlers have the capability to determine test weight to tenths of a pound. Crop handbooks indicate that the test weight may be entered to tenths if so instructed by the insurance provider. However, if the weight is entered in whole pounds, the rounded test weight can cause the grain to appear to be ineligible for quality adjustment. For example: Oats having an actual test weight of 26.5 would be eligible for quality adjustment, but when the weight is entered on the claim form as a rounded weight (27 pounds), it does not appear to qualify.
- (2) For the purpose of determining quality adjustment, the tenths determination will be utilized when weights have been determined to tenths-of-a pound accuracy.
- (3) If the test weight is available to tenths of a pound, but the insurance provider instructions require test weight entries in whole pounds, ENTER IN the NARRATIVE of the claim, the ACTUAL TEST WEIGHT, TO TENTHS, that qualifies the grain for quality adjustment.

H Crops having Quality Adjustment Charts in the Special Provisions

For barley, canola, corn, flax, grain sorghum, oats, rye, safflowers, soybeans, sunflowers, and wheat production that is eligible for quality adjustment, the quality adjustment factor (QAF) is determined by subtracting from 1.000, the sum of all applicable pre-established discount factors (DF-s) listed in the Special Provisions or DF-s derived from reductions in value (RIV) of the damaged grain. The QAF (not less than 0.00) is multiplied by the number of applicable bushels or pounds remaining AFTER any reduction due to excessive moisture (in accordance with the crop provisions).

NOTE: Claims involving mycotoxin infected production that exceeds the maximum amounts allowed by the Food and Drug Administration or other public health organization of the United States or agency of the applicable State may not be settled until the production is sold, used, or destroyed.

- (1) Pre-established DF-s from the Chart
 - (a) When there is a pre-established DF for the individual type/level of damage (e.g., test weight, kernel damage, etc.) or grade (see (b) below) shown on the chart in the Special Provisions, the pre-established DF must be used to establish the QAF, unless (1) (c) or (e) applies.

(b) Pre-established DF-s for Grade

1 General Information.

a Besides DF-s for the individual type/level of damage (e.g., test weight, kernel damage, etc) there may also be a DF for grade. The individual type/level of DF-s should be added to the DF for grade (if the grain qualifies for the grade DF). The grade DF factor is not used in combination with RIV-s.

b **Types of Grade DF-s**

(i) **DF-s for U.S. NO. 5**

The U.S. NO. 5 grade DF is applicable to only Wheat and Barley. Use this DF only once plus any applicable pre-established DF-s.

(ii) **DF-s for U.S. Sample Grade**

The Sample Grade DF is applicable to barley, canola, corn, flax, grain sorghum, oats, rye, soybeans, Oil-type sunflowers only, and wheat. (Safflowers do not have a DF for this grade type.) Use the Sample Grade DF only once plus any applicable pre-established DF-s. The Sample Grade DF is not used in combination with RIV-s.

(iii) **DF-s for Allowable Special Grades or Specific Allowable Sample Grade Defects**

i Special grade of light smutty (Wheat), smutty (Wheat, Oats) or garlicky (Barley, Oats) DF-s may be used separately or in addition to U.S. NO. 5 or Sample Grade DF-s unless there is no pre-established DF for an applicable type and level of insurable damage.

ii Pre-established DF-s for specific allowable Sample Grade defects such as musty, sour, or commercially objectionable foreign odors (Flax, Corn, Grain Sorghum, Soybean, Sunflower, Safflower, Canola) will be used in addition to the Sample Grade DF unless there is no pre-established DF for an applicable type and level of insurable damage.

NOTE: See item (4) below for various examples; e.g., when there are types/levels of damage or grade for which there are pre-established DF-s, a type/level of damage for which there is NO pre-established DF-s, and a combination of a type/level(s) of damage for which there are pre-established DF-s and a type/levels of damage for which there are no pre-established DF-s.

(c) If the damaged grain has a zero market value in the insured-s local marketing area AND a net zero value* at a market within reasonable distance outside the local marketing area, **no production will be counted if the production is destroyed. In lieu of destruction, production may**

be gleaned provided the criteria stated in PAR. 82 are met. The method of destruction must result in the production having no possibility of being marketed or possibility of salvage use that could result in any type of compensation to the insured. For mycotoxin-infected grain, see PAR. 91.

NOTE: When there are pre-established DF-s for the type/level of damage or grade, there should be very few instances, if any, where a value cannot be found for such grain.

*Net Zero Value means: The additional costs to transport the grain to a market within reasonable distance outside the insured-s local marketing area (distant market) exceeds the value in the distant market. Additional costs means: Costs in excess of costs to transport to the local marketing area. Transportation costs to be used in this determination must be usual, reasonable, and customary.

- (d) When it has been established that there is a zero market value in the insured-s local marketing area and a positive value for grain that would be transported to a distant market (of reasonable distance) OR the insured refuses to destroy the grain, the applicable pre-established DF-s for the level or type of damage (without adjustments for additional transportation costs) will be used to determine the QAF to adjust the production to count if for ALL of the types/levels of damage, there are pre-established DF-s shown on the QA chart in the Special Provisions.
- (e) If there is a type/level of damage or grade for which there are pre-established DF-s AND at least one type/level of damage for which there are NO pre-established DF-s in the QA section of the Special Provisions, the pre-established DF-S(s) are not used to determine the QA factor. When the preceding situation exists, a DF factor will be established from the reductions in value for all the types/levels of insurable damage (including the damage or grade for which there is a pre-established DF). See Examples 5 and 6 in subparagraph (4) below.
- (f) Other than to consider whether there is net zero value as described in (1) (c) or as allowed in (1) (e) above, transportation costs are not allowed when the only types and/or levels of damage or grade are ones for which there are pre-established DF-s shown on the chart, regardless of the market value of the grain. Additionally, conditioning costs are not allowed when the only types and/or levels of damage or grade are ones for which there are pre-established DF-s on the chart.

(2) DF-s Derived From RIV-s

In the absence of pre-established DF-s for types or levels of damage (not inclusive of absence of DF-s for U.S. No. 5 grade or Sample Grade) or when the situation as described in E (1) (e) above exists, DF-s are derived by dividing the total RIV-s by the Local Market Price (LMP) (rounded to three places). The LMP is as defined in the applicable crop provisions. If the RIV for **each** qualifying damage cannot be established from the buyer, the RIV will be the total reduction in value (excluding any RIV as stated in (3) (d) below) of the price of the grade stated in the definition of Local Market Price (LMP) in the applicable crop provisions; i.e., the definition for LMP for corn in the Coarse Grains Crop

Provisions is No. 2 for corn; therefore, the reduction in-value is the reduction in value of the price of No. 2 corn.

(3) Establishing RIV-s

(a) The adjuster is responsible for ensuring that only usual, customary, and reasonable RIV-s are used. When determining RIV's, it is not necessary to determine the actual **value** of the production if the buyer is able to specifically provide, to the adjuster's satisfaction, the reduction in value (RIV) requested.

(b) RIV-s and LMP-s will be those in effect on the earlier of, the date such quality-adjusted grain is sold or the date of final inspection for the unit.

(c) The RIV is also to be based on the same kind and class of crop that is insured.

1 **For Sold Production.** The RIV will be the RIV applied by the buyer **for each load** unless it is determined that such RIV-s are not usual, customary, and reasonable.

2 **For Unsold Production (Commercially Stored, Farm Stored, or Appraised Mature Production).** The RIV-s will be the RIV-s for the types/levels of damage at the local market on the date of final inspection. However, if a lower RIV is available at a market within a reasonable distance outside the insured-s local marketing area (distant market), the RIV can be increased by the additional costs to deliver the production to the distant market; provided the resulting RIV does not exceed the RIV in the insured-s local marketing area.

3 **Fed Production.** The RIV will be the RIV for the type/level of damage at the insured-s local marketing area on the date of final loss adjustment PROVIDED acceptable weight records are available showing necessary quality adjustment information, or grain is still available from which the adjuster can obtain samples. Refer to PAR. 93 B for what constitutes acceptable records.

(d) No RIV is allowed if it is due to (1) moisture content, (2) damage due to uninsured causes, or (3) drying, handling, processing or any other costs associated with normal harvesting, handling, and marketing of the production.

(e) **Conditioning Costs:** If an RIV can be decreased by conditioning the production, the RIV after conditioning may be increased by the cost of conditioning, provided the resulting RIV does not exceed the RIV before conditioning.

(f) Contracted Production

NOTE: Contracted production as used in the context of this procedure refers to speculative-type contracts, not processor contracts.

1 Contract has been fulfilled (production delivered/sold):

The RIV will be the RIV applied by the buyer (who had the contract with the insured) as long as the RIV is usual, customary, and reasonable. To determine whether the RIV is usual, customary, and reasonable, the RIV must be compared to the RIV that would have been applied to the damaged production (same type/level of damage) if it had not been contracted.

For example:

Contracted grain: delivered October 1, RIV of \$2 applied.

Local Market Area - non-contracted grain: RIV would have been \$1 on October 1 for production of the same type/level of damage.

In this case, the \$2 RIV for the contracted and delivered grain was not usual and reasonable compared to the \$1 RIV in the local market. The \$1 RIV would be used to compute the quality adjustment factor.

2 Contract has not been fulfilled (production not delivered/unsold):

Since settlement has not been made, there is no way to establish the RIV with any certainty; therefore, the production will be considered to be unsold. Establish the RIV as instructed in **3 (c)** above.

3 Disregard the fact that the insured may receive additional money after the claim has been finalized. The only RIV that can be considered is the actual RIV applied by the buyer on the date the production was sold unless the RIV applied by the buyer is not usual or reasonable (see (f) 1 above); or if unsold, the RIV determined at the time of the final inspection as instructed in (3) **(c)** 2 or 3, as applicable

(4) Examples of Determining QAF's with Pre-established DF's and Derived DF's

NOTE: QAF's cannot be less than zero.

Example 1: Crop only qualifies for the pre-established DF for grade

Soft Red Wheat with a test weight of 54 pounds and 15% defects is designated as U.S. No. 5 wheat. There is no pre-established DF on the chart for a 54 pound test weight or 15% defects for soft red wheat (this test weight exceeds the point at which pre-established DF's begin for test weight), and there is no pre-established DF for 15% defects (15 % defects exceed the point at which pre-established DF's begin for defects); however, the 15% defects do cause the wheat to grade U.S. No. 5 which qualifies the wheat for quality adjustment. The grade DF for U.S. No. 5 wheat is .097.

(a) .097 (DF for U.S. No. 5 wheat) (b) $1.000 - .097 = .903$ QAF

Example 2: Individual pre-established DF's applied but crop does not have a pre-established DF listed for the applicable grade

Corn with kernel damage (12%) and test weight (47 pounds) per bushel is designated as U.S. No. 5 corn. The test weight and kernel damage DF's would only be applied to arrive at the QAF. There is no U.S. No. 5 grade DF for corn. The U.S. Sample grade DF's would not be used in this example.

$$\begin{array}{rcl}
 \text{(a)} & \begin{array}{l} .063 \text{ (DF for kernel damage)} \\ \underline{.053} \text{ (DF for test weight)} \\ .116 \text{ Total DF's} \end{array} & \text{(b)} \quad 1.000 - .116 = .884 \text{ QAF}
 \end{array}$$

Example 3: Individual pre-established DF's applied in combination with pre-established DF for grade

Corn with kernel damage (25%) and test weight (47 pounds) is designated as U.S. Sample Grade (kernel damage qualifies). The individual kernel damage DF's and test weight DF's would be applied in combination with the U.S. Grade Sample DF's.

$$\begin{array}{rcl}
 \text{(a)} & \begin{array}{l} .254 \text{ (DF for kernel damage)} \\ .053 \text{ (DF for test weight)} \\ + \underline{.226} \text{ (DF for Sample Grade)} \\ .533 \text{ Total DF's} \end{array} & \text{(b)} \quad 1.000 - .533 = .467 \text{ QAF}
 \end{array}$$

Example 4: Type/level of damage with NO pre-established DF

Wheat has only one type/level of damage (garlicky grade) that qualifies for quality adjustment. Since this type of damage has NO pre-established DF, the QAF will be derived from the RIV as follows:

$$\begin{array}{rcl}
 \text{(a)} & \$1.80 \text{ RIV (for garlicky grade)} \div \$2.90 \text{ LMP} & = .621 \text{ (DF)} \\
 \text{(b)} & 1.000 - .621 & = .379 \text{ QAF}
 \end{array}$$

Example 5: Combination of type/level of damage with pre-established DF-s and type/level of damage with no pre-established DF

Corn with kernel damage (25%) and test weight (45 pounds) is designated as U.S. Sample Grade. Since the test weight has no pre-established DF, the pre-established DF for kernel damage and the DF for Sample Grade will be ignored. The LMP for corn is \$2.20. The QAF for the damaged corn is determined as shown in the following steps:

$$\begin{array}{rcl}
 \text{(a)} & \begin{array}{l} \$.65 \text{ (RIV for test weight)} \\ + \underline{\$.75} \text{ (RIV for kernel damage)} \\ \$1.40 \text{ Total RIV} \end{array} & \\
 \text{(b)} & \$1.40 \text{ (Total RIV)} \div \$ 2.20 \text{ (LMP)} & = .636 \text{ (DF)} \\
 \text{(c)} & 1.000 - .636 & = .364 \text{ QAF}
 \end{array}$$

Example 6: Combination of type/level of damage with pre-established DF and a type/level of damage (mycotoxin) with no DF

Corn had a low test weight of 46 pounds and had mycotoxin damage. It was determined that there was a 65¢ a bushel RIV for mycotoxin. There is a DF of .063 for 46 pound test weight on the chart in the Special Provisions for corn, and a determined RIV of 16¢ a bushel for the low test weight. Mycotoxins are a type of damage for which the Special Provisions has no listed DF-s, thus the DF for mycotoxins are derived. However, since there is a type of damage for which there is no pre-established DF-s (mycotoxin), AND a type/level of damage for which there is a pre-established DF, the pre-established DF-s will be ignored. A RIV for the low test weight and a RIV for the mycotoxin will be determined to establish a DF for each type of damage.

The LMP for corn is \$2.20. The QAF for the damaged corn is determined as shown in the following three steps:

- (a)
$$\begin{array}{r} .65 \text{ (RIV for mycotoxin)} \\ +.16 \text{ (RIV for test weight)} \\ \hline \$.81 \text{ Total RIV} \end{array}$$
- (b) $.81 \text{ (Total RIV) } \div 2.20 \text{ (LMP)} = .368 \text{ (DF)}$
- (c) $1.000 - .368 = .632 \text{ QAF}$

NOTE: If the mycotoxin was a type/level for which there was 100% RIV; i.e., due to Federal and State regulation, the grain cannot be sold; the QAF would be 1.000, regardless of DF-s for types/levels of damage or grade on the chart.

I Crops that use the Actual Value Received to Determine QAF-s

For some crops, there are no quality adjustment charts in the Special Provisions, and the crop provisions provide that the dollar-and-cents value of the damaged crop is used in establishing the quality adjustment factor (value of the damaged production divided by the Local Market Price as defined in the specific crop provisions). Check the crop provisions for applicable crops. **This does not apply to barley, corn, canola, flax, grain sorghum, oats, rye, safflowers, soybeans, sunflowers, and wheat; see subparagraph G above for these crops.**

- (1) The dollar-and-cent value of the damaged production is the local market value for the same quality as the damaged production. (See allowances for conditioning costs in (5) below.) When determining the value of production, consideration must be given to the test weight, damaged kernels, moisture content, substances or conditions injurious to human or animal health, and other factors which (due to insurable causes) affected the value of the production. In regards to moisture, see subparagraph H (4) below.
- (2) The dollar-and-cents value shall NOT REFLECT ANY REDUCTION:
 - (a) due to uninsured causes;
 - (b) for drying charges, handling, processing, or any other costs associated with normal harvesting, handling, and marketing of the production; and/or

*** (c) for moisture discounts

(3) The Actual Dollar-and-Cents Value of Damaged Production

(a) **Unsold Production (Commercially Stored, Stored on Farm, or Appraised Mature Production)**

The actual value is the value of the damaged production obtained in the local market area on the date of final inspection. Local market is the area in which the insured normally markets the crop, to the extent possible. If zero value, see subparagraph J for additional information.

If a higher price is available at a market within a reasonable distance outside the local market area, this price is to be used with transportation costs in excess of transportation costs to the local market being deducted from such price. Transportation costs to be used in this determination must be usual, reasonable, and customary.

(b) **Fed to Livestock**

The actual value of fed production is the value at the local market on the date of final inspection PROVIDED acceptable weight records are available showing necessary quality adjustment information, or if a sample for grading is available. If production to be fed is zero value, see subparagraph G for additional information. Refer to PAR. 93 B for what constitutes acceptable records.

(c) **Sold or Otherwise Disposed of**

- 1 The actual value is the dollar amount received or the local market value, by load, on the date of disposition, whichever is higher taking into consideration the other procedures in subparagraph H.
- 2 You MUST verify the value received from the settlement sheet. If the final settlement has not been made, you MUST verify with the elevator operator or grain buyer what value will be paid for the damaged production. DO NOT USE LOAD TICKETS.
- 3 When grain qualifies for quality adjustment and the grain dealer has applied additional dockage to dock high moisture grain:
 - a Grain dealers sometimes apply additional dockage relative to the amount of moisture to dock high moisture grain. When the production shown on warehouse or elevator tickets has been reduced by applying such additional dockage, the gross units of wet production must be determined before the production can be adjusted.
 - b If the grain buyer takes this deduction by reducing pounds or bushels rather than reducing the value, the price per bushel must be adjusted to equate with gross production reported on the claim form. In such situations, do the following:
 - i Adjust the deduction for moisture to allowable limits.

- ii Revise the settlement sheet to reflect the correct moisture deduction and allowable amount payable.
- iii Divide the value received for the reduced total weight or bushels of the lot by the number of bushels determined from the original delivered weight.
 - iv This gives the value per bushel for the damaged crop and needs no further adjustment unless there have been uninsured causes of loss. (The sale price will reflect foreign material and other factors.) The resulting revised value per bushel divided by the appropriate local market price gives the applicable Quality Adjustment Factor that will be used to calculate the production to count.
- v The crop handbook will provide additional instructions and specific entry instructions. Identify the quality adjustment in the narrative of the claim form as instructed in the appropriate crop handbook.

(d) Contracted Production

NOTE: Contracted production as used in the context of this procedure refers to speculative-type contracts, not processor contracts. **There are no applicable procedures for production contracted under speculative type contracts in the Crop Handbooks.**

1 Contract has been fulfilled (production delivered/sold)

The actual dollar and cents value is the price received for the damaged production delivered as long as the discounts used to establish the price received is usual, customary, and reasonable. The QAF CANNOT be GREATER than 1.000.

2 Contract has not been fulfilled (production not delivered/unsold)

Since settlement has not been made, there is no way to establish the value of the damaged production with any certainty; therefore, the production will be considered to be unsold. Establish the value as instructed in (3) (a) above.

3 In some cases, contracts will be set up with minimum prices which can be adjusted to a higher price after delivery of the damaged production and receipt of the minimum price. In these cases, if the contract has been fulfilled by the date of final inspection, the price the insured has received by this date is the value used (either the minimum (adjusted for quality) alone or the minimum (adjusted for quality) plus any additional value received due to the adjusted minimum price.

4 Disregard the fact that the insured may receive additional money after the claim has been finalized. The only value that can be considered is the actual value the insured has received by the date of final inspection.

Example 1

At the time of loss adjustment, the insured had fulfilled the contract (delivered all contracted grain) and had received \$4 a bushel, the minimum (less discounts for the damage). The value used to determine the QAF is \$4.

Example 2

Prior to loss adjustment, the insured fulfilled the contract and received \$4 a bushel, the minimum value (less discounts due to the damaged grain). However, by the time loss adjustment was done, the insured had received an additional 25 cents a bushel, due to the adjusted minimum price. In this case, the value received is \$4.25 not \$4. Thus, the \$4.25 is used to determine the QAF.

Example 3

At the time of final inspection, the insured has signed a contract with the elevator giving the elevator title to the grain in exchange for a delayed settlement. This is done in hopes that the market price will be higher at a later date. Until the insured triggers the date that settlement is to be made, no price has been agreed upon nor no money received by the insured. In cases where settlement has not been made, the production is considered unsold stored production and adjustment will be made based on the value of the damaged production that is quoted in the local market area on the date of final inspection.

- (e) The affected price (value) of the damaged crop may reflect other insurable factors besides the factor(s) that qualified the crop for quality adjustment. When the price does reflect other factors, make sure double credit is not given for such factors; e.g., dockage. See subparagraph H (4) below.

*** (4) Drying Charges and Moisture Discounts

- (a) Drying Charges: No drying charges are allowed in the established value of the damaged crop.

- (b) Moisture Discounts

- 1 Moisture adjustments for excess moisture must be made separate from and **prior to** quality adjustment and can only be made if allowed for in the crop provisions or Special Provisions.

- 2 Allow **ONLY** the moisture adjustments (essentially representing standard shrink for the particular grain) provided in the crop provisions, or Special Provisions, if applicable (e.g., .12 percent for each .1 percentage point of moisture in excess of 18.0 percent, etc.).

(5) Conditioning Charges

If conditioning charges are incurred to obtain a higher value for the **production**, reduce the price of the production after it has been conditioned by the cost of

conditioning to obtain its value (unless otherwise specified in the crop provisions or Special Provisions); but the established value is not to be lower than the value of the production before conditioning. This adjusted value will be considered the value of the affected production for quality adjustment purposes.

NOTE: Drying charges for reducing the moisture content of the production are not considered conditioning charges.

- (6) Refer to the individual crop handbooks for specific information.

J Zero-Value Production

Unless specified otherwise in the individual crop handbook, the following procedures apply. This procedure does not apply to production that cannot be mechanically harvested as described in PAR. 75 H.

- (1) Every effort should be made by the insured and insurance provider to find a market for the production before it is declared zero. Communication through the RMA RO is essential to ensure that insurance providers are aware of available markets for damaged production. The following items are to be followed when trying to find a market for the zero-value production.
- (a) Determine if there are buyers outside of the insured's local marketing areas (within a reasonable distance). Transportation costs (in excess of costs to local market) incurred as a result of transporting production outside the insured's local marketing area in order to obtain a value will be considered in determining:
- 1 The value of the damaged production, or
 - 2 For crops using RIV-s, transportation costs will be considered in determining the RIV of the damaged production (see subparagraph H (1) (b) above or the Special Provisions for the specific crop), or
 - 3 For crops having quality provisions in the Special Provisions and for which there is a pre-established discount factor for the type and level of damage, whether there is a net zero value; i.e. value minus transportation cost (in excess of cost to local market) equals zero or negative value. If after the consideration of the transportation cost there is a positive value, the grain must be adjusted in accordance with the pre-established discount factors, and there will be no consideration in adjusting the discount factor for the transportation cost.
- (b) Determine if the production can be sold directly to cattle or poultry feeding operations or other types of buyers.
- (c) Determine if the damaged production can be conditioned and sold. Conditioning costs will be considered in determining the value of the damaged production; or as applicable, for some crops, the RIV of the damaged production.

NOTE: Conditioning costs are not allowed if for the types/levels of damage(s) there are pre-established discount factors shown on the chart in the Special Provisions.

- (d) If a market still cannot be found after the determinations in subparagraph J (1) (a)-(c) above have been made, insurance providers may delay finalization of claims if there is a reasonable probability that there will be a market for the damaged production within the next 2 to 3 weeks. This may happen if the markets have bought enough higher quality grain to enable them to buy the lower quality grain.
- (e) For crops having quality adjustment provisions in the policy or for crops having quality adjustment provisions in the Special Provisions and the production has a type or level of damage for which there are no pre-established discount factors (i.e. RIV-s are used):

The insured may offer a value for the production rather than having to destroy the production IF it has been determined that there are no markets or other outlets that will offer a value for the production, and the insurance provider considers this a reasonable offer or refer to PAR. 82 for procedures allowing such production to be gleaned by an approved charitable organization. A value cannot be accepted for mycotoxin-infected grain that CANNOT be disposed of in a manner that will not exceed advisory levels. See PAR. 91.

NOTE: For crops with QA provisions within the Special Provisions: If for the type(s)/level(s) of damages, there are pre-established DF-s shown on the chart in the Special Provisions, offers will not affect the quality adjustment of the grain. If the grain is not destroyed, the production will be adjusted in accordance with the established DF-s on the chart.

- (f) Document all determinations made in subparagraph J (1) (a)-(e) above, including names and locations of marketing outlets, values quoted for the damaged production, any information pertinent to possible conditioning of the damaged production, any allowable transportation costs of the damaged production, etc. If multiple above-zero-values are determined, use the highest obtainable value (after allowable adjustments for conditioning or transportation costs, if applicable).

(2) Destruction

- (a) When the insurance provider has declared production to be zero-value, the production must be destroyed prior to finalization of the claim. A Certification Form can be used as described in (3) below. Destruction of such grain should be done in accordance with any applicable method prescribed by state or Federal regulations. The method of destruction must result in the production having no possibility of being marketed or possibility of salvage use that could result in any type of compensation to the insured. For mycotoxin-infected grain, refer to PAR. 91.

(b) Exceptions:

Exception 1:

In cases of mature unharvested production that in itself is destroyed (i.e., the production is of such quality that it could never be used for feed or anything else), the requirement to destroy the crop prior to indemnification can be waived by having the insured (or insured's representative) sign a Certification Form containing a statement indicating that the crop will not be harvested and will be destroyed.

Exception 2:

Also, if the criteria are met as provided in PAR. 123, the destruction requirement is excepted for mature unharvested production when destruction of such crop acreage would cause wind erosion problems.

Exception 3:

Production can be gleaned by an approved charitable organization rather than destroyed, provided all the criteria stated in PAR. 82 is met.

THERE IS NO EXCEPTION TO DESTRUCTION WHEN PRODUCTION IS INFECTED BY A TYPE AND LEVEL OF MYCOTOXIN FOR WHICH STATE AND/OR FEDERAL REGULATIONS OR GUIDELINES REQUIRE DESTRUCTION OF THE INFECTED PRODUCTION. SEE NOTE IN PAR. 56C.

(3) Certification Form

A Certification Form is to be used to record the insured's certification that the production has been destroyed and must be received by the insurance provider prior to the claim being finalized. Follow regular Certification Form procedures in PAR. 56, when completing the portion of the form that the adjuster completes and in providing instructions to the insureds for the portion that they are to complete. Also, in PAR. 56, note the required field visit after insured has certified on the Certification Form the destruction of mycotoxin damaged production.

K Consolidating QAF Entries

When there are loads of sold production that have the same QAF's, these loads can be consolidated on one line in the part of the Production Worksheet for harvested production as long as the other information (such as FM and moisture) is the same.

86 ADJUSTMENTS FOR MOISTURE

A Policy or Endorsement Provisions

(1) When crop provisions provide for adjustment for excess moisture, the mature production will be reduced when it meets the requirement stated in the crop policy/endorsement. If moisture adjustment for excess moisture is applicable, it is applied prior to any adjustment for quality.

NOTE: Hybrid Corn Seed Crop Provisions and Hybrid Sorghum Seed Crop Provisions provide for adjustments for excess and deficient moisture

percentages, as set forth in the individual crop provisions. Refer to the specific crop provisions and crop handbooks.

- (2) Moisture charts are in the Reference Material Section contained in applicable crop handbooks and provide the moisture adjustment factor for the percentage of moisture. Use these charts only when computing net production.

B Moisture Determinations from Sold Production

Moisture percentages are established from the individual load slips or settlement sheets, as explained in this subparagraph. Grain Dealers Use Various Methods to Dock High Moisture Grain. One method reduces the price in relation to the amount of moisture on the basis of currently established standards (charts). Another method applies additional dockage, relative to the amount of moisture, which is determined from established guidelines. Where the production shown on warehouse or elevator receipts has been reduced by applying such additional dockage, the gross units of wet production and the actual moisture percentage must be determined before the crop can be considered for a moisture adjustment.

C Moisture Tests of Farm-Stored Production.

Make moisture tests for farm-stored production at the time of the farm inspection. The adjuster is responsible for ensuring that any moisture determination is representative of the production in the entire storage structure. This is done by using a probe (may need an extension on the probe) to take samples from various depths and areas of the bin or other various means to derive a moisture percentage that is representative of the entire storage structure.

NOTE: Only the adjuster can take samples of farm-stored production for moisture determinations.

- D** Consolidating and Averaging Moisture Percentages. For consolidating and averaging moisture percentages on the claim form, see PAR.'s 88 and 89.

- E** Claim Form Entries. Entries for moisture factors (and/or moisture percentages) on the claim form are made as instructed in the individual crop handbook.

87 ADJUSTMENTS FOR FOREIGN MATERIAL (FM) AND IF ALLOWED, DOCKAGE

If there is any conflict about FM and/or dockage in the individual crop handbook and this handbook, this handbook prevails.

A General Information

For the purpose of determining production to count, adjustments of gross production due to FM in most instances will be allowed (there may be other items such as conspicuous admixture for which gross production may be adjusted, as stated in A (2) below). Adjustment for dockage is NOT allowed unless it meets the criteria stated in A (1) below. If the insured did (or will) receive compensation for the FM (or dockage, if allowed as provided below), deductions cannot be made.

The crop provisions for grain and seed crops state the following in the "Settlement of a Claim" section: "Any production harvested from plants growing in the insured crop may be counted as production of the insured crop on a weight basis." For most crops, such

production is defined as dockage by FGIS (for some crops where there is no FGIS dockage definition, such production would be included in FM, as defined by FGIS.) This policy provision will be administered as outlined below.

NOTE: Refer to Exhibit 17 for a chart of the FGIS definitions. The chart is current as of the date shown on the bottom of the pages contained in Exhibit 17. These seldom change. However, to be assured that these definitions are current, refer to the definitions shown in the U.S. grade standards for the crop (if U.S. grade standards are not available for the crop, refer to the FGIS directive for inspection standards for the crop). These can be found at the FGIS website at: <http://www.usda.gov/gipsa/reference-library/library.htm>

(1) For crops having FGIS definitions for FM and dockage (except for dry peas*), gross production can ONLY be adjusted for FM (as defined by FGIS for the respective crop), UNLESS it is determined that the dockage is due to an insured cause. If dockage is due to an insured cause of loss, the percentage of both FM and dockage may be used. Keep in mind that dockage can result from improper harvest of the crop, not following good farming practices due to improper applications of weed control, etc., so caution must be used when determining that the dockage was due to an insured cause. An example of an insured peril causing dockage is excess precipitation that caused weed or insect control measures to be ineffective and resulted in other plants (or for the geographical area, an above normal amount of other plants) growing in the crop from which production is harvested with the insured crop.

***NOTE:** In addition to FM, the Dry Pea Handbook allows the gross weight of peas to be adjusted by the percentage of dockage as defined by the US Standards for Dry Peas.

(2) For crops having an FGIS definition for “dockage” ONLY and FGIS definitions for stones, conspicuous admixture, and admixture; adjustments for dockage is not allowed UNLESS dockage is due to an insured peril, as stated in A (1) above. However, adjustments for stones, conspicuous admixture, and admixture are allowed, provided the insured was not compensated for these. NOTE: These crops do not contain all three of these definitions. Some contain only one and some contain two. Refer to Exhibit 17.

(3) For crops having an FGIS definition for “dockage” ONLY and NO FGIS definitions for stones, conspicuous admixture, and admixture; adjustments for dockage is not allowed unless the dockage is due to an insured cause of loss and the insured has not received compensation for the dockage. Refer to Exhibit 17.

(4) For crops having an FGIS definition for FM ONLY, adjustment for FM is allowed, unless it is determined that the FM includes production from other plants growing in the crop. If the FM percentage for the crop, crop year, and geographical area is in excess of what other producers in the area have delivered to buyers and it cannot be determined that the excessive amount is due to insurable causes, adjustments for FM is not allowed. If there are no other producers in the area, contact the RMA’s Product Development Division, Loss Adjustment Standards Branch (LASB). LASB will contact FGIS for the average FM for the crop. Refer to Exhibit 17.

NOTE: FM (and other terms, as allowed above) is determined on the basis of weight (not volume).

B Dockage and/or FM terms used by buyers

The term “dockage” or “FM” is sometimes used by buyers differently than the FGIS definition for “dockage” and “FM.” The adjuster must determine that the buyer’s term for FM (dockage, if allowed as stated in A above) is the same as FGIS’ definitions for the crop or other FGIS terms allowed as specified above. If the term(s) used by the buyer is not consistent with the FGIS definition(s), the adjuster must work with the buyer to determine the percentage of FM (dockage, if allowed above) deducted by the buyer that is consistent with FGIS’ definition for FM (and FGIS’ definition for dockage, if allowed above).

C Commercially Stored or Sold Production

- (1) When a FM percentage(s) is shown on producers' records; i.e., summaries, settlement sheets, individual load slips, enter in the FM column of the claim form the actual percent to the nearest tenth of FM (dockage if allowed for the crop as stated in A above or as determined in B above) that the buyer has actually deducted from the gross production sold (the amount entered in the column for gross production on the claim form) or if unsold, the amount the buyers in the area would deduct. See PAR.'s 88 and 89 for consolidating or averaging FM percentage entries on the claim form.
 - (a) If you are not certain if the elevator allowed 1% of a 4% FM and only charged the producer for 3%, contact the elevator either by phone or visit to ascertain what percentage was actually deducted. If still in doubt, show the full FM, and explain in the narrative.
 - (b) Show the FULL AMOUNT (percentage of FM deducted regardless of the grade tolerance (e.g., the U.S. Standards for Grain allow 2% FM on soybeans which grade No. 2). If the producer's records show 4% FM, the 2% FM allowed in the U.S. Standards for Soybeans is NOT deducted from the 4% on the producer's records. Thus "4.0" is entered in the FM column on the claim form.
- (2) When FM (and /or dockage, if allowed for the crop as stated in A above) is shown as a price discount and not as a percentage (provided production does not qualify for quality adjustment), try to ascertain the percentage of FM (and/or dockage if allowed as stated above) contained in the production. Make no entry in the FM column of the claim form if this percentage cannot be determined.
- (3) If the FM (and/or dockage if allowed as stated in A above) is accounted for under quality adjustment, even though FM may not have been the quality adjustment determining factor, DO NOT show the FM percent in the FM column of the claim form.
- (4) Do not include any adjustments for moisture in the FM entry.

D Farm-Stored Production

- (1) FM (and/or dockage, if allowed for the crop as stated in A above) as defined by FGIS, can be determined by the adjuster if the adjuster has the proper equipment and follows FGIS instructions (refer to E below) and the adjuster and the insured agree there are no quality deficiencies other than test weight. The adjuster may take samples to a local elevator to obtain the percentage of FM (and/or dockage

percentage, if allowed for the crop as stated in A above), **provided** the insured agrees that there is no quality involved. However, if the adjuster and the insured are unsure, the adjuster must obtain a sample of the farm-stored production and transport or mail it to an FGIS office (AMS if applicable) for these determinations. If samples are sent to FGIS (AMS if applicable), follow FGIS instructions for the crop, particularly regarding sample sizes, packaging, and transportation. This information can be obtained at FGIS' website or by phone call to an FGIS field office.

- (2) If the adjuster performs FM and/or dockage tests, the grain must be measured, and weighed as described in subparagraph **E** below or if the crop is not listed below, from the FGIS publication "*Practical Procedures for Grain Handlers*." This publication can be downloaded and printed from the FGIS website. If the crop is not included in this handbook, contact FGIS to determine where this information can be obtained.
- (3) The FM percentage (and/or dockage percentage, if allowed for the crop as stated in A above) to the nearest tenth (that the buyer would actually deduct from the gross production) is entered in the appropriate column for FM on the claim form. See the specific crop handbook instructions.

E Determining Dockage and FM on the Farm

The following materials and instructions are to be used when determining dockage and FM on the farm for wheat and barley. For a large portion of the crops, screen sizes and procedures can be obtained from the FGIS publication "*Practical Procedures for Grain Handlers*." This is the same publication referred to in D (2) above. If the crop is not listed in this publication, contact FGIS to obtain this information or submit the adjuster-obtained samples to FGIS.

- (1) Materials
 - (a) Screen "A" - 12/64" round aperture (for wheat)
 - (b) Screen "B" - 8/64" triangular aperture. (for wheat)
 - (c) Screen "C" – 5/64" or 4.5/64" round aperture (for wheat).
 - (d) Screen "D" – 5/64" triangular aperture (for barley)
 - (e) Pan - round non-perforated (610-E).
 - (f) Funnel.
 - (g) One-pint or one-quart grain measuring bucket.
 - (h) One-pint or one-quart grain measuring scale (each scale must be calibrated to the respective bucket).
 - (i) Leveling stick.

- (2) Weight and FM
- (a) Measure and weigh grain as outlined in PAR. 90 B, except the samples will not be “clean” (free of FM and/or dockage (as defined by FGIS)). Determine the weight of one pint or one quart of grain by use of the “lbs. & ozs.” Line on the scale. (One pint = one pound.)
 - (b) See subparagraph 1 above: screens “B” and “C” are both wheat screens. Use screen “B” in the presence of buckwheat infestation. Use screen “C” under normal conditions.
 - (c) For wheat, place screen “B” or “C,” whichever is needed, in the non-perforated pan, insert screen “A” next and spread weighed grain over screen “A”. Use a circular shaking motion to cause all dockage to pass through the screens into the pan. For barley, follow all the same instructions, except only screen “D” is used. (See subparagraph (1) above for screens A, B, C, and D.)
 - (d) The screenings in the pan along with anything remaining in the top screen is dockage.
 - (e) From the dockage-free sample, remove all the matter other than wheat that remains in the sample by hand picking. The matter that was handpicked is FM. Establish the amount of FM by weighing the handpicked matter with the bucket and scale. Use the “% of lbs.” Line on the scale to make the final determination of the FM percentage.

F FM Factor

- (1) The FM factor is computed by subtracting the determined percent of **FM (and/or dockage)** if allowed as outlined in subparagraph A above), as defined by FGIS’ U. S. Standards for the crop, from 1.000. Example: $1.000 - .030 \text{ (FM)} = .970 \text{ FM factor}$. When this factor is applied to the production to count, it is reduced. (For dry peas, this factor would also include any applicable dockage; see subparagraph A above and the Pea Loss Adjustment Handbook.)
- (2) Unhusked cribbed corn. (Husk factor is NOT TO BE ENTERED in the dockage column of the claim form.
 - (a) Unhusked cribbed ear corn on which none of the husks have been removed is unusual, but when it occurs, determine the husk factor and apply this factor to the calculated gross bushels to determine the production to be entered on the claim. Determine the husk factor as follows:
 - 1 Fill a straight-sided container (wooden box 24” X 24” X 12”) with a representative sample packed to the same density as the crib.
 - 2 Remove husks. Put husked ears in the box. Pack and measure depth.
 - 3 Divide the depth of the husked corn by the depth of the unhusked sample. Round to two decimal places. Retain a copy of all calculations in the insured's contract folder.

88 CONSOLIDATING MOISTURE OR FM PERCENTAGE ENTRIES ON THE CLAIM FORM

A General Information and Instructions

Adjusters may consolidate loads having the same moisture or FM percentages (and/or dockage percentage if allowed by PAR. 87 A) on a single line of the claim form (as listed below) unless separate lines are required for reasons other than FM or moisture differences. This applies to the following crops: barley, dry beans, canola/rapeseed, corn, crambe, grain sorghum, hybrid corn seed, hybrid sorghum seed, millet, oats, dry peas (FM only, moisture percentage not applicable – see PAR. 87 and Pea Loss Adjustment Handbook for FM entries), popcorn, rice (moisture only, FM and dockage are not applicable) rye, safflowers, soybeans, sunflowers, and wheat.

NOTE: Moisture adjustment is not allowed for flax in accordance with the Small Grains Crop Provisions.

- (1) When quality adjustment applies, list quality-adjusted production on separate lines.
- (2) When there are two or more individual settlements or summaries, list each on a separate line.
- (3) To consolidate percentages, total the production of the loads with the same percentages, and make a single entry for such loads.

89 AVERAGING MOISTURE OR FM PERCENTAGE ENTRIES ON THE CLAIM FORM

A General Information and Instructions

When the elevator has averaged the FM (and/or dockage if allowed by PAR. 87 A) or moisture percentages on the settlement or summary sheet, adjusters may average moisture or FM (and/or dockage as stated in PAR. 87 A) percentage entries on a single line of the claim form or production worksheet (as listed below) unless separate lines are required for reasons other than moisture and/or FM (dockage if allowed as stated above) differences. This applies to the following crops: barley, dry beans, canola/rapeseed, corn, crambe, grain sorghum, hybrid corn seed, hybrid sorghum seed, millet, oats, dry peas (FM only, moisture percentage not applicable – see PAR. 87 and Pea Loss Adjustment Handbook for FM entries), popcorn, rice (moisture only, FM and dockage not applicable) rye, safflowers, soybeans, sunflowers, and wheat.

NOTE: Moisture adjustment is not allowed for flax in accordance with the Small Grains Crop Provisions.

- (1) When quality adjustment applies, list quality-adjusted production on separate lines.
- (2) When elevator settlements or summaries are based on consolidated or averaged FM and there are two or more individual settlements or summaries, list each on a separate line.
- (3) To enter averaged percentages, use the same average provided on the elevator settlement or summary sheet, after verifying its acceptability. Use of averaged percentages is authorized ONLY when the elevator has calculated and settled on the basis of an average on the settlement or summary sheet and the determined average is acceptable to the adjuster. **Exercise caution in determining acceptability of**

averages because of the potential for significant impact on indemnities; e.g., one 20,000# load @ 15% moisture and one 4000# load @ 25% moisture (Simple avg. = 20%; Weighted avg. = 16.7%). Use of the simple average in this case would not be acceptable.

90 TEST WEIGHT AND TEST-WEIGHT FACTOR

A Test Weight For Farm-stored Production

(1) For crops having a unit of measurement other than pounds, the test weight and test-weight factor (TWF) must be used to determine the number of bushels on the basis of gross weight. For those crops using pounds as a unit of measurement, the test weight is used to determine the number of pounds. (Crops that use pounds as their unit of measurement are: canola/rapeseed, crambe, dry beans, dry peas, mustard seed, popcorn, rice, safflowers, and sunflowers.)

(2) For grain storage structures, the test weight must be taken before dockage and FM are removed (FM (and/or dockage if allowed by PAR. 87) will be accounted for in column specified for FM on the PW (claim form.))

NOTE: If samples of farm-stored production of barley, canola, flax, rye, non-oil type (confectionary) sunflowers, and wheat are going to be submitted to FGIS, a test weight must be taken during the farm inspection, unless a special request is made to FGIS for a test weight prior to removal of dockage or FM. (Test weight is not a grading factor under the U.S. grading standards for canola or as a factor for quality adjustment.) This must be done because FGIS determines the test weight for the crops listed in this "Note" from a dockage-free sample (FM-free for oil-type sunflowers), and the test weight entered on the PW, as instructed above, is prior to removal of dockage or FM.

(3) If test weight is measured in tenths of a pound, record weight to tenths in Section II of the Production Worksheet, unless the insurance provider has specified otherwise.

NOTE: For quality adjustment (QA), the test-weight determinations for barley, flax, rye, non-oil type (confectionary) sunflowers, and wheat must be made from a dockage-free sample (for oil-type sunflowers, from an FM-free sample). (Dockage and FM are as defined by FGIS.) Enter the test weight determined for QA purposes in the Narrative section of the PW (claim form). (The test-weight determined for QA purposes may differ from the test weight entered in the test-weight column on the Production Worksheet since the test-weight determinations specified in A (2) above must be made before the removal of dockage and/or FM.) **Reminder: Test-weight determinations for quality adjustment must be performed by the adjuster or by a grader licensed under the authority specified in the crop provisions in accordance with the applicable FGIS official standards.**

B Determine test weight by:

(1) Mixing and pouring samples of the stored grain into the test bucket from a height of approximately four inches (a normal hand width) above the bucket to simulate natural fall.

- (2) Filling the test bucket to overflowing and leveling with prescribed leveling stick. Unless the test-bucket manufacturer's instructions specify otherwise, level by using THREE zigzag motions across the rim of the grain bucket with the leveling stick held at a 90 degree angle to the top of the bucket (do not use scale bar to level the grain in the bucket and do not pack).
- (3) Weighing the leveled bucket of grain using a calibrated scale. Determine the weight by using the "pound per bushel" line from the scale.

NOTE: If test weight is measured in tenths of a pound, record weight to tenths in section II of the Production Worksheet, unless the insurance provider has specified otherwise.

C Test-Weight for Ear Corn

For ear corn, a representative sample must be shelled to make the test weight determination (refer to corn handbook for specific instructions).

D Test-weight for corn silage

See the Corn Handbook for specific instructions.

E Determine the test-weight factor as follows:

Divide the determined test weight by standard test weight, to three decimal places.

******* DO NOT USE TEST-WEIGHT FACTOR FOR CANOLA/RAPESEED, CRAMBE, DRY BEANS, DRY PEAS, MUSTARD SEED, POPCORN, RICE, SAFFLOWERS, OR SUNFLOWERS; USE ACTUAL TEST WEIGHT.

F Standard Bushel Weights

TABLE OF STANDARD BUSHEL WEIGHTS

CROPS	POUNDS PER BUSHEL
Soybeans, Wheat	60
Flax, Rye, Shelled Corn, Grain Sorghum	56
Corn-and-cob meal (ground ear corn)	45
Cracked corn, corn meal, and millet	50
Barley	48
Oats	32
*** Canola/Rapeseed, Crambe, Dry Beans, Dry Peas, Mustard Seed, Popcorn, Rice, Safflower, and Sunflowers	USE ACTUAL TEST WEIGHT

G Standard Weight for Corn Silage. See the Corn Handbook.

91 MYCOTOXINS IN GRAIN CROPS

These procedures prevail over any conflicting procedures about mycotoxins contained in any crop handbook.

A General Information

Due to improved testing procedures, availability of test kits, animal and human health concerns, and general awareness of grain quality, the presence of mycotoxins in grain is becoming an ever-increasing factor in its sale.

B What Are Mycotoxins

Mycotoxins are the by-products of fungal activity promoted by environmental conditions which are stressful to the affected host plant. Actual grain yields may or may not be adversely affected by the presence of the organism, but harvestability and grain quality (hence market value) may be adversely affected. Although over 200 mycotoxins have been identified, Aflatoxin and Vomitoxin have specifically caused insured grain to be unmarketable.

C Level of Mycotoxin Can Cause Reduced Value

Production to count will be determined in accordance with the applicable policy provisions for quality adjustment. If the level of mycotoxin presence results in a reduction in the value of the insured crop, such reduction will be considered due to disease if ALL of the following criteria are met:

- (1) An economic level of mycotoxin is present in the grain PRIOR TO GRAIN STORAGE (field infested). Economic levels of mycotoxin are defined as levels exceeding those of the particular mycotoxin at which advisory levels and/or feeding restrictions have been placed by university research and/or the Federal Food and Drug Administration (FDA). Contact the FGIS or RMA RO for the latest advisory levels.
- (2) **Aflatoxin has the potential to increase in grain storage.** Any potential loss due to Aflatoxin presence in stored grain will be covered **ONLY if samples of the grain were obtained by the adjuster before storage or from representative strips of the crop left standing in the field.** There is no evidence that the mycotoxin Vomitoxin increases in storage, other than in ear corn stored in cribs at moisture levels high enough for the fungus to continue to develop from infections that occurred in the field (approximately 22-25 percent moisture in corn and approximately 16 percent in small grains). Likewise, grains that are free of Vomitoxin at harvest will not develop in storage. Therefore, only under extremely unusual circumstance would Vomitoxin-infected stored grain not be considered to have Vomitoxin levels before storage. Insurance providers should inform agents and insureds of the need to notify the insurance provider anytime that it is suspected that aflatoxin could be present in the grain so that insurance provider can inspect the crop prior to harvest and/or storage.
- (3) Mycotoxin presence must be due to insured causes. Factors contributing to plant stress and subsequent mycotoxin presence such as insufficient irrigation (under an irrigated practice), the use of marginally adapted varieties,

non-weather-related delayed harvest, inappropriately high plant populations, etc., will result in the determination that the mycotoxin was the result of uninsured causes.

D Sample Requirements

- (1) The minimum number of representative samples and size of the representative sample area must be at least the required number and size stated for appraisals in the applicable crop handbook. The representative samples are to be used for determining the appraised production as well as the samples needed for the mycotoxin testing and any other quality considerations.
- (2) The adjuster must obtain samples for mycotoxin testing if the insured is not going to harvest, is uncertain of whether to harvest, or has discontinued harvest due to mycotoxin levels of the harvested production.
- (3) Adjusters are to obtain samples for mycotoxin testing from the selected representative sample areas of the field(s) or subfield(s) utilizing the Hand Sample Method, or if the insured will agree, the Harvested Sample Method (See E below).
- (4) For mycotoxin testing, one blended sample of all the hand harvested or harvested samples obtained from the appraised representative samples of all fields or subfields for the unit appraised are permitted. However, since mycotoxin levels can vary from field to field (or subfield to subfield), the insured and insurance provider can agree to obtain a mycotoxin testing sample for each field or subfield (e.g., Three fields in a unit (no subfields used) would equal three separate mycotoxin samples for the unit.

NOTE: Samples suspected of containing levels of mycotoxins less than minimum advisory levels or exceeding maximum allowable useable limits for any purpose should not be blended. See example in subparagraph N below.

- (5) See subparagraph G for required mycotoxin testing sample size.

CAUTIONARY NOTE: RMA has been advised by grain specialists that adjusters should wear protective clothing, including protective gloves and dust mask when handling mycotoxin infected grains. If a dust mask is not used, adjusters should at least position themselves so they are NOT downwind of any grain dust coming from the harvesting equipment or from any grain dust that might occur during the collection of the required representative samples.

- (6) Mycotoxin testing must be done by a testing facility that meets the criteria for an insurance provider-approved testing facility as outlined in subparagraph F.

E Representative Area Sampling Methods

- (1) Hand Harvested Method
 - (a) If the insured is not willing to harvest the selected representative sample areas, the adjuster must hand harvest representative sample areas of the production.

- (b) After the representative samples have been taken, the mycotoxin sample (see required size in subparagraph G (1) below) must be obtained and must be identified by unit number if one blended mycotoxin sample for a unit is used (or field I.D. and/or subfield I.D. (if applicable) and unit number if a mycotoxin sample was taken for each field or subfield).

(2) Harvested Method

- (a) If the insured will agree, have the insured harvest the selected representative sample areas of the field(s) or subfield(s).
- (b) After the representative samples have been harvested, the adjuster MAY obtain the mycotoxin samples by either of the following methods:
 - 1 If the adjuster has a **hand probe**, the adjuster can extract grain from the combine hopper, wagon, or other temporary holding structure used for the harvested production from the representative sample area. Obtain the required sample size (see subparagraph G (1) below) by using the hand probe and the FGIS sampling patterns as shown in (d) below as a guide to collect samples.
 - 2 If the adjuster **does NOT have a hand probe**, have the insured unload the combine hopper into a wagon, truck or other temporary holding structure used for the harvested production from the representative sample area, and collect the required sample size (see subparagraph G (1) below) from the stream of production at the beginning, at the end, and periodically in between as the production is being emptied from the combine.
- (c) After the mycotoxin sample(s) have been taken, the mycotoxin sample must be identified by unit number if one blended mycotoxin sample for a unit is taken (or field I.D. and/or subfield I.D. (if applicable) and unit number if a mycotoxin sample was taken for each field or subfield).

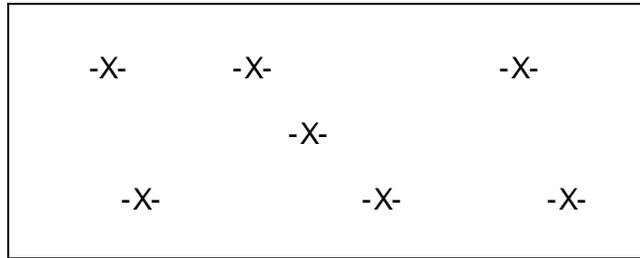
NOTE: Because of the possible increase in mycotoxins due to high humidity, heat, and moisture content of the grain, the adjuster is to take the samples immediately after harvest. (Do not have the insured harvest and leave the grain in a wagon, combine hopper, or other structure, then return the next day to obtain the samples).

(d) Representative Sampling Pattern Guidelines

The following examples are standard sampling patterns recommended by FGIS, and are to be used as a guide for locations of extraction when extractions are made with a probe. Insert the probe at the points marked, with the tip of the probe angled ten degrees. (FGIS indicates that nearly 90 percent of error associated with aflatoxin testing can be attributed to how the original sample was extracted.) 1/

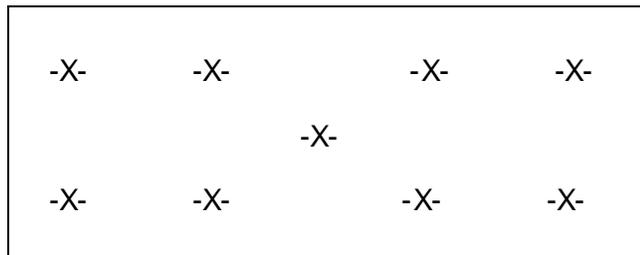
1/ Grain Fungal Diseases & Mycotoxin Reference book published by GIPSA, Technical Service Division

Example 1:



Seven-probe pattern flat-bottom truck or trailer containing grain more than four feet deep. 1/

Example 2:



Nine probe pattern for flat-bottom trucks or trailers containing grain less than four feet deep. 1/

Example 3:

Probing Combine Hoppers. From the top of the combine hopper, insert the probe slightly off-center at a ten-degree angle, and probe the entire depth of the hopper. 1/

1/ Grain Fungal Diseases & Mycotoxin Reference book published by GIPSA, Technical Service Division

F Criteria for Insurance Provider Approved Testing Facilities

To be an approved testing facility, the testing facility must meet all of the following criteria:

- (1) Perform quantitative tests on the grain, itemizing results in parts per million (ppm) or parts per billion (ppb) of mycotoxin present. The quantitative test kits used to perform the test must be certified by FGIS. A list of quantitative test kits certified by FGIS can be found in the FGIS handbook entitled "Grain Fungal Diseases and Mycotoxin Reference." The PDF version of this handbook can be downloaded from the FGIS website.
- (2) Be a recognized commercial, governmental, or university testing laboratory (including approved testing facilities on site at the delivery point of the buyer; i.e., elevators) that uses industry recognized sample sizes, equipment, and procedures for testing the specific type of mycotoxin;
- (3) Be a disinterested testing facility, unless RMA issues written authorization to waive this requirement.* (A disinterested testing facility is a facility not involved in buying or selling the grain in question. A facility which buys grain is not restricted if it does not buy or had no intention of buying the grain from the insured for

whom it is doing the testing.) If a test was made by a facility that was a potential buyer but refused the grain because of the mycotoxin, the test performed by the potential buyer is still considered an interested party since they were interested at the time the grain was delivered.

***NOTE:** In situations where a large number of policyholders in a geographic area have mycotoxin-infected production, RMA may waive this requirement if FGIS has indicated to RMA that an excessive workload exists for them. In such situations, companies are to request the waiver of this requirement through RMA's Insurance Services and/or Product Development Division.

G Mycotoxin Sample Size and Transportation of Mycotoxin Samples

- (1) Sample size to be submitted for testing will be dictated by the approved testing facility. (For aflatoxin, most facilities will likely require at least a ten-pound sample).
- (2) Follow the approved testing facilities recommendations for storage and transportation, including required container composition (e.g., paper or other breathable material – **DO NOT USE PLASTIC or air-tight containers**), provisions for maintaining proper temperatures of the sample, any special requirements for high-moisture production, and any other specific information pertaining to handling and transporting the sample to ensure and maintain the integrity of the sample.
- (3) Samples must be sent to the approved testing facility within 24-48 hours of the time the sample was taken, and stored in a cool place until shipping.

H Harvested Production Delivered to Elevator

If the insured harvests and delivers production to an elevator, any mycotoxin testing done by the elevator cannot be accepted for insurance purposes unless the elevator has a testing facility that meets the criteria for an approved testing facility for testing mycotoxins.

- (1) If the elevator to which the insured delivers production does not meet the criteria for an approved testing facility (see subparagraph F above), the adjuster must obtain the samples prior to hauling the production to the elevator (**samples per load can be blended into one sample per unit**) that can be sent to an approved testing facility in order for the mycotoxin damage to be considered for quality adjustment purposes. (For sample size, see subparagraph G (1) above.) The sample must be tagged in a way that will identify the insured's name, load number and/or unit from which the sample was obtained, and any other pertinent information. The same care in transportation that is stated in subparagraph G (2) and (3) above must be used.
- (2) If the elevator has a testing facility that meets the criteria for an approved testing facility, and there is a mycotoxin test result for each load, use the test results of each load to determine the RIV for quality adjustment (value of damaged grain for crops that use value of damaged production instead of RIV's for quality adjustment purposes).

NOTE: Loads having the same quality adjustments factors can be combined and entered on one line on the claim form as stated in the crop handbooks.

I Discrepancy Between Test Results

If the elevator is NOT an approved testing facility and their test results shows a lower mycotoxin level than the approved testing facility; and therefore, would result in a lower RIV than would have been offered if the test results from the approved testing facility had been used, the RIV from the elevator will be used if this is how the insured has been paid or can be documented this is how the insured is going to be paid. However, if the test results from the approved testing facility indicates a lower mycotoxin level than the test results from the elevator's unapproved testing facility; and therefore, would result in a higher RIV than would have been offered if the test results from the approved testing facility had been used, the RIV offered or paid by the elevator must be adjusted to agree with the test results from the approved testing facility rather than the elevator.

EXAMPLES: In both examples the elevator is discounting mycotoxin grain 20 cents for every 50 PPB. The elevator's testing facility is not an approved facility.

Example 1: The elevator's test results show 100 PPB with a total RIV of 40 cents per bushel. The approved testing facility's test results show 200 PPB, which if used by the elevator, would have resulted in a RIV of 80 cents per bushel. The elevator RIV will be used in this case.

Example 2: The elevator's test results show 200 PPB with a total RIV of 80 cents per bushel. The approved testing facility's test results show 100 PPB, which if used by the elevator, would have resulted in a RIV of 40 cents per bushel. The RIV will be adjusted to agree with the approved testing facility's results; i.e., a 40 cent/bu. rather than an 80 cent/bu. RIV will be used.

J Documentation of Mycotoxins

Document in the narrative of the claim form or on a Special Report, the following:

- (1) Test name and type of mycotoxin for which the grain is being tested,
- (2) Test type - qualitative or quantitative,
- (3) Name and location of testing facility,
- (4) Type of testing facility,
- (5) Test date, and
- (6) Type and level of mycotoxin established from test.

K Determining the Reduction in Value

- (1) Presence of the mycotoxins must have resulted in an ACTUAL reduction in grain value.
 - (a) If the final settlement for grain does not reflect a value reduction due to mycotoxins, the grain does not qualify for quality adjustment for mycotoxins.
 - (b) Absence of a local market does not automatically give the grain a zero value. Refer to PAR. 85  for additional information about zero value

production. Also, refer to L below for information regarding potential markets.

- (c) Consider markets outside the local area and supply such market information to the insured.
 - 1 For crops using RIV's, use the lowest reduction in value obtainable plus reasonable transportation costs. See PAR. 85 **H** for more information on RIV's and transportation.
 - 2 For crops that use actual value to determine the quality adjustment factor, use the highest value obtainable for the damaged grain less transportation costs. See PAR. 85 **I** for more information on actual value and transportation.
 - (d) If very low-valued or zero-valued grain can be conditioned to decrease the RIV (increase the value for crops using value for quality adjustment), handle as instructed in PAR. 85.
 - (e) If the insured can make disposition without exceeding the advisory levels for required destruction, this value (if agreed to by the insurance provider) may be accepted. See PAR. 85.
- (2) If the insured chooses NOT to harvest the field(s) or subfield(s) after the mycotoxin test results are received, quality adjustment for mycotoxin damage on the appraised production will be determined from the RIV of the damaged grain (actual value of the damaged grain for crops using value to determine quality adjustment factor) for each mycotoxin sample for the unit (field or subfield, if a mycotoxin sample was taken for each field or subfield). This determination will be based on the mycotoxin test results and any other reduction in value for any other insurable damage qualifying for quality adjustment of production. See PAR. 85 for more quality adjustment information.

L Potential Markets for Infected Grains

Since various mycotoxins affect animal species differently, document by name which potential markets were contacted in establishing a fair grain market price. Take into account use for feed for tolerant animal species, value for blending with other grain (where allowed), and commercial (alcohol fuel plant or other product) uses. Take steps to safeguard against any vulnerability involving claims of insureds who are directly involved in the buying or testing of damaged grains. If the infected mycotoxin production is sold, the value or RIV, as applicable, for the crop will be used. Refer to the respective paragraphs for the crops that use RIV and those that use value to determine quality adjustment factors.

M Verification of Zero-Valued Grain

Follow procedures in PAR. 85 **J**.

- N Settlement of Claim. Claims involving mycotoxin infected production that exceeds the maximum amounts allowed by the Food and Drug Administration or other public health organization of the United States or agency of the applicable State may not be settled until the production is sold, used, or destroyed. NO claim for indemnity is to be finalized until you are satisfied with all determinations as stated in PAR. 57 H. When there is

zero market value (net zero value) for the production, the claim cannot be settled with zero production to count until the production is destroyed as stated in the introductory paragraph in the quality adjustment (QA) section of the Special Provisions (for crops with the QA section in the Special Provisions), crop provisions, or in the procedural requirements in PAR. 85 J.

See examples on the next page.

EXAMPLE 1:

For aflatoxin-infected corn, there are three main categories of aflatoxin.

- Category 1 0-20 ppb (parts per billion)
(There are no advisory levels for this category; i.e. it is safe for humans and animals. Therefore, no discounts can be accepted for quality adjustment purposes. The claim would be settled when all determinations can be made.)

- Category 2 21 ppb-maximum ppb
(There are FDA advisories at these levels. Settlement of the claim may be delayed until all determinations can be made and the production is sold, used, or destroyed. See requirement for destruction of zero value production as stated in N above.)

- Category 3 Over the maximum ppb
(Must be destroyed before settlement can be made for unsold or undelivered production. See requirement for destruction of zero value production as stated in N above.)

NOTE: Always verify what the current action or advisory levels are. The above and following action levels for aflatoxin are based on the current FDA action levels for corn as of the date of this issuance, but they are subject to change. Corn with 400 ppb of aflatoxin is over the maximum FDA levels advised for any animal usage (300 ppb); however, in Texas such corn production could be blended to the level required by the State (200 ppb or less). Therefore, an elevator operation in Texas may be willing to buy corn at the 400 ppb level if the operation believes they have enough good corn to blend to the level required by the State. In a case such as this, and where the elevator has bought the corn, the corn would not have to be destroyed.

Also, when a crop has been affected in widespread areas of a state, the state may request and receive temporary deviation of this requirement from FDA, such as those stated for Texas above. Therefore, check with the State Agricultural Department to determine if any deviation has been approved for that state.

SEE EXAMPLE 2 ON THE NEXT PAGE

EXAMPLE 2:

For vomitoxin (DON), there are no advisory levels for human consumption. Following are some examples of vomitoxin-infected wheat and how the levels, discounts, etc., relate to quality adjustment: Using the minimum level for animal use (5 ppm for swine and most animals), the advisory level is 5 ppm. Therefore, to be eligible for quality adjustment purpose, lab results from approved labs would have to show the samples contained in excess of 5ppm.

SITUATION 1	IF Elevator Discounts:	THEN RIV is:	IF Elevator Discounts	THEN RIV is:
54 # of Hard Red Spring Wheat	\$.30	-----	\$0.30	-----
8% damage	\$0.50	-----	\$0.90	-----
5.1ppm DON	\$0.40	\$0.40	No Discount	-----
TOTAL RIV		\$0.40		-0-

NOTE: Test weight or kernel damage has not reached a level for which quality would apply for the wheat as described in the Small Grains Crop Provisions. No RIV for test weight or damage is allowed for insurance purposes, even though the elevator has applied a discount.

SITUATION 2	IF Elevator Discounts:	THEN RIV is:	IF Elevator Discounts	THEN RIV is:
54 # of Hard Red Spring Wheat	\$0.10	-----	\$0.10	-----
11% Damage	\$0.50	\$0.50	\$0.50	\$0.50
5.1 ppm DON	\$0.40	\$0.40	No Discount	-----
TOTAL RIV		\$0.90		\$0.50

NOTE: 11 % damage qualifies the grain for quality since this amount of damage would cause the grain to grade U.S. # 5.

SITUATION 3	IF Elevator Discounts:	THEN RIV is:	IF Elevator Discounts	THEN RIV is:
52# of Hard Red Spring Wheat	\$0.40	\$0.40	\$0.40	\$0.40
18% Damage	\$0.60	\$0.60	\$0.80	\$0.80
5.1 ppm DON	\$0.50	\$0.50	No Discount	-----
TOTAL RIV		\$1.50		\$1.20

NOTE: 52 # test weight qualifies the grain for quality since the 52-pound test weight would cause the wheat to grade U.S. # 5.

SECTION 6 RECORDING AND DETERMINING THE QUANTITY OF FARM-STORED PRODUCTION

92 DETERMINING AND RECORDING FARM-STORED PRODUCTION THAT REQUIRES MEASUREMENTS

A Accurate Measurements

Accurately measure storage structure(s). If possible, the measurements must be INSIDE measurements. If inside measurements are not possible, the measurements must reflect the wall-thickness of the structure. The circumference range on the Round Bin Conversion Chart (Exhibit 14) reflects the wall-thickness of a steel bin.

B Recording Measurements. Record measurements in feet to tenths.

C Claim Form Entries. Entries on the claim form must be legible and printed in ink.

D Deductions for Obstructions. All obstructions must be found and deducted from the volume of the grain or silage.

E Insured/Adjuster Cooperation. Cooperate with the insured while working in and around his/her property.

F Caution

DO NOT ENTER storage structures:

- (1) That are air tight (the result could be FATAL).
- (2) Without someone there to assist.
- (3) If the stored production has been treated with any chemicals and the re-entry time has not elapsed.

G Stirring Device

If a stirring device is being used in stored grain, advise the insured that accurate measurements cannot be made unless stirring is stopped at least 4 to 6 days prior to the inspection.

H Accounting for all Farm-stored Production

Working with the insured, ensure that all storage structures containing production for the units being inspected have been accounted for and measured. DO NOT finalize the claim until the insured has confirmed that all structures have been accounted for and that production for ALL entities sharing in the crop(s) has been included (for all units being inspected). If TOTAL production for the crop (taking into consideration the soil type, practice carried out, etc.) does not seem reasonable, contact the insurance provider for further assistance. See PAR. 73 for information about establishing total production for the crop.

93 PRODUCTION WEIGHED AND FARM-STORED

A Weighed/Weight Tickets. Production weighed either by a non-portable farm scales, commercial elevator scales, or grain carts (that produce printed tickets showing the weight) prior to storing on the farm may be used to determine production, provided:

- (1) Acceptable weight tickets are available as described in B below;
- (2) The weighed production is reasonable for the unit (see PAR. 74);
- (3) If non-portable farm scales or grain carts are used, the location of the scales or grain carts used to weigh the production can be verified;
- (4) It can be satisfactorily verified that there is not more production in the storage structure than is shown on the corresponding weight tickets. Generally, satisfactory verification can be accomplished by visually inspecting the storage-structure contents rather than measuring the contents. For example: two units of production have been identified to be stored in a bin that has a 10,000-bushel capacity. Weight tickets for the two units total 7,500 bushels. From the visual inspection of the bin, it is determined that the bin is approximately 3/4 full which would be satisfactory. On the other hand, if it is determined that the bin is filled to its capacity (10,000 bushels), the weight tickets (total of 7,500 bushels) cannot be accepted (unless the discrepancy can be satisfactorily resolved) since more grain is in the bin than is shown on the submitted weight tickets.

NOTE: For farm stored production, samples for moisture and quality adjustment can only be taken by the adjuster, UNLESS (1) the load(s) have been weighed at a commercial facility and at the same time load samples were extracted by authorized personnel (not insured) at the commercial facility, and (2) the samples were analyzed by a grain grader licensed as stated in PAR. 85 E (for mycotoxin damage, see paragraph 91 F for acceptable testing facility), AND (3) the adjuster is able to verify the preceding with the elevator. See Section 5 for more information regarding adjustments to production and who is authorized to take samples of production.

B The insured and adjuster working together must ensure that the weight tickets provide at least the following information:

- (1) Insured's name,
- (2) Load number or ticket number,
- (3) Crop,
- (4) Gross weight,
- *** (5) Unit number and FSN
- (6) Tare weight,
- (7) Date weighed,
- (8) Net weight of production,

- (9) Legal description of the land from which the production was harvested,
- (10) Identification and/or location of farm-storage structure in which the load(s) are stored and/or satisfactory explanation of disposition of the production if any or all of the production is no longer stored at the time of inspection, and
- (11) Location of the scales used to weigh the production.

NOTE: Weight tickets from grain carts should be photo copied since the print can disappear with time.

C Converting Scale Weights to Unit of Measure Used for the Crop

To convert scale weight to units of measure, divide the weight by the standard weight per unit of measure. (See PAR. 90 F for standard bushel weights). Example: The standard weight for a bushel of wheat is 60 lbs. (10256 lbs.) 60 lbs. = 170.9 bushels). This bushel amount would be entered in the column for gross production on the claim form. See Exhibit 4, Unit of Measure by Crop.

D Verification and Documentation of the Weighed Production.

Verify and document that the weight tickets met the criteria stated in subparagraph A above. Weight tickets and supporting documentation are to be retained in the policyholder-s file.

NOTE: Refer to the Forage Handbook for acceptable records for forage production stored on the farm.

94 AUTHORIZATION TO ACCEPT INSURED'S LOAD RECORDS AND BIN MARKINGS

A Measurements Prior to Insured Commingling Production

For the purpose of indemnities, insurance providers generally cannot accept the insured's determinations of separate unit production when production has been commingled with other units, uninsured acreage production, or different crop years (PAR. 115). When a loss situation is probable, the insured should request measurement of existing production in a storage structure PRIOR TO adding production from other units, uninsured acreage, etc. See (PRODUCTION PRE-MEASUREMENT SERVICE, (PAR. 60). However, when authorized **by the insurance provider** and in accordance with conditions and requirements described in B below, the insured's load records and/or bin markings may be used.

B Authorization of Insureds' Load Records or Bin Markings in Lieu of Insurance Provider Measurements

Sometimes the insurance provider may not be able to timely perform Pre-Measurement Services due to the large number of requests. Under these conditions, the insurance provider may authorize the use of insureds' truckload (or wagon load) records or bin (or other structure) markings if all the following conditions apply. **However, this is not be used on a routine basis as stated in (6) below.**

- (1) The loss workload indicates that individual unit production determinations cannot be made timely.

- (2) Failure to implement this authorization will result in a hardship to the insured; i.e., the insured will have to delay harvest while waiting for an adjuster to arrive to mark the structure or measure the grain.
- (3) The loads are recorded and the structure is marked and identified as outlined in subparagraph C below.
- *** (4) There is no production from prior years in the structure, unless the production has been measured by the insurance provider or another USDA agency just prior to the current year's production being added. If another USDA agency's measurements are used, you must determine whether the grain was leveled.
- (5) The total production within the structure must be accounted for; i.e., all production stored in the storage structure can be identified separately by unit number or field I.D., uninsured acreage, etc.
- (6) **Written** authorization is used on an **individual-by-individual** basis to ensure compliance with the restrictions **and is not to be used on a routine basis**. Each case should have a copy of the specific authorization file. Agents may not provide this authorization, but should assist in the coordination of individual cases with the insurance provider. Document the date and name of insurance provider representative who provided authorization in the remarks section of the Production Worksheet or on a Special Report.

C Insurance Provider's Authorization. The insurance provider's authorization allows the insured to identify production from separate units by load records or storage structure markings as follows:

- (1) Loads
 - (a) Maintain a ledger, recording loads of grain identified by unit and field number, date of harvest, identity of the **truck** or wagon, and weight or estimated bushel volume per load. **Weights from grain carts with printable tickets may be used as stated in PAR. 93.**

NOTE: Adjusters should measure empty vehicle or wagon to verify reasonableness.
 - (b) Load records will be used to prorate the commingled production contained in a larger structure (i.e., grain bin, semi-hopper, etc.) on a percentage basis. (See example below).

EXAMPLE: Insured's load records indicate six 250.0 bu. loads in bin "A" from unit 00101 and four 250.0 bu. loads also in bin "A" from unit 00102. The adjuster measures bin "A" and determines a total of 2,618.0 bu. in bin "A."

$$\begin{aligned}
 6 \text{ loads} \times 250.0 \text{ bu./load} &= 1,500.0 \text{ bu. unit 00101} \div 2,500.0 \text{ total} = 60\% \\
 4 \text{ loads} \times 250.0 \text{ bu./load} &= \frac{1,000.0 \text{ bu.}}{2,500.0 \text{ bu. total}} \text{ unit 00102} \div 2,500.0 \text{ total} = 40\% \\
 &\text{(in bin based on insured's records)}
 \end{aligned}$$

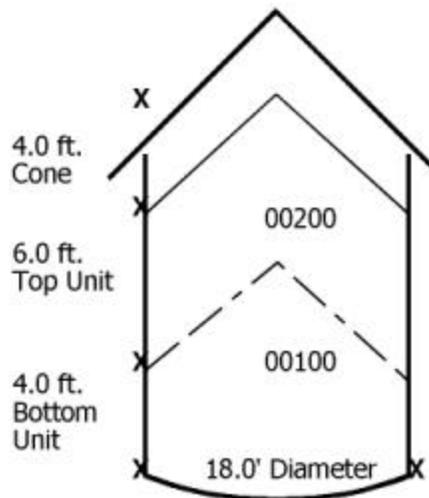
$$\begin{aligned}
 2,618.0 \text{ bu.} \times 60\% &= 1,570.8 \text{ bu. production to count for unit 00101} \\
 2,618.0 \text{ bu.} \times 40\% &= 1,047.2 \text{ bu. production to count for unit 00102}
 \end{aligned}$$

(2) Storage Structure Markings

Identify the depth of such production by marking the storage structure with a permanent marker. Write the unit number(s) (by field ID) from which the production was harvested, and date and initial the mark. Also, on the storage structure, identify and mark the depth of uninsured-acreage production separately from insured-acreage production when the storage structure contains both.

NOTE: The adjuster must verify with the insured whether the bin was leveled prior to the addition of production from another unit (from uninsured acreage, if applicable), and whether the bin marking was made at the base of the cone or height of the cone. If the insured has not leveled the production before adding additional production from another unit (uninsured acreage, if applicable), the adjuster must measure the cone at the top of the bin and use this measurement for the cone measurement for the bottom unit of production in the bin. For any unit atop of the bottom unit of production in the bin, no cone measurement will be used for these upper units of production (uninsured acreage, if applicable). This is because the cone of the lower unit protrudes into the upper unit and offsets the cone that is atop of that unit. The volume of the grain in all cones in the bin is considered to be the same.

For example:



The diameter of the bin is 18 feet. The depth of the cone at the top of the bin is 4 feet. There are two units of corn in the bin. Unit 00100 is the unit at the bottom of the bin, and unit 00200 is the unit at the top of the bin. (The depth measurements for each unit marked on the bin did not include the height of the cone.) The depth of unit 00100 is 4 feet, and the depth of unit 00200 is 6 feet.

Unit 00100 gross stored production: (bottom unit in bin)
 $18^2 \times .7854 \times 4.0' \times .8 = 814.3 \text{ bu.}$
Cone - $18^2 \times .2618 \times 4.0' \times .8 = \underline{271.4 \text{ bu.}}$
Total 1085.7 bu.

Unit 00200 gross stored production (top unit in bin): $18^2 \times .7854 \times 6.0' \times .8 = 1221.5 \text{ bu.}$

D Testing the Accuracy of the Calculated Individual Unit Production

To test the accuracy of the calculated individual unit production, the total production in the bin and the sum of the calculated production for the two individual units should be the same. Using the example above the total bin production calculates to be 2307.2 bu. ($18^2 \times .7854 \times 10.0' \times .8 = 2035.8 + \text{cone measurement } 18^2 \times .2618 \times 4.0' \times .8 = 271.4$). The production for the two units stated above calculates to be the same amount; i.e., unit 00100 production, 1085.7 + unit 00200 production, 1221.5 = 2307.2.

If the bin marking was made at the height of the cone, the depth of the unit must be adjusted for the height of the cone by using the height of the cone for the top unit (uninsured acreage, if applicable) in the bin.

E Quality Adjustment Determinations

Quality adjustment is allowed if the production qualifies as provided in the policy and/or Special Provisions and if the samples are extracted from the storage structure by the insurance provider's representative (samples cannot be taken by the insured). Quality will be determined from the samples extracted from the bin by the adjuster. If significant differences in grain quality between (or among) units are indicated on the truck ledger, storage structure, or a storage structure ledger these significant differences (by individual unit) can be allowed only if the adjuster can assure that a sample can be extracted from the structure for each unit in the structure, and that the tested samples reflect the significant differences recorded on the truck ledger, storage structure, etc. Otherwise, the average sample of what is in the bin should be used/applied to all units in the bin; i.e., one test weight, one moisture percentage, etc.) Document in the narrative of the claim or on a Special Report any significant differences in grain quality.

F When Claims Can Be Finalized

DO NOT finalize claims on units with production in such structures until all production from all units, uninsured acreage, prior crop year(s), etc., within the structure can be accounted for (See subparagraph B (5) above).

G Additional Information

This authorization is to be used on a case-by-case basis, and is not to be considered as a routine means to satisfy the insured's responsibility to keep production separate by units and uninsured acreage, etc. The insured is still responsible for giving timely notice to the insurance provider that production from the unit needs to be measured so that the insurance provider has the opportunity to do so, rather than rely upon the insured's bin markings or load records.

H Adjuster Determination

The adjuster must be satisfied that the insured has met all the requirements of this procedure and the bin markings or load records are reasonable between units, uninsured acreage production, or crop years. Follow the procedures in PAR. 74 to determine reasonableness of the unit production. If the adjuster is not satisfied with reasonableness of the production determinations for a unit(s) based on the storage structure markings or load records, such production will be considered commingled. Production for such units will be determined based on the procedure in PAR. 115.

95 RECORDING AND CONVERTING MEASUREMENTS

Record all measurements in feet and tenths. Inches are converted to tenths of a FOOT as follows:

INCHES	TENTHS		INCHES	TENTHS
1	.1		7	.6
2	.2		8	.7
3	.3		9	.8
4	.3		10	.8
5	.4		11	.9
6	.5		12	1.0

96 ROUNDING RULES

A Rounding Computations

Carry out computations to one digit beyond the digit to be rounded.

B Rounding Rules. If the last digit is 4 or less, disregard; if 5 or more, round upward. (See example below.)

EXAMPLE: Bushel fractions are to be rounded to tenths:

100.04 bushels ----- Record as 100.0 bushels
 100.66 bushels ----- Record as 100.7 bushels

C General Rounding Applications - Round

FOR:	ROUND:
Acres	to tenths (10.0, 10.9) exceptions: tobacco acres, to hundredths (1.05); and raisin acres, to whole acres.
Linear measurement	in feet to tenths (10.0, 10.9).
Bushels	to tenths (100.0, 100.9) except APH yield entries, which are in whole bushels.
Hundredweights	to tenths (1.3, 0.6) except APH yield entries, which are in whole hundredweight.
Tons	to tenths (40.0, 40.9) except for raisin tonnage, round to hundredths (40.58).
Insured share percent	to three decimal places (.500, 1.000).
Monetary entries	to cents (\$1.00, \$1.97). Refer to crop handbooks for exceptions for cotton, peanuts, and peas for quality adjustment values and contract prices for peas and bush beans. (DO NOT USE "\$" when making an entry on the claim form. Final dollar indemnity amounts are rounded to whole dollars.
Cubic feet	to tenths (40.0, 40.9).
Moisture percentage	to tenths (15.7, 16.1).
Foreign Material (FM) percentage	to tenths (3.2, 5.0). Use the normal rounding procedure.
Test weight	to whole pounds (50, 58). See exception in PAR. 85 G .
Shelling percentage	to whole percentage points (80, 85).
Shelling percentage factor	to hundredths (.90, .98)
Corn silage sample weight	in pounds to tenths (12.0, 13.8).
Crops with contract prices	Except bush beans and peas (refer to the crop handbook), contract prices are to three decimal places (\$0.125, \$1.120; DO NOT USE "\$" WHEN MAKING ENTRY ON THE CLAIM FORM.
Pounds	to whole pounds (1752).
Percent of pick	to whole percentage points.

97 TABLE TO CONVERT FRACTIONS TO PERCENT FIGURES

TABLE TO CONVERT FRACTIONS TO PERCENT FIGURES																	
	3rd	4th	5th	6th	7th	8th	9th	10th	11th	12th	13th	14th	15th	16th	17th	18th	19th
1	.333	.250	.200	.167	.143	.125	.111	.100	.091	.083	.077	.071	.067	.063	.059	.056	.053
2	.667	.500	.400	.333	.286	.250	.222	.200	.182	.167	.154	.143	.133	.125	.118	.111	.105
3		.750	.600	.500	.429	.375	.333	.300	.273	.250	.231	.214	.200	.188	.176	.167	.158
4			.800	.667	.571	.500	.444	.400	.364	.333	.308	.286	.267	.250	.235	.222	.211
5				.833	.714	.625	.556	.500	.455	.417	.385	.357	.333	.313	.294	.278	.263
6					.857	.750	.667	.600	.545	.500	.462	.429	.400	.375	.353	.333	.316
7						.875	.778	.700	.636	.583	.538	.500	.467	.438	.412	.389	.368
8							.889	.800	.727	.667	.615	.571	.533	.500	.471	.444	.421
9								.900	.818	.750	.692	.643	.600	.563	.529	.500	.474
10									.909	.833	.769	.714	.667	.625	.588	.556	.526
11										.917	.846	.786	.733	.688	.647	.611	.579
12											.923	.857	.800	.750	.706	.667	.632
13												.929	.867	.813	.765	.722	.684
14													.933	.875	.824	.778	.737
15														.938	.882	.833	.789
16															.941	.889	.842
17																.944	.895
18																	.947

98 METRIC CONVERSION TABLE

FROM METRIC TO BRITISH UNITS OF MEASUREMENT				
LENGTH	SYMBOL	WHEN YOU KNOW	MULTIPLY BY:	TO FIND:
	mm	Millimeters	0.04	inches
	Cm	Centimeters	0.4	inches
	M	Meters	3.3	feet
	M	Meters	1.1	yards
	Km	kilometers	0.6	miles
AREA	Cm ²	square centimeters	0.16	square inches
	m ²	square meters	1.2	square yards
	Km ²	square kilometers	0.4	square miles
	Ka	hectares	2.5	acres
VOLUME	m ³	cubic meters	35	cubic feet
	m ³	cubic meters	1.3	cubic yards
MASS (Weight)	G	grams	0.035	ounces
	Kg	kilograms	2.2	pounds
	T	tonnes	1.1	tons

99 RECORDING FARM-STORED PRODUCTION ON THE CLAIM FORM

A Reference. For production weighed prior to farm-storage, see PAR. 93.

B For Production Not Weighed Prior to Storage

- (1) For square, rectangular, and round storage structures.

Entries for internal measurements of structural space occupied by the crop, test weight, and any entries for moisture, dockage, production not to count, and/or quality will be entered in the appropriate columns on the claim form as instructed in the crop handbook. From these entries the net production-to-count will be calculated for the storage structure(s).

NOTE: Outside measurements of storage structures may be used when internal measurements cannot be obtained; however, the dimension used should reflect the internal space occupied by the crop taking the wall-thickness into consideration. Do not adjust circumference measurements of steel bins for the wall-thickness of the structure because the circumference range on the Round Bin Conversion Chart (Exhibit 14) accommodates varying wall-thickness.

- (2) ALL OTHER STRUCTURES (Hexagon, Octagon, Odd Shaped, etc.)

- (a) If the insurance provider's Production Worksheet requires calculation of gross production for odd-shaped structures, hand calculate gross production adjusted by test weight from these structures, and enter in the column used for gross production on the claim form.
- (b) If the insurance provider's Production Worksheet requires calculation of net cubic feet, hand calculate the net cubic feet from these structures, and enter in the column used for net cubic feet on the claim form UNLESS component parts from an odd shape structure are square, rectangular, or round as explained in B (3) below.
- (c) Enter any applicable entries for moisture, dockage, quality, test weight (conversion factor, if applicable per insurance provider's Production Worksheet) or production not to count, etc., in the appropriate columns on the claim form as instructed in the crop handbook and from these entries, make further adjustments to the production entered in the column for gross production to determine the net production.
- (d) PAR. 100 shows the steps to calculate gross production adjusted for test weight and PAR. 101 provides gross cubic feet formulas for these structures.

NOTE: If the odd-shaped structure consists of component parts that are square, rectangular, or round, the individual component-part-measurement for each square, rectangular, conical, or round part in the odd-shaped structure may be entered on the claim as stated in subparagraph B above. See PAR. 102 for unusual (odd-shaped) storage configurations for measurement and computations.

C Documentation

Document any calculations you have made, on a Special Report or other form provided by the insurance provider, for storage structures requiring entries in the column used for gross production on the claim form or calculations used to obtain square, round, or rectangular component part measurements for odd shaped structure that were entered on the claim form. Copies of calculations are to remain in the contract folder.

100 FARM-STORED PRODUCTION-TO-COUNT FORMULA

AT THE INSURANCE PROVIDER'S CHOICE, ADJUSTERS ARE TO ROUND AFTER EACH STEP OR AT THE END OF THE CALCULATION.

A Regular structures - Round, Square, Hexagon, Octagon, Conical Pile, etc.

The step-by-step process used to determine production for these structures is:

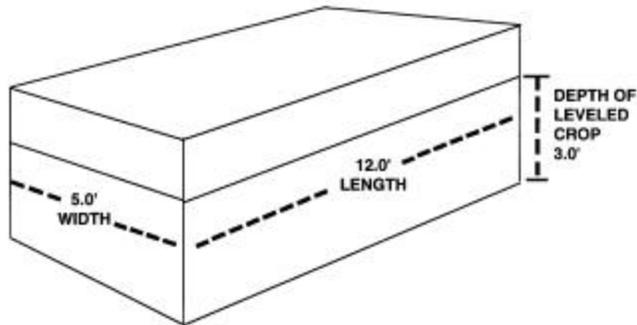
- (1) Record measurements accurately.
 - (2) Determine gross cubic feet (See PAR. 101).
 - (3) Gross cubic feet minus deductions in cubic feet equal net cubic feet (See PAR. 104).
 - (4) Net cubic feet times Conversion factor equals unadjusted gross production (See PAR. 105).
 - (5) Unadjusted gross production times actual test weight divided by standard test weight*(X percent of shell factor for ear corn – **procedures to determine percent of shell are in the Corn Loss Adjustment Handbook**) equals adjusted gross production for weight (see PAR. 90). *Actual test weight will be used for canola/rapeseed, crambe, dry beans, rice, dry peas, mustard, popcorn, safflowers, and sunflowers. See the Cultivated Wild Rice Handbook for specific test weights to be used.
- ***
- (6) Adjusted gross production minus production not to count equals adjusted gross production by weight. (NOTE: Some insurance providers may subtract production not to count after FM and Moisture deductions.)
 - (7) Adjusted gross production times FM factor (if applicable) equals adjusted gross production for **FM** (see PAR. 87).
 - (8) Adjusted gross production (for FM) times moisture adjustment factor (if applicable) equals Adjusted gross production for moisture (see PAR. 86).
 - (9) Adjusted gross production (for moisture) times quality adjustment factor (if crop provisions allow for quality adjustment and production qualifies for quality adjustment) equals production to count (see PAR.s 84 and 85).

101 GROSS CUBIC FEET FORMULAS BY STRUCTURE

All of the following measurements are made in feet, to tenths. Round at the end of the calculation unless instructed otherwise by the insurance provider.

A Square or Rectangular Structure

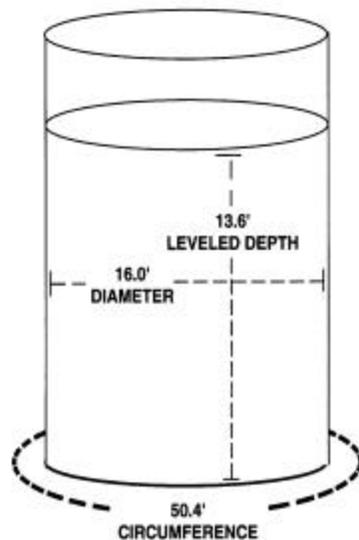
Length times Width times Levelled Depth equals Gross Cubic Feet.



$$12.0' \times 5.0' \times 3.0' \\ \text{GROSS CUBIC FEET} = 180.0$$

B Round Structure

- (1) Diameter squared times .7854 times Levelled Depth equals Gross Cubic Feet.



$$16.0^2 = 256.0 \times .7854 \times 13.6 = \\ 2735.0 \text{ GROSS CUBIC FEET}$$

- (2) The circumference measurement can be used to determine the diameter of the bin. Use the Round Bin Chart (Exhibit 14) to determine the diameter of the bin from the circumference measurement. The Round Bin Chart also provides the square foot factor for each size of bin.

- (3) The adjuster can mathematically compute the diameter of a round bin by multiplying the circumference measurement by .31831.

NOTE: The square foot factor (Round Bin Chart, Exhibit 14) times the level crop depth will also determine the gross cubic feet of a round bin.

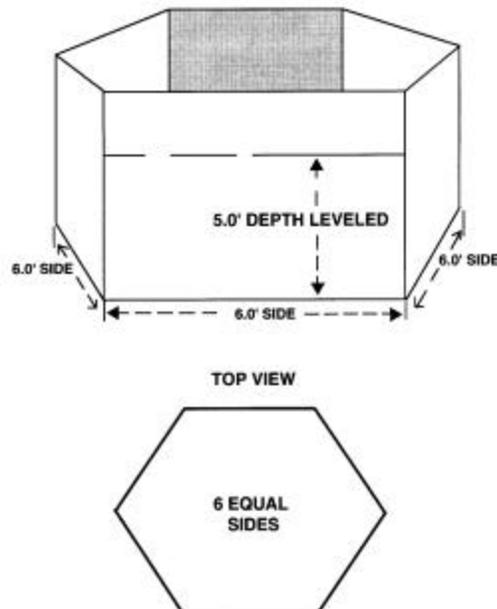
C Pentagon Structure (5 sides)

Length of Side squared times 1.720 times Leveled Depth equals Gross Cubic Feet.

D Hexagon Structure (6 sides)

Length of Side squared times 2.598 times Leveled Depth equals Gross Cubic Feet.

$$6.0^2 \times 2.598 \times 5.0 = 467.5 \text{ GROSS CUBIC FEET}$$

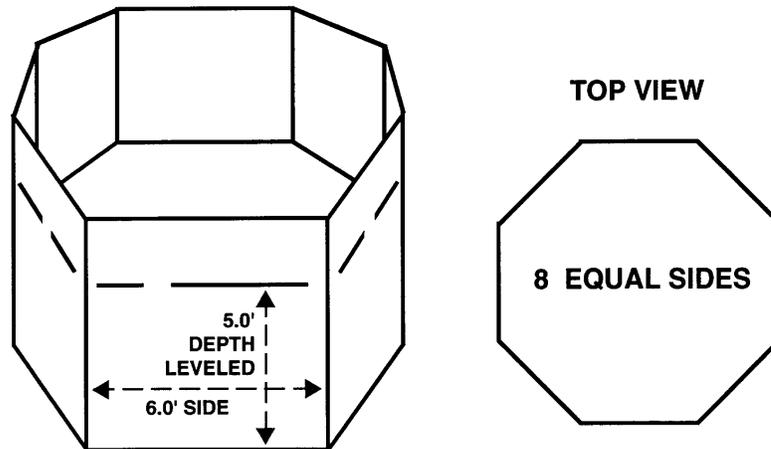


E Heptagon Structure (7 sides)

Length of Side squared times 3.634 times Leveled Depth = Gross Cubic Feet.

F Octagon Structure (8 sides)

Length of Side squared times 4.828 times Leveled Depth equals Gross Cubic Feet.



$$6.0^2 \times 4.828 \times 5.0 = 869.0 \text{ GROSS CUBIC FEET}$$

G Nonagon Structure (9 sides)

Length of Side squared times 6.182 times Leveled Depth equals Gross Cubic Feet.

H Decagon Structure (10 sides)

Length of Side squared times 7.694 times Leveled Depth equals Gross Cubic Feet.

I Undecagon (11 sides)

Length of Side squared times 9.36 times Leveled Depth equals Gross Cubic Feet.

J Dodecagon (12 sides)

Length of Side squared times 11.196 times Leveled Depth equals Gross Cubic Feet.

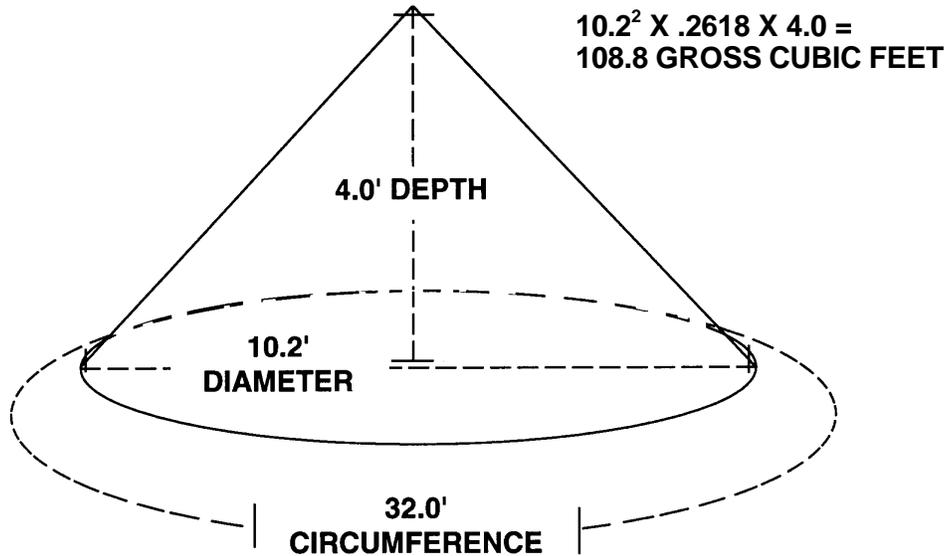
K Any Structure with More than 12 Sides

Use the formula for a circle for any structure with more than 12 sides.

GO TO NEXT PAGE

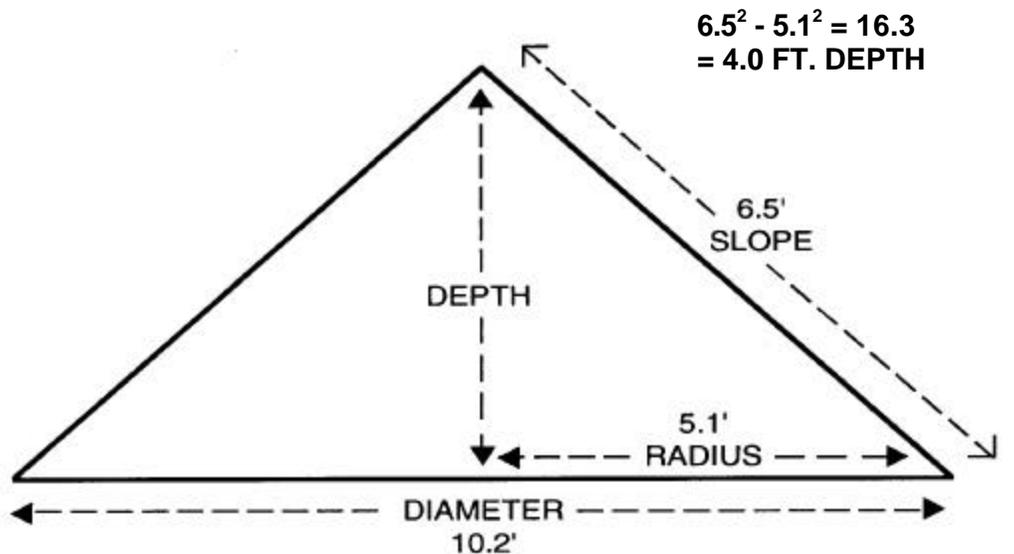
L Conical Pile

Diameter squared times .2618 times depth (feet to tenths) equals Gross Cubic Feet.



NOTE: When it is not possible to accurately measure the depth of a conical pile of grain the formula below may be used.

- M Formula for determining depth of a conical pile. The length of the slope² - the radius (2 the diameter)² = the height². Determine the square root of the result to determine the height of the cone in feet to tenths. (See Exhibit 13 for square root table.)



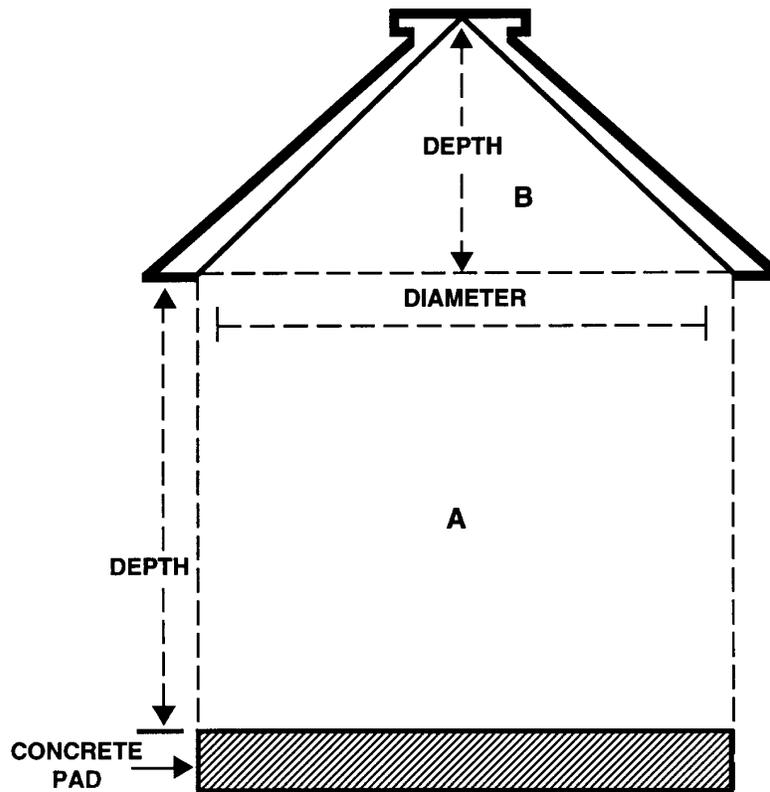
102 UNUSUAL STORAGE CONFIGURATIONS: MEASUREMENTS AND COMPUTATION

A Inverted Cone

- (1) The dimensions of an inverted cone are recorded on the claim form in the items used for recording structure measurements. **ACone@** is entered in the column entitled **Awidth@** on the claim form.
- (2) If the inverted cone is a permanent part of a storage structure, record the measurements on a Special Report or other FCIC-approved form used for measurement purposes, prior to harvest to be retained permanently with the insured's file folder. To record this information, ask the insured if any of the storage structures have an inverted cone while on a pre-harvest appraisal, acreage report review, growing season inspection, etc. The manufacturer's or builder's specifications may be used if it is not possible to measure the inverted cone during the inspection. If these are not available, FSA may have measurements on record for the particular storage structure in question.
- (3) To determine the amount of grain in an inverted cone, obtain these measurements:
 - (a) Diameter if round; width and length if square or rectangular.
 - (b) Depth - by actual measurement.
- (4) To determine the unadjusted gross production of grain in an inverted cone, follow this formula:
 - (a) Square. Length times width times 1/3 recorded depth equals gross cubic feet.

Round. Diameter squared times .2618 times x recorded depth equals gross cubic feet.
 - (b) Gross cubic feet minus deductions in cubic feet equal Net cubic feet
 - (c) Net cubic feet times Conversion factor equals unadjusted gross production.
- (5) To determine adjusted gross production (by test weight), follow this formula: Multiply the unadjusted gross production by the test weight factor (see Test Weight and Test-Weight Factor, PAR. 90) equals adjusted gross production (by test weight).
- (6) Enter on the claim-form-line entry any adjustments necessary for correct computation of production; i.e., entries for **FM**, moisture, or quality if applicable.

B Cone on a cylinder

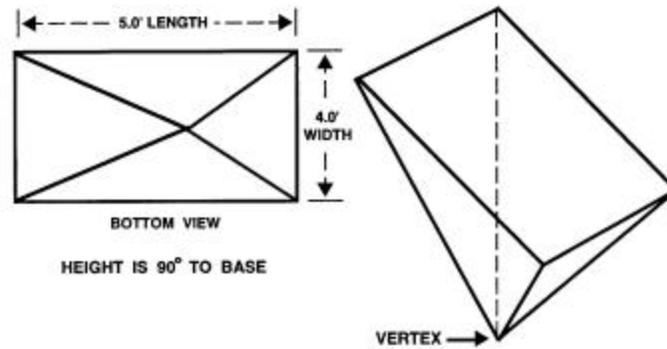
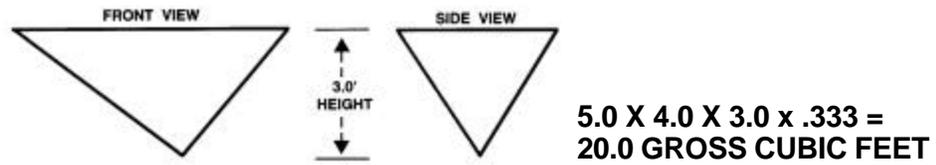


There will be two (2) line entries in the part of the claim form used to record structure measurements.

- (1) One line will be identified by "RND" (for production in A) with all determined measurements and adjustments entered for that line.
- (2) One line will be identified as "Cone" (for production in B) with all determined measurements and adjustments entered for that line on the Production Worksheet.

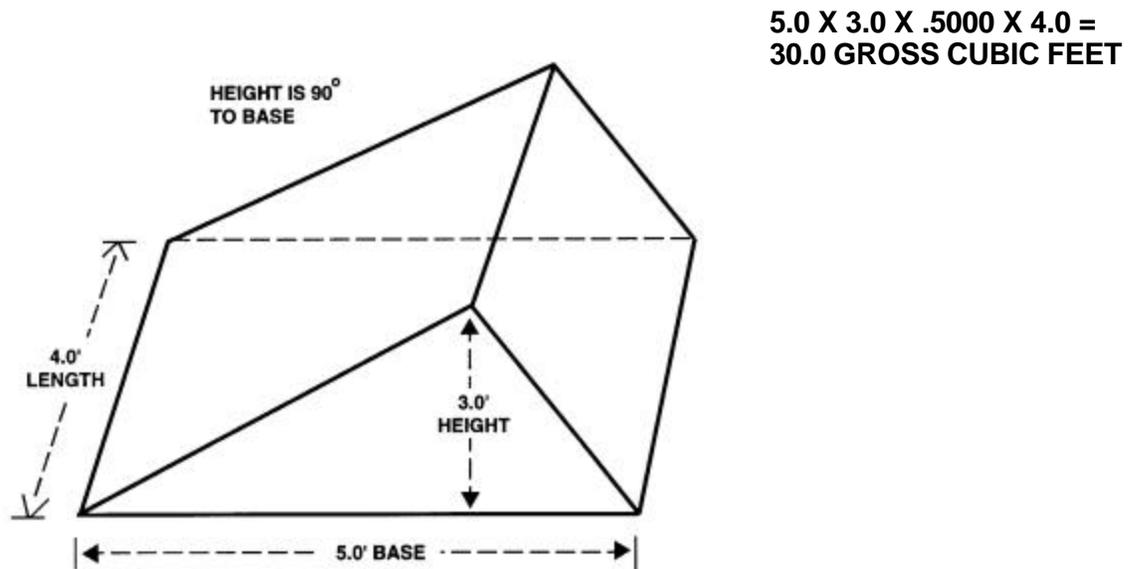
C Pyramid

Length X width X height X one-third = gross cubic feet.



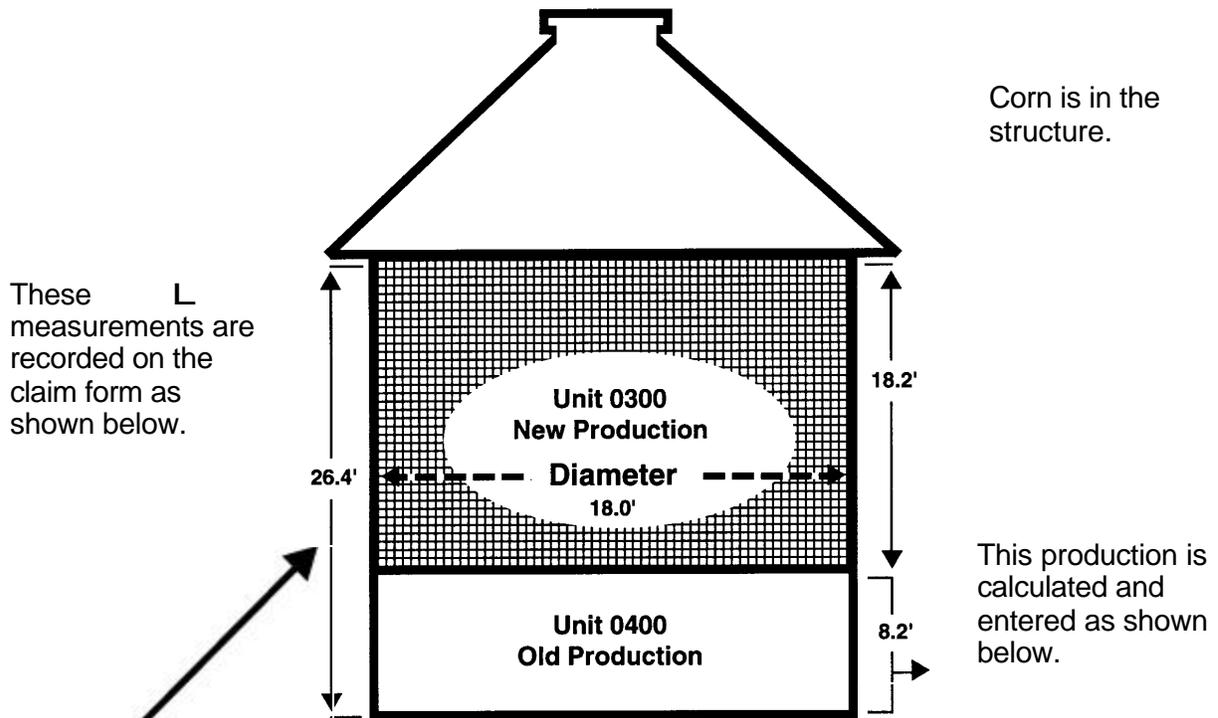
D Triangle Box

Area of triangle (base X height X 2) X length of box = gross cubic feet.



E Production-Not-to-Count in a Storage Structure

Example 1: This example shows structural measurements for the total production in the storage structure in the appropriate columns of the claim form and the calculated adjusted gross production by test weight (BEFORE deductions for moisture, dockage, etc.) in the **Production Not to Count** column. The calculated production-not-to-count will be deducted and the test weight entered in the **Test Weight** column and any other applicable entries for moisture, dockage, or quality will be used to calculate the remaining grain contained in the structure to arrive at the unit production-to-count in the storage structure.

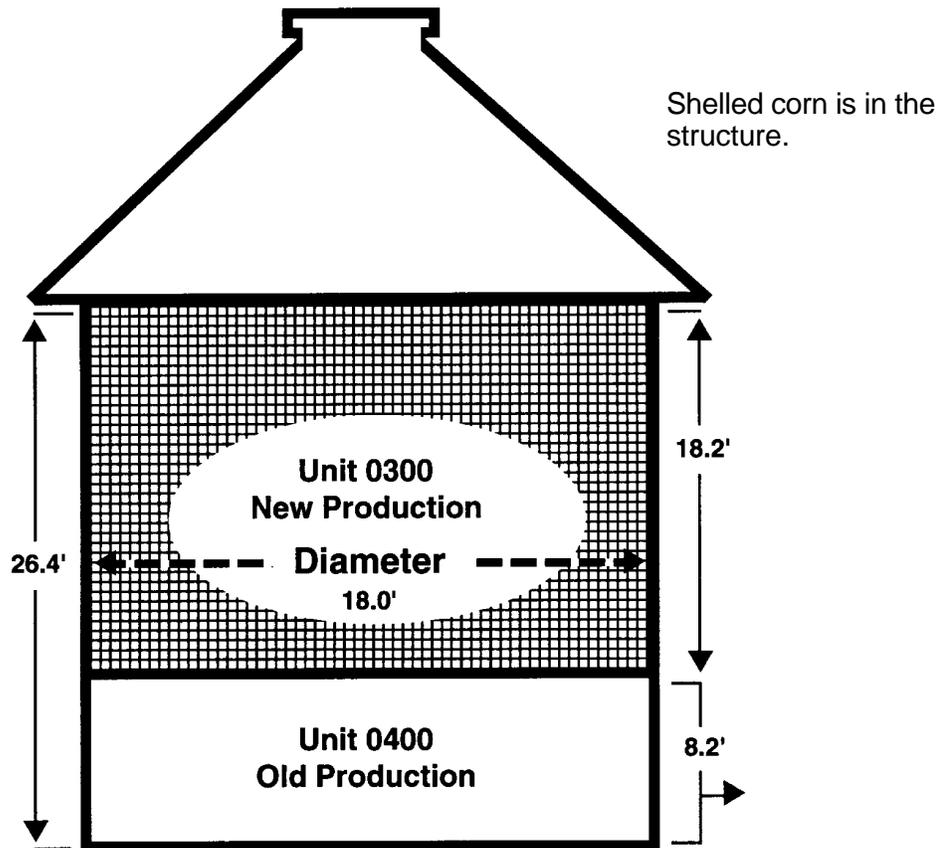


HARVESTED PRODUCTION								
Length or Dia.	Width	Depth	Deduction	Net Cubic Feet	Conversion Factor	Gross Prod.	Bu. Ton. Lbs., CWT.	
18	0	RND	26	4		6718.8	.8	5375.0

Adjustments to Harvested Production					
Shell/Sugar Factor	FM %	Moisture %	Test WT	Adjusted Production	Production Not To Count
	Factor	Factor	Factor		
SH			56	5375.0	1669.5
			1.000		

Production-Not-to-Count in a Storage Structure (continued.)

Example 2: This example shows that the production-not-to-count and production-to-count are determined separately. The depth measurement of only the production-to-count is entered in the ADepth@column. The measurement for the production-not-to count is entered in the narrative of the claim form.

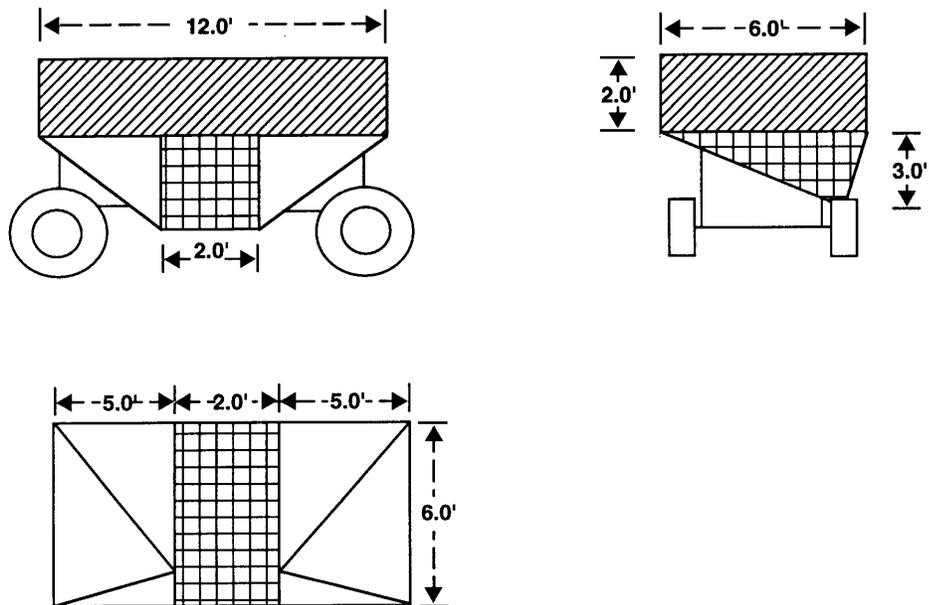


HARVESTED PRODUCTION								
Length or Dia.	Width	Depth	Deduction		Net Cubic Feet	Conver-Factor	Gross Prod.	Bu. Ton. Lbs., CWT.
18	0	RND	18	2			4631.9	.8
							3705.5	

NARRATIVE: Production not to count from unit 0400, depth 8.2 ft. Previous bin measurements for unit 0400 attached.

F Gravity Flow Wagon

Break the gravity flow wagon into volume components which can be accurately measured, and use the existing formulas to determine the production in each component.



**TOP RECTANGLE BOX = 12.0 X 6.0 X 2.0 = 144.0 GROSS CUBIC FEET
(LINED AREA)**

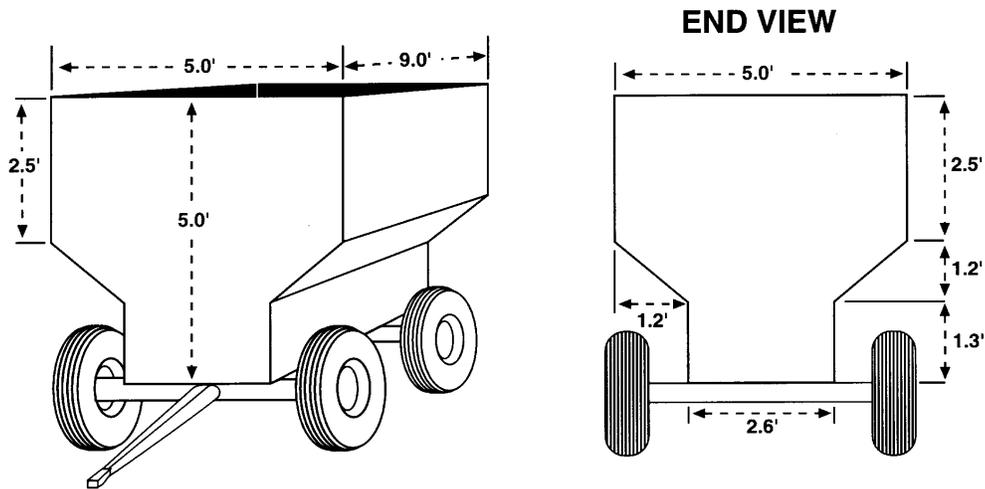
**MIDDLE TRIANGLE BOX = 6.0 X 3.0 X 2.0 X .5000 = 18.0 GROSS CUBIC FEET
(CHECKERED AREA)**

**2 PYRAMIDS = 2 X (5.0 X 6.0 X 3.0 X .3333) = 60.0 GROSS CUBIC FEET
(UNMARKED AREA)**

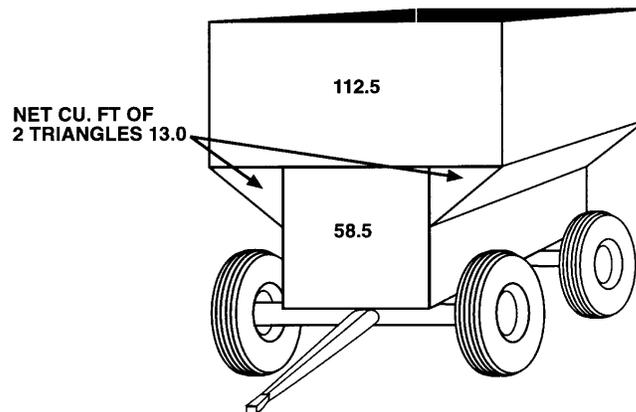
TOTAL GROSS CUBIC FEET OF WAGON = (144.0 + 18.0 + 60.0) = 222.0

G Flare box wagon

Break the flare box wagon into component parts which can be accurately measured and use the existing formulas to determine the production in each component.



CU. FT OF COMPONENT PARTS



NET CUBIC FEET OF COMPONENT PARTS

$$9.0 \times 5.0 \times 2.5 = 112.5 \text{ CUBIC FEET}$$

$$9.0 \times 2.6 \times 2.5 = 58.5 \text{ CUBIC FEET}$$

$$+9.0 \times 1.2 \times 1.2 \times .5000$$

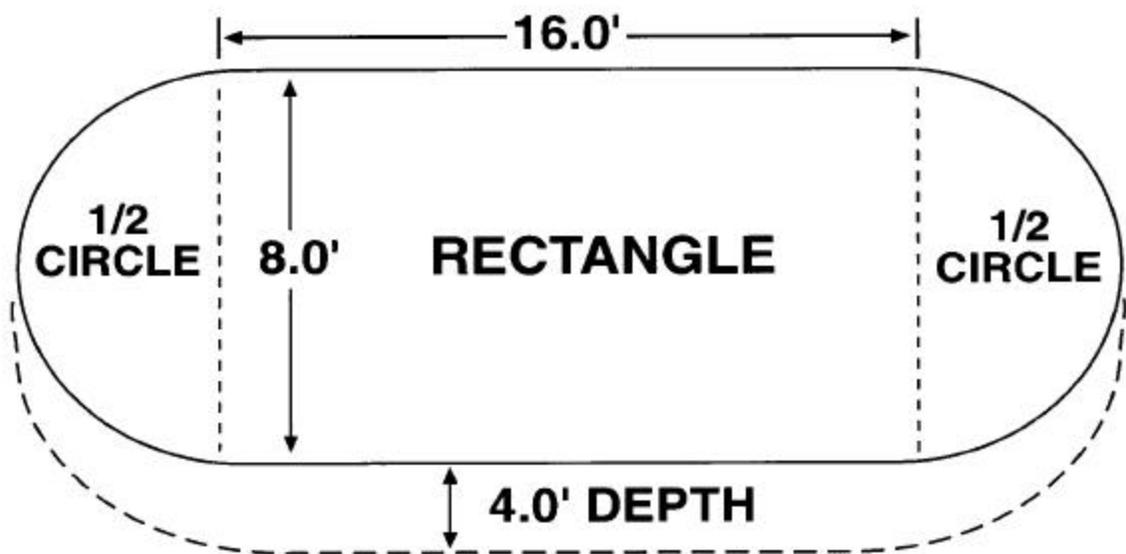
$$9.0 \times 1.2 \times 1.2 \times .5000$$

TOTAL

$$= \frac{13.0 \text{ CUBIC FEET}}{184.0 \text{ NET CUBIC FEET}}$$

H Oval Storage Structure

Break the oval storage structure into component parts which can be accurately measured and use the existing formulas to determine the production in each component.



RECTANGLE 16.0' X 8.0' X 4.0' = 512.0 CUBIC FEET

TWO 2 CIRCLES - $8.0^2 \times .7854 \times 4.0 = 201.2$ CUBIC FEET
(100.6 cubic feet for each)

TOTAL CUBIC FEET = 713.2

103 ROUND BIN CHART

See Exhibit 14 for converting circumference to diameter and square feet.

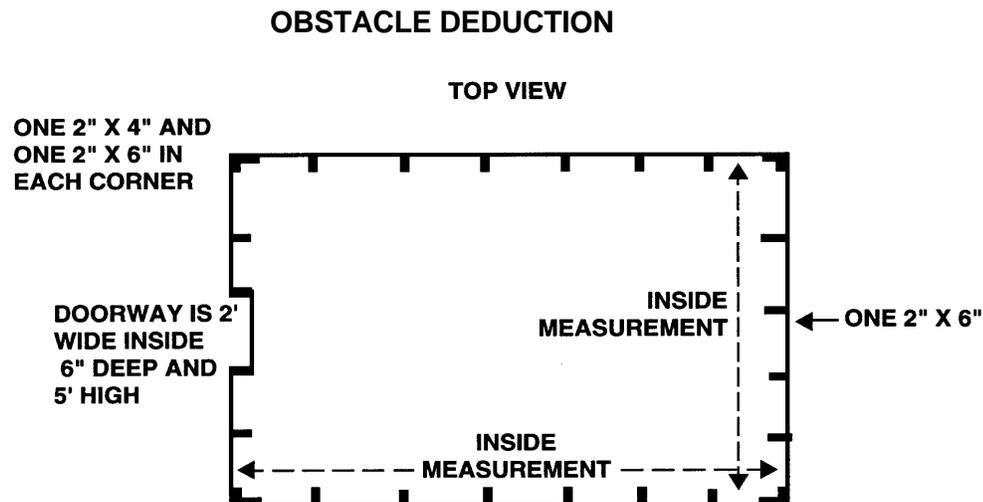
104 NET CUBIC FEET FORMULA (CUBIC FEET DEDUCTIONS)

- A Net Cubic Feet Calculation. Gross cubic feet minus Cubic feet of deductions equals net cubic feet.
- B Determining Deductions. Calculate net cubic feet by computing the cubic feet of studs, vents, etc., which displace the crop inside the structure and deducting that amount from the gross cubic feet.
- C Deductions for Regular Type Structures. For regular type structures (round augers, square air vents, etc.) use the formulas given in PAR. 100 and in D below to determine cubic feet deductions.
- D To compute studs and joists which displace the crop:
- (1) 2" x 4" - multiply the number of studs times depth of the stored crop and divide by 18.
 - (2) 2" x 6" - multiply the number of studs times depth of the stored crop and divide by 12.
 - (3) 2" x 8" - multiply the number of studs times depth of the stored crop and divide by 9.

EXAMPLE: A bin with 30 studs (2" x 6") with a depth of 5 feet in the crop:

$$\frac{30 \times 5}{12} = 12.5 \text{ cu. ft.}$$

- (4) Angled (diagonal, etc.) support studs should be calculated by dividing the total length of the studs by the appropriate factor.



105 CONVERTING VOLUME TO BUSHELS, HUNDREDWEIGHT, OR POUNDS

Net cubic feet times conversion factor, hundredweight, or pounds shown in the chart below equals unadjusted gross production (before adjustments for weight, moisture, and dockage).

CONVERSION FACTOR CHART

CROPS	FOR BUSHELS	FOR HUNDREDWEIGHT	FOR POUNDS
Barley	0.8		
Beans (Dry)	0.8		*
Canola/rapeseed	0.8		*
Crambe (Pilot)	0.8		*
Corn (Shelled)	0.8		
Corn (ear)	0.4		
Corn (Ground Shelled)	0.7		
Corn (Ground Ear)	0.6		
Corn (Hybrid Seed)	0.8		
Flaxseed	0.8		
Grain Sorghum	0.8		
Hybrid Seed Sorghum	0.8		
Millet ***	0.8		
Mustard (Pilot)	0.8		*
Oats	0.8		
Peanuts (Spanish SW & SE)			19.7
Peanuts (Runner)			16.9
Peanuts (Virginia)			13.5
Peanuts (Valencia)			17.5
Peas (Dry)	0.8		*
Popcorn (Shelled)	0.8		*
Popcorn (Ear)	0.4		*
Potatoes		0.4167	*
Rice	0.8		
Rye	0.8		*
Safflowers	0.8		*
Soybeans	0.8		
Sunflower (oil and non-oil)	0.8		*
Sweet Potatoes (Pilot)		0.4283	
Wheat	0.8		
Wild Rice (Cultivated)	0.8		**

* To convert to pounds: Net cubic feet x Conversion Factor x Actual Test Weight = adjusted Gross Production for test weight.

**See Cultivated Wild Rice Handbook for specific weight to use for calculations.

PART 4 UNUSUAL/CONTROVERSIAL CASES AND SPECIAL CLAIMS PROCEDURES

SECTION 1 GENERAL INFORMATION

106 GENERAL PROCEDURES TO FOLLOW WHEN INVOLVED WITH UNUSUAL OR CONTROVERSIAL CASES

There will come a time when you will run into problem cases. Whenever you are on an inspection and you suspect problems in the information given to you by the insured or in previous contract information reported to the insurance provider (e.g., entity, APH, etc.), follow the procedures listed below in the order that they are listed:

- A Inspection. Complete the inspection according to procedure.
- B Documentation. Document what you find during the on-the-farm inspection, on the claim (MPCI Non-Waiver Agreement (NA) if your company uses a MPCI NA rather than a claim) and on a Special Report. (See PAR. 107 for instructions on how to document your findings).
- C Insured's Signature. Obtain the insured's signature on the claim (or MPCI NA). Obtain the insured's signature on the Special Report, if possible.
- D Adjuster's Signature. If a claim form is used, DO NOT sign the claim.

NOTE: If a MPCI NA is used, the adjuster's signature is required.

- E Document Potential Need For Growing Season or Pre-Harvest Inspection

Document on a Special Report the potential need for growing season inspections or pre-harvest appraisals, whenever the need appears, to protect the insurance provider's position in the case of a controversial claim due to uninsured causes of loss or not following recognized good farming practices. Send a copy of the Special Report to the supervisor designated by the insurance provider.

107 REPORT WRITING - HOW TO DOCUMENT FINDINGS

- A Principles of Report Writing

A report is written to convey concisely what you have found while on an inspection, the reason for the inspection, what problems, if any, you have encountered, and to indicate follow-up actions that may be necessary.

- (1) The report should be in a standard form but should be sufficiently flexible to fit the special requirements of the subject matter and the individual(s) to whom it is submitted.
- (2) The report should be simple, concise, and as brief as possible.
- (3) The tone of the report should be dispassionate, impersonal, and factual.

- (4) The report should be legible and devoid of smudges, crossed-out words, or sections.
- (5) Illustrations such as sketch maps, bin locations, etc., should be used whenever they will promote a better understanding of the report.
- (6) Documentation should be reviewed with the next level of supervision at the time the formal report is submitted.
- (7) Do not make recommendations.

B Report Arrangement. There are many acceptable arrangements for reports as indicated below:

- (1) The title and the report should be short and descriptive.
- (2) If the report is lengthy or detailed, a table of contents should list the location of major sections and subsections.
- (3) The report should have an introduction that tells why the report was written.
- (4) The body should clearly explain the facts or findings presented in the introduction.
- (5) The summary is the most important element of the report since many people read only this section thoroughly. State the problem simply, along with any significant findings. Remember, keep the summary brief to maximize its impact. Ideas should be presented in short paragraphs or numbered sentences. State your conclusions without elaboration.

108 POINTS TO REMEMBER WHILE DEALING WITH PROBLEM CASES

When dealing with any problem case, adjusters should NEVER WORK ALONE. As instructed by your insurance provider, a supervisor, another adjuster, or other insurance provider representative may ACCOMPANY you on any field or farm inspection involving a problem case.

A Potential Use of Information

Although the potential use of information for legal action cannot be denied, do not voluntarily discuss any possible legal action, as it will discourage a candid discussion. If the insured is prepared to make a statement, it should be submitted in the insured's own handwriting, if possible, and signed and dated by the insured. Do not assist the insured with the contents or wording of the statement. It does not have to be grammatically correct.

If you prepare a statement, have the insured dictate it word for word to you. The insured should read it and agree to its contents by signing and dating the statement. If a minor error is made in the body, it should be corrected and then initialed by the insured. This is very strong evidence that the statement was read and understood. It is also helpful if

the statement explains its purpose, but not in a manner to exclude other uses the statement may have.

B Use of Photography or Cam-Recording

- (1) It is often helpful on a farm review to have a camera available. Certain conditions detected during reviews may be substantiated and documented very clearly in color photographs. Use of color photographs in reports is encouraged. (In some cases the use of video filming can be even more precise and advantageous for documentation purposes.) Photographs or video filming of neighboring fields of the same crop, type, variety, grown on same soil type, etc. should be used as comparison. Their use can:
 - (a) Reduce the volume of writing necessary to explain certain situations.
 - (b) Substantiate crop conditions, field or stubble conditions, and hidden production.
 - (c) Reduce very complex situations to easily understood images.
 - (d) Increase comprehension of the report.
- (2) Take photographs or video in a straightforward, open manner to avoid giving the appearance of being secretive or suspicious. There may be occasions when resentment or disapproval of the use of photographs or videos is expressed. In such cases, contact your next level of supervision for a decision on whether to proceed with the photographs or videos.
- (3) Document photographs **and video using a log** to show the following pertinent information (also narrate on videotape): Date taken, where taken (legal description, etc.) and by whom, the subject matter depicted, direction of view, contract and unit number, etc. The log should be initiated at the time the photograph or video are taken, **and the photo, and the photo number should correspond with the print number.** **PHOTOGRAPHS AND VIDEOS SHOULD ALWAYS DEPICT A REFERENCE of the nearest identifiable intersection (document estimated distance to subject field), an integrity picture of the entire field or concerned area, and then close-up photographs (video) identifying the condition. Reference and integrity photographs should always include permanent landmarks when possible.** If any individual appears in photographs, identify each individual. Make very attempt to include the insured (or representative in the photograph, in the field.

C Insured Deception or Misrepresentation. On occasion, an insured will attempt to misinform the insurance provider with respect to insurability or losses. The purpose of the misinformation is usually to qualify for or enhance an indemnity payment; however, there have been situations in which the insured deceives the insurance provider in order to be consistent with an erroneous position taken with another agency. A search must be made to discover the facts upon which the insurance provider should act.

D Evidence Admissible and Not Admissible. An insurance provider employee or a loss adjustment contractor (adjuster) is NOT a law enforcement agent. In the ordinary course of duty, a statement or fact obtained by an insurance provider employee or adjuster may be admissible in a court of law. The same statement or fact obtained by law enforcement officials may be admissible only if prescribed procedures are followed. This

distinction is based on the purpose of the inquiry. As long as reviews are conducted for the sole purpose of obtaining information necessary for the contractual operation of the insurance program, the information obtained is not considered an illegal search or seizure.

- E Purpose of Farm Visit. In actuality, questionable claims may be investigated when there is some indication that legal action may occur. This is still a legitimate function as long as the information is intended for insurance provider use. Consideration must not be given as to the eventual evidentiary value of the information. If it is discovered upon cross examination that a particular farm visit was for the purpose of obtaining evidence for criminal or civil prosecution, that visit could be considered to have a law enforcement purpose. The absence of prescribed law enforcement procedures would render the information inadmissible.
- F Promises to Insured for Cooperation. It should be kept in mind that any promises made to an insured for cooperation may render the information inadmissible, and possibly impose civil liability on the person(s) who made such an offer. Any evidence, no matter how small, indicating that the information supplied by the insured was in consideration of a waiver of civil or criminal charges can void a successful prosecution or, at the least, devalue the evidentiary weight of such evidence.

109 CONTROVERSIAL CLAIM PROCEDURE

If the insured will not agree with the adjustment data, refer the case to the insurance provider. The insurance provider representative and the adjuster will review the case with the insured and make every effort to resolve it.

If an agreement cannot be reached with the insured, insurance providers will follow the procedure in A and B below or use a MPCCI Non-Waiver Agreement. If a MPCCI Non-Waiver Agreement is used, follow the instructions provided by the insurance provider for completing this form, and follow the documentation procedures in C below.

A Prepare Two Claims

- (1) One claim showing the data submitted by the insured, signed only by the insured. (The insured should be provided a copy of the claim and any appraisal worksheets or other documents signed by the insured at the time of this inspection.)
- (2) The other claim showing the data determined and the date signed by the insurance provider representative(s).

B Submission of Claims. Submit both sets of the claims to the person or office designated by your insurance provider along with complete documentation. See C below.

C Documentation. To the extent possible, the documentation will include the following:

- (1) Interviews with the insured, the insured's employees, neighbors, other persons recommended by the insured as having knowledge of the facts in the case, and additional individuals the insurance-provider-representative determines to have information relevant to the case. The insurance-provider-representative conducting the interview should be accompanied by another individual represented by the insurance provider.

- (2) Signed statements by the insured and other persons interviewed. The insured should personally prepare a detailed Special Report to document the points of disagreement in support of the claim as submitted.
- (3) Field Observations
 - (a) Appraisals of potential production and uninsured cause(s) of loss in the insured field(s) and neighboring fields. Make appraisals explicit as to potential production and uninsured causes i.e., "16-bushel-per-acre potential, 86 weed plants in 36-square-foot area." Any neighboring field used for comparison purposes should be of similar soil type, farmed with similar cultural practices, and planted to the same crop as the insured field.
 - (b) Properly documented photographs showing the damaged crop and identifiable landmarks of both insured and neighboring fields documenting damage.
- (4) Production data
 - (a) Harvested production data from insured field(s).
 - (b) Harvested production data from neighboring field(s).
 - (c) Photographs, if pertinent to the case.
- (5) Signed statements by insurance provider representatives involved in the case. Do not include any evidence, insinuations or opinions which do not have complete supporting facts in the statements, nor references to the insured's personal habits or traits. Prepare the statements in a manner that will lead the reader to a logical conclusion based upon the facts presented.

SECTION 2 UNUSUAL/CONTROVERSIAL CASES

110 CONTROVERSIAL CLAIM: UNINSURED CAUSES OF LOSS

A General Information

The contract provides protection only against unavoidable loss of production due to the named insured causes that occur during the insurance period. It is specific as to what causes of loss are insured against; therefore, all other causes of loss are not insured. Moreover, any loss from the cause(s) named is not insured if it was avoidable. For example, loss due to failure of the insured to take adequate measures to control insects, plant disease, or weeds when such measures are practical and have proven effective in the area is AVOIDABLE and is an UNINSURED cause of loss. However, if the insured carried out recognized and accepted measures to control insects or plant disease (if provided as insured causes) or weeds, these causes are considered UNAVOIDABLE INSURED CAUSES. Although weeds are not a stated insured cause, the FCIC will consider damage caused by them as insured IF recognized and accepted control measures were used, and if adverse weather directly caused the control measures to be less effective.

- B The uninsured causes of loss can be found in the Basic Provisions, individual crop provisions, and actuarial documents.

NOTE: ORGANIC FARMING PRACTICE - Unless FCIC approves a written agreement for an organic practice for the crop and county that provides specifics for the practice; (e.g., premium rates, T-yields, requirements specific for this practice (copies of organic certification, organic farm plans, etc.)), OR an organic farming practice is shown on the actuarial documents, the following will apply:

The same policy terms and conditions apply when a producer utilizes an organic farming practice as would apply to a producer utilizing a non-organic practice (conventional farming practice). Policy provisions allow only for unavoidable loss of production due to named perils with no special considerations for an insured using an organic farming practice; i.e., the producer using an organic farming practice is expected to use the same control measures to avoid disease, insects, and weeds as the producer using a non-organic or conventional farming practice. Therefore, if an insured (regardless of whether they used organic or conventional practices) chooses not to apply a generally used and recognized control measure, (e.g., chemical controls) but instead uses an alternative control measure (e.g., non-chemical) and that choice results in an avoidable loss of production, the insured would be assessed an uninsured cause appraisal for such loss of production. However, if a recognized control measure generally used in the county by conventional producers for the insured crop (but not used by the organic producer) was rendered ineffective or less effective due to adverse weather and this similarly affected both groups of producers in the same general area, comparable losses of production would be allowed for the insured using the organic farming practice unless insects or disease is not a named peril in the specific crop provisions. (Most crop provisions list insects or disease; however, some may not.) For example, the production practices used by an organic producer to control weeds included crop rotations and cultivation. Conventional producers in the same area of the county relied primarily on chemical herbicides. Persistent rains resulted in a similar loss of production for both groups of producers due to the inability to control weeds. The loss of production in this instance would be insurable for both groups. On the other hand, if the chemical weed controls had been effective for conventional producers, any loss of production that organic producers suffered due to the inability to control weeds would be uninsurable.

- C Included in Total Production to Count

Most policy provisions require that total production to count include all of the following:

- (1) An appraisal for potential production lost due to uninsured causes. (Uninsured cause appraisals are not included in APH determinations.)
- (2) An appraisal of not less than the per-acre guarantee (per-acre dollar amount of insurance for dollar crops) for any acreage:
 - (a) Abandoned,
 - (b) put to another use without the insurance provider-s prior written consent,
 - (c) damaged solely by an uninsured cause, and

- (d) for some crops, for which the insured failed to provide records of production that are acceptable to the insurance provider.

NOTE: Some crop provisions may also require notification to the insurance provider when the crop will be direct marketed and failure to provide such notification may result in at least an appraisal of the per-acre guarantee or per-acre dollar amount of insurance.

D Contained Water

(1) General Information.

In accordance with the Basic Provisions, water contained by any governmental, public, or private dam or reservoir project is an uninsurable cause of loss. When flooding has occurred, if the elevation of the contained water (e.g. subject reservoir), as measured by the Corps of Engineers or other public source, exceeds the elevation of the insured acreage at the time of loss, the flooding will be considered to have been caused by the contained water (uninsured cause) unless the insured can prove otherwise.

NOTE: Some Special Provisions specify the particular lake containing such water and require measurement by the Corps of Engineers (e.g., Marion county Iowa). Also, prevented planting coverage is not available on such acreage if the elevation of the contained water reaches or exceeds the land elevation (or denies access to) the insured acreage between the Sales Closing Date and the Final Planting Date shown on the Special Provisions for the crop. See the FC1-33, Maps and Rules Pages for additional information affecting the insurability of the land, if applicable.

(2) Adjuster/Insurance Provider Responsibilities

The adjuster must document the elevation of the contained water at the time of loss, as measured by the Corps of Engineers and/or other reliable public or governmental sources that measure such water elevations. The water elevations during the period of loss are to be obtained. (Some Special Provisions require measurements be from Corps of Engineers). The adjuster/insurance provider must also document the elevation of the subject land for use as a comparison to the elevation of the contained water. To determine the elevation of the subject land, the insurance provider is responsible for obtaining maps or data containing the elevations for the acreage.

NOTE: There are several web sites offering topographical maps that would provide land elevations. One such source is the United States Geographic Survey web site. There are also many other commercial sites that sell CD-s containing topographical maps.

- E Chemicals. Any loss of marketability of crops due to misapplication of chemicals **or application of chemicals which are controversial, withdrawn from sale, etc.**, IS NOT INSURED under the insurance contract unless provided specifically as a condition of the contract.

F Loss Due Solely to Uninsured Causes

The insurance provider cannot indemnify an insured when all of the loss is due solely to uninsured cause(s). In such cases, the appraisal must not be less than the production guarantee. When the appraisal is more than the production guarantee, use the actual appraisal.

G When loss is due to uninsurable cause(s):

- (1) Consider production on same or similar crop(s) on other farms in the area, if available.
- (2) Verify cause of loss (e.g. apparent loss may be poor weed control; however, the damage may have been indirectly caused by insufficient rainfall to activate a properly applied herbicide).
- (3) Make an appraisal which represents only that part of the loss which is due to uninsured or avoidable cause, and a separate appraisal for potential production remaining.
- (4) Discuss appraisals with insured.
- (5) Determine efforts to prevent or control the situation (chemical used and/or methods followed). Record the number of applications and dates they were applied based on receipts or other third party records.
- (6) Determine efforts neighbors and others in the community used to prevent or control the same situation.
- (7) Photograph the evidence of the crop in question and surrounding farms, with identifying landmarks in each photograph.
- (8) Compare productivity and yields of surrounding farms. The suggested comparison formula is found in subparagraph "L and M."

H In every case, establish that the damage or loss is due:

- (1) Solely to one or more unavoidable insured causes(s).
- (2) To both unavoidable insured cause(s) and uninsured cause(s).
- (3) Solely to one or more uninsured causes, (including avoidable insured causes).

I Contact Insurance Provider. If on the initial inspection you are satisfied that the loss adjustment will involve uninsured cause(s) of loss, contact and advise the insurance provider of the situation. Request assistance with the adjustment. Circumstances may warrant that an insurance provider-employee accompany the adjuster.

J Uninsured causes of loss could be determined at the time of:

- (1) Preliminary inspections.

- (2) Final inspections.
- (3) Quality assurance reviews.
- (4) Farm visits made to obtain an original acreage report, to revise an acreage report, or make a growing season inspection.
- (5) Making appraisals for APH record-keeping purposes.
- (6) Driving by an insured farm on other assignments. Such observations will be documented on a Special Report and provided to the insured, putting the insured on notice that the insurance provider is aware of the damage by livestock, herbicide drift, etc.

K Failure To Follow Good Farming Practices

The contract does not cover any loss which is due to the insured's failure to follow recognized good farming practices. Such farming practices vary by crops and by areas. SOME of the more common uninsured CAUSES of loss DUE TO FAILURE TO FOLLOW recognized GOOD FARMING PRACTICES are:

- (1) Use of damaged, old, or unadapted seed. When the adaptability of the seed or plant type/variety to the area is questionable (e.g., varieties not commonly produced in the area), consult with the local Cooperative Extension Service or with sources recommended by the local Cooperative Extension Service to determine the adaptability of the type/variety to the area. Document your findings.
- (2) Failure to plant the recommended quantity of seed.
- (3) Improper seedbed preparation.
- (4) Failure to properly plant, care for, or harvest the insured crop.
- (5) Failure to timely or properly apply control measures recommended by the local Cooperative Extension Service for the control of insects, plant diseases or weeds.
- (6) Failure to apply adequate water under an irrigated practice and/or failure to timely apply irrigation water.
- (7) Planting another crop (except winter legumes) in a growing cotton crop.
- (8) Inability to obtain labor, seed, machinery, repairs or pesticides.
- (9) Breakdown of machinery or failure of equipment due to mechanical defects.
- (10) Damage by domestic animals or poultry.
- (11) The use of chemicals resulting in damage to the insured crop.

- (12) Seeding another crop in a growing insured crop unless allowed by the crop policy.
- (13) Neglect by the insured or by any person in the insured's household connected with the farming operation.
- (14) Theft of the crop.

L Concepts of Determining Uninsured or Avoidable Insured Cause(s) of Loss

- (1) When insured cause(s) of loss are present in the area, the yield potential of the crop, before any uninsured cause(s), must be determined. For example, the yield potential determined from comparable acreage of the crop without uninsured cause(s) of loss is 70 bushels. If 30 bushels of potential remain in the field or have been harvested and all other cause(s) are uninsured, then 40 bushels of production were lost due to uninsured cause(s) regardless of the production guarantee.
- (2) If comparable acreage is available, use it as the basis for determining yields due to uninsured cause(s) of loss. Comparable acreage is acreage that is planted to the same crop following the same farming practices, management practices, similar planting dates, etc., that has not been damaged by uninsured cause(s) of loss.
 - (a) If the insured has comparable acreage, this acreage should be used to determine the yield basis for uninsured cause(s) of loss.
 - (b) When comparable acreage is not available on the insured's farming operation, comparable acreage from other farms in the community should be used to determine the yield basis for uninsured cause(s) of loss.
 - (c) When comparable acreage is not available, consider using APH yields on the insured's farm and/or farms with similar productivity to determine the yield basis for uninsured cause(s) of loss.
- (3) When damage due to an insurable cause(s) (drought, frost, freeze, excess precipitation, etc.) has occurred on surrounding farms, care must be taken to identify only that portion of the production lost due to uninsured cause(s).
- (4) When all of the loss is due to uninsured or avoidable insured cause(s), it is assumed that had it not been for such cause(s), production would have been equal to or greater than the production guarantee for the acreage.
 - (a) Determine the yield potential of comparable acreage of the crop without uninsured cause(s) of loss. Compare this yield potential to the production guarantee and use the higher of the two as the yield for determining production lost due to uninsured causes. (See L (2) above, if comparable acreage is not available.)

- (b) When unharvested potential remains in the field, appraise the potential remaining and subtract it from the yield determined in subparagraph (4)(a) above. The difference is the appraisal for uninsured cause(s) of loss.
 - (c) When no unharvested potential remains in the field, determine the yield as outlined in subparagraph (4) (a) above and use as the appraisal for uninsured cause(s).
 - (d) Enter any production harvested from acreage damaged solely by uninsured cause(s) as production not to count after proper appraisal entries are made.
- (5) Appraisals for uninsured cause(s) must always be discussed and the impact on the loss explained to the insured. Always include full information in the report as to the uninsured cause(s) of loss and the basis used for determining the amount of production lost by such causes.

M Using Other Farms to Determine Production Lost Due to Uninsured Cause(s)

Give proper weight to what other farmers, who did not have uninsured causes present, produced in the area. For crops which require cultivation or other care during the growing period, it is not unusual for an insured to allege that because of some insured cause, such as excessive rain, it was not possible to care for the crop in the proper way. While this may be true, consider what other farmers in the surrounding area accomplished under similar conditions. The following formula may be used to determine yields to use for an uninsured cause(s) of loss.

- (1) When comparable acreage is not available on the insured's operation, but is available on those of other producers in the area, try to get permission to appraise the other producers' fields to use as a comparison. For example, the insured's acreage, which has been damaged by uninsured causes of loss, appraised at 60.0 bushels per-acre. You obtain permission to appraise the fields of two neighboring producers who have comparable acreage (comparable as described in subparagraph L (2) above) that has NOT been damaged by uninsured cause(s) of loss. The appraisals are as follows:

Producer No. 1: Field appraisals indicate 105.0 bushels per acre.

Producer No. 2: Field appraisals indicate 99.0 bushels per acre.

The average yield produced in the area would be 102.0 bushels per acre, as determined from the average of producer 1's and 2's appraisals. $(105.0 + 99.0 \div 2 = 102.0)$. Use the insured's 60.0 bushel per-acre appraisal compared against the 102.0 bushel average area yield as a basis to determine the per-acre amount of production the insured lost due to uninsured causes.

- (2) When comparable acreage is not available in the area, the following may be used as a guide for determining a yield to use for uninsured cause(s):

Insureds' approved APH Yield: 90.0 bushels

Producer No. 1: "T" yield: 85.0 bushels

Producer No. 2: "T" yield: 83.0 bushels

Under normal conditions the insurance provider expects the crop to produce 86.0 bushels in the area (based on an average of the yields located on 3 farms of similar productivity in the area). The insured's production guarantee is 67.5 bushels per acre. The average yield expected in the area (with no insured or uninsured cause(s) of loss) is 86.0 bushels per acre and, therefore, would be used as the basis for uninsured cause(s) of loss.

N Judgment

Judgment is extremely important for establishing production lost due to uninsurable cause(s). A working knowledge of cultural practices and technical aspects of growing the crop in the area as well as publications available from Agriculture Experiment Stations and local CES should provide a firm foundation for making an impartial appraisal.

O Documentation

Document on a Special Report the circumstances involved, bearing in mind that any individual reviewing the claim generally knows nothing about the circumstance beyond the information conveyed on a Special Report.

P Insured's or Insured's Authorized Representative's Presence During Appraisals

If at all possible, the insured or the authorized representative should be present for appraisals involving uninsured cause(s) of loss. All aspects of the appraisal must be thoroughly discussed and explained to the insured. Mutual agreement is imperative if the insured is to be expected to sign the claim for indemnity and Special Report.

Q Other Causes of Loss Not Insured Against:

- (1) Damage caused by water contained by any governmental, public, or private dam or reservoir project. See subparagraph D above for more information.
- (2) Chemical damage as listed in subparagraph R (2) below.
- (3) Quarantine (e.g., Karnal Bunt in wheat or Plum Pox Virus in Peaches), unless the crop provisions or Special Provisions insure loss of production (or trees) due to required destruction of the crop under a State or Federal quarantine; e.g., Florida Fruit Tree when quarantine is due to Asiatic Citrus Canker.
- (4) Any cause not specified as an insured cause in the crop policy or endorsement as limited by the County Actuarial Documents.

R Partial Investigating Guide

Use the following to help detect any failure to follow recognized good farming practices (uninsured cause(s) of loss).

- (1) Livestock damage as indicated by tracks, leaves stripped from main stem stalk, main stem stalk severed, grain head absent, or ears separated from stalk. Percent of damage due to missing heads or ears can be determined as follows:
 - (a) Count missing heads or severed ear shanks and remaining heads or ears from a sample of 100 consecutive stalks.

- (b) Divide the number of missing heads or ears by the determined original number of heads or ears to obtain the percent of damage.
 - (c) Subdivide the field if damage is limited to a specific area(s) or if damage is not uniform.
- (2) Chemical damage caused by:
- (a) Use of improper chemical;
 - (b) Residual (toxic) effect of chemicals used in the previous crop year(s) as a result of not following the label specifications and restrictions when the chemical was applied;
 - (c) Improper application (rates, methods, timeliness, label restrictions, etc.); and/or
 - (d) Chemical drift from spraying of adjoining field(s). This can be identified by an irregular pattern of damage showing leaf droppage or wilted, stunted, pale colored, dying, or dead plants.
- (3) Failure to follow recognized good farming practices adapted to the area, which have been successfully carried out by other producers in the area, following recommendations of Agricultural Experiment Stations and the Extension Service. Some of these are:
- (a) Seeding method, variety, timeliness, depth, and rate.
 - (b) Fertilization timing and rates.
 - (c) Row spacing.
 - (d) Cultivation timing and depth.
 - (e) Chemical application (application rate, appropriateness, method, and timeliness).
 - (f) Seed treatment and germination potential (not use of old or damaged seed).
 - (g) Use of seed/plants that are adaptive to the area.
 - (h) Irrigation rates, number of times irrigated, and time of irrigation for the soil type, crop, climatic conditions, and irrigation equipment.

111 CLAIMS FOR INDEMNITY INVOLVING SUSPECTED CONCEALMENT OR MISREPRESENTATION

If concealment or misrepresentation is suspected, do the following:

A Inspection/Documentation

- (1) If the inspection is a result of the insured-s notice of loss, make all field verifications and/or determinations necessary to complete a final inspection, but

advise the insured that further assistance will be needed before the claim can be finalized. Record information from the field inspection on appropriate appraisal forms (if applicable) and any other necessary worksheets needed to complete a final inspection. The information from the field inspection may be recorded on a claim form or MPCl Non-Waiver Agreement, whichever the insurance provider prefers to use for this type of case. **If a claim form is used, the adjuster and the insured will NOT sign the claim form at this time.**

NOTE: A copy of any form signed by insured and adjuster at this time should be provided to the insured (e.g., appraisal worksheets, MPCl Non-Waiver Agreement, etc., PRIOR to signatures, review all data with the insured.

(2) If the inspection is a Growing Season Inspection or Pre-harvest Inspection, record the information as described in the PAR-s 61 and 62.

B Insurance Provider's Review of Case. The insurance provider will review all forms and documentation completed as a result of the field inspection and will provide any further assistance necessary for additional follow-up. After final evaluation of the case, the insurance provider will handle in accordance with the instructions in FCIC-14010 for reporting suspected misrepresentation, fraud, waste, and abuse.

SECTION 3 SPECIAL CLAIMS PROCEDURES

112 SUBROGATION - THIRD PARTY CAUSE OF LOSS

A General Information

The insurance contract does not cover loss from any cause which is due to neglect or wrongdoing of the insured, any member of the insured's household, tenants, sharecroppers, employees, nor uninsured damage caused by a third party. If the claim is paid, the insured-s right to recovery will, at the insurance provider-s option, belong to the insurance provider.

B If Only Part of a Loss is Due to a Third Party Not Connected with the Insured

- (1) Inform the insured that if any settlement is made the full amount should be claimed with the third party so as not to discharge the third party of liability.
- (2) Enter in the narrative of the claim or on a Special Report, the following:
 - (a) Cause of loss,
 - (b) Evidence available as to the person responsible,
 - (c) The name and address of responsible party, if available, and
 - (d) Information regarding settlement with responsible party.

113 ADMINISTRATIVE APPEALS OR ARBITRATION

A Arbitration

The policy provisions provide each insured the opportunity to request arbitration of any factual determination made by the insurance provider with which the insured is not in agreement. This may include, but is not limited to, a review of premium and/or other debts, rejected applications, rejected and/or revised acreage reports, and rejected or corrected claims. The disagreement will be resolved in accordance with the rules of the American Arbitration Association.

B Appeals

Any factual determination made by FCIC must be resolved through the FCIC appeal provisions published at 7 CFR Part 11.

114 CLAIMS INVOLVING FIRE DAMAGE

A General Provisions

- (1) In all cases where fire, due to an act of nature, damages or destroys an insured crop WITHIN THE INSURANCE PERIOD, upon final inspection; establish whether or not the insured has other fire insurance ON THE CROP IN THE FIELD.

NOTE: Any damage resulting from fire caused by other than an act of nature is not insurable.

- (2) The amount of loss from fire is the difference between the fair market value of the production BEFORE AND AFTER the fire.

B No Other Fire Insurance

If the insured does NOT have other fire insurance, prepare a claim and state in the narrative that there is no other insurance. The claim is worked on a unit basis. When only a portion of the unit acreage is destroyed by fire and the harvested/appraised production exceeds the unit guarantee, ALL OF THE FOLLOWING INSTRUCTIONS MAY BE DISREGARDED.

C Other Fire Insurance but Hail and Fire Excluded

If there is other fire insurance and hail and fire coverage has been excluded from the MPCI policy, follow the instructions given in PAR. 22.

D Other Fire Insurance and MPCFI Fire Coverage (Double-Fire Coverage)

If the insured has other fire insurance and MPCFI fire coverage:

- (1) The insurance provider will be liable only for loss due to fire for the smaller of, the amount:
 - (a) of indemnity computed, or
 - (b) by which the loss from fire exceeds the indemnity paid or payable under the other insurance.

- (2) Prepare documentation on a Special Report in the following manner:
 - (a) Name and address of other insurance company and the name of their adjuster.
 - (b) The other insurance policy number.
 - (c) The applicant's issue date and the termination date of the other policy.
 - (d) Whether the loss was total or partial (all or part of the unit).
 - (e) Divide the determined acreage for the unit by the total acreage for all units involved and round the resulting factor to three decimal places.
 - 1 Multiply the amount of fire coverage by this factor.
 - 2 The result thus obtained will be used as the amount of fire coverage applicable to the unit.
 - (f) The amount of indemnity paid or payable to the insured by the other insurer with respect to:
 - 1 the entire loss, and
 - 2 that part of the loss applicable to the unit in question.
 - (g) The quantity of the crop (expressed in bushels, tons, pounds, etc.) from the unit damaged or destroyed by fire. Include:
 - 1 The fair market VALUE per bushel AND the total value on the date of the fire BEFORE fire damage
 - 2 The fair market VALUE per bushel (if any) on the date of the fire AFTER fire damage from the AValue@column in the Harvested Production portion of the claim form.

NOTE: If the crop from two or more units was damaged or destroyed by the same fire, show the total bushels and value and the bushels and value applicable to the unit for which the loss is being adjusted.

- (h) Indicate if an agreement with the other insurance adjuster has been reached as to the quantity and value per unit of production destroyed. If there is disagreement, explain what caused the difference and how the quantity and value of the crop destroyed were determined.
- (i) A statement of all known facts as to how the fire originated (including location of the field(s)), and if the fire resulted from the act of any person, the name and address of such person, and the name and address of person(s) having knowledge of the origin of the fire. **REMINDER:** Damage from fire is only covered if the fire is the result of an act of nature. If it is found that fire was NOT caused by an act of nature, follow the instructions for uninsured causes of damage.

See calculation examples on the next few pages.

E Claim Calculation Examples For Fire Claims (Double Coverage) (Hail/Fire Exclusion Not In Effect)

EXAMPLE 1- Example where MPCl payable indemnity is smaller than indemnity paid or payable under other insurance.

Assume:

1,425# per-acre guarantee Tobacco sold 20,174# X \$2.04 = \$41,155;
 15.15 acres in unit Tobacco lost in fire 15,840# (Fair Market Value (FMV) \$2.04/POUND)
 \$1.62 price election (for CAT coverage) Amount paid by other insurance \$20,899

COMMON CROP INSURANCE POLICY 01-BR (BASIC PROVISIONS) SECTION 22 (b) (1) (2) and (c)
 22 (b) If you (insured) have other insurance, whether valid or not, against damage to the insured crop by during the insurance period, and you (insured) have not elected to excluded coverage for fire from the policy, we (insurance provider) will be liable for loss due to fire only for the smaller of:

(1) The amount of indemnity determined pursuant to this policy without regard to any other such insurance; or	(2) The amount by which the loss from fire is determined to exceed the indemnity paid or payable under such other insurance. (c) For the purpose of subsection (b) of this section, the amount of loss from fire will be the difference between the fair market value of the production of the insured crop on the unit involved before the fire and after the fire, as determined from appraisals made by us (insurance provider).
GUARANTEED TOBACCO CROP PROVISIONS, (99-071) SECTION 12. (a) . . . on a unit basis. (1) . . (2) . (b) In the event of loss or damage covered by this policy, . . . : (1) Multiplying the insured acreage by its respective production guarantee; (2) Subtracting therefrom the total production of tobacco to be counted; (3) Multiplying the remainder by the applicable price election; and (4) Multiplying this results by your share.	FMV of tobacco before the fire 20,174 # sold at tob. market \$41,155 15,840 # lost in fire @\$2.04 +\$32,314 Total FMV of tob. before fire = \$73,469
(1) 15.15 acres X 1425 lbs. (per-acre guarantee) 21,589 lbs. unit guar.	FMV of tobacco after the fire 20,174 # sold at tob. market = \$41,155 15,840 # lost in fire @\$0.00 -\$ 0 Total FMV of tob. after fire = \$41,155
(2) 21,589 lbs. (unit guarantee) -20,174 lbs. sold at tobacco market (PTC) 1,415 lbs. Production loss	Amount of loss from fire Total FMV of tob. before fire \$73,469 Total FMV of tob. after fire -\$41,155 Amount of loss from fire = \$32,314
(3) 1,415 lbs. Production loss X \$1.62 price election* \$2,292 dollar loss before share *For Income Protection, CRC, or RA, or similar types of revenue insurance, the price election will be the projected price (base price for CRC).	Amount of loss from fire exceeding the indemnity paid from other insurance Amount of loss from fire \$32,314 Amount other insurance paid -\$20,899 Amount of loss exceeding = \$11,415
(4) \$2,292 dollar loss before share X 1.000 share \$2,292 dollar loss after share	THE INSURANCE PROVIDER IS LIABLE FOR THE LESSER OF THE TWO INDEMNITY CALCULATIONS WHICH IS \$2,292.

NOTE1: The net production to be entered on the claim would be 20,174 lbs. (before share).

EXAMPLE 2 - Example where indemnity for fire loss from other insurance company is smaller than indemnity payable under crop insurance

Assume: 1,425# per-acre guarantee Tobacco sold 5,000# X \$2.04 = \$10,200;
 15.15 acres in unit Tobacco lost in fire 18,000# (Fair Market Value (FMV) \$2.04/POUND)
 1.62 price election (for CAT coverage) Amount paid by other insurance \$26,616.

COMMON CROP INSURANCE POLICY 01-BR (BASIC PROVISIONS) SECTION 22 (b) (1) (2) and (c) 9. n. (1) and (2). 22
 (b) If you (insured) have other insurance, whether valid or not, against damage to the insured crop by fire during the insurance period, and you (insured) have not elected to exclude coverage for fire from the policy we (insurance provider) will be liable for loss due to fire only for the smaller of:

(1) The amount of indemnity determined pursuant to this policy without regard to any other such insurance; or	(2) The amount by which the loss from fire is determined to exceed the indemnity paid or payable under such other insurance. For the purpose of subsection (b) of this section, the amount of loss from fire will be the difference between the fair market value of the production of the insured crop on the unit involved before the fire and after the fire, as determined from appraisals made by us (insurance provider).
GUARANTEED TOBACCO CROP PROVISIONS, (99-071) SECTION 12. (a) . . . on a unit basis. (1) . . (2) . (b) In the event of loss or damage covered by this policy, . . . : (1) Multiplying the insured acreage by its respective production guarantee; (2) Subtracting therefrom the total production of tobacco to be counted; (3) Multiplying the remainder by the applicable price election; and (4) Multiplying this results by your share.	FMV of tobacco before the fire 5,000 # sold at tob. market \$10,200 18,000 # lost in fire @\$2.04 + <u>\$36,720</u> Total FMV of tob. before fire = \$46,920
(1) 15.15 acres X 1425 lbs. (per-acre guarantee) 21,589 lbs. unit guar.	FMV of tobacco after the fire 5,000 # sold at tob. market = \$10,200 18,000 # lost in fire @\$0.00 - \$ 0 Total FMV of tob. after fire = \$10,200
(2) 21,589 lbs. (unit guarantee) - 5,000 lbs. (production to count) 16,589 lbs. production loss	Amount of loss from fire Total FMV of tob. before fire \$46,920 Total FMV of tob. after fire - <u>\$10,200</u> Amount of loss from fire = \$36,720
(3) 16,589 lbs. production loss X \$1.62 price election * \$26,874 dollar loss before share *For Income Protection, CRC, or RA, or similar types of revenue insurance, the price election will be the projected price (base price for CRC).	Amount of loss from fire exceeding the indemnity paid from other insurance Amount of loss from fire \$36,720 Amount other insurance paid - <u>\$26,616</u> Amount of loss exceeding = \$10,104
(4) \$26,874 dollar loss before share X 1.000 share \$26,874 dollar loss after share	THE INSURANCE PROVIDER IS LIABLE FOR THE LESSER OF THE TWO INDEMNITY CALCULATIONS WHICH IS \$10,104.

NOTE: The net production to be entered on the claim would be 15,352 lbs. (before share).

Determine the net production to count as follows

- (1) \$10,104 (indemnity payable) ÷ by 1.000 share and \$1.62 price election = 6,237 lbs. (unit loss).
 (2) 21,589 lbs. (unit guarantee) ! 5,000 lbs. (production to count) = 16,589 lbs. (production loss)
 16,589 lbs. (production loss) ! 6,237 lbs. (unit loss) = 10,352 lbs. (production to count).
 Make a 2-line entry on the claim form: Line 1: 5,000 lbs. (production to count).
 Line 2: 10,352 lbs. (production to count)
 15,352 lbs. (total production to count)

Indemnity Due: 21,589 lbs. ! 15,352 lbs. = 6,237 lbs. X \$1.62 = \$10,104.

EXAMPLE 3 - CLAIM CALCULATION WHEN THERE IS ANOTHER CAUSE OF LOSS BESIDES FIRE AND THE LOSS FROM FIRE IS LESS THAN THE AMOUNT PAID BY OTHER INSURER

Step 1

Calculate the claim as if there was no fire loss.

For example:

Guarantee

	<u>Acres</u>	<u>Stage</u>	<u>Guar.</u>	<u>Line Guar.</u>
Line 1	267.4	H	42.8	11444.7
Line 2	11.6	UH	42.8	496.5
				11941.2 Unit Guar.

Production

11201.6 ÷ 267.4 = 41.9 bu. (Average from harvested acreage.)

11235.3 X .997 (FM factor) =	11201.6	(Actual Harvested Production)
11.6 acres X 41.9 bu.	=	486.0 (Additional production had fire not occurred)
		<u>11687.6</u> (Production to Count)

11941.2 **(Unit Guar.)**

-11687.6 (Production to Count)

253.6 Bu. Loss X \$2.60 Price Election = \$659.36 X .667 share = \$439.79 **(Drought**

Indemnity)

Step 2

Calculate maximum amount payable for fire.

Loss from fire - 11.6 X 41.9 = 486.0 X \$3.77 (Fair Market Value) =	\$1832.22
Paid by other insurer (for unit)	= <u>-2229.00</u>
Amount payable for fire	\$0.00

Step 3

Enter 41.9 bushels per acre (486.0 ÷ 11.6 acres) in the column for uninsured causes (column M) of the Production Worksheet on the line for the 11.6 unharvested acres.

Explain in the narrative of the claim that the line showing the uninsured cause appraisal is due to double-fire coverage and to see attached for calculations and explanations.

EXAMPLE 4 - CLAIM CALCULATION WHEN THERE IS ANOTHER CAUSE OF LOSS BESIDES FIRE AND FIRE THE LOSS FROM FIRE EXCEEDS THE AMOUNT PAID BY OTHER INSURER.

Using EXAMPLE 3 and assuming total amount for unit paid by other insurer to be \$1487.

Step 1

Same as step 1 in EXAMPLE 3 to arrive at the indemnity payable for drought.

Step 2

Calculate maximum amount payable for fire.

Loss from fire 11.6 X 41.9 = 486.0 X \$3.77 (Fair Market Value)	=	\$1832.22
Paid by other insurer (for unit)	=	<u>-\$1487.00</u>
		\$ 345.22
		(FIRE INDEM.)

\$ 439.79 payable for drought (from Example 3, step 1)		
+ \$ 345.22 payable for fire		
\$ 785.01 total indemnity		

Step 3

Calculate amount of production to be entered on the Production Worksheet (claim form).
(Work backward from the total indemnity payable).

$\$785.01 \text{ (total indemnity)} \div .667 \text{ share} = \$1176.93 \div \$2.60 \text{ (price election)} = 452.7 \text{ commodity loss}$

(a) 11941.2 (guarantee) <u>- 452.7 (commodity loss)</u> 11488.5 (production to count)	(b) 11488.5 (production to count) <u>-11201.6 (actual harvested sold production)</u> 286.9 (production to count for the 11.6 unharvested acres $286.9 \div 11.6 =$ 24.7 bu. per acre X 11.6 acres will equal 286.5 PTC instead of 286.9)
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(c) 11941.2 (guarantee)
- 11488.5 (production to count)
 452.7 (bu. commodity loss)

Step 4

In Section I, column J of the Production Worksheet, on the line for the unharvested 11.6 acres, enter 24.7 (the per acre bu. appraisal for the 11.6 unharvested acres- see Step 3 (b)). In section II, column I of the Production Worksheet, the actual harvested sold production of 11201.6 bu would be entered.

Total production to count = 11488.1 (11201.6 + 286.5)
 11941.2 (guarantee) - 11488.1 = 453.1 bu. commodity loss
 (Because of rounding the commodity loss may not always come out exactly the same as product shown in Step 3 (c)).

EXAMPLE 4 - Step 4 (Continued)

453.1 (commodity loss) X \$2.60 (price election) X .667 (share) = \$785.77 total indemnity (rounded to nearest dollar)

Explain in the narrative of the claim that the line showing the uninsured cause appraisal is due to double-fire coverage, and to see attached for calculations and explanations.

115 COMMINGLED PRODUCTION

A Different Types of Commingled Production

- (1) Harvested production from insured acreage commingled with harvested production from uninsured acreage;
- (2) Harvested production from two or more units is commingled;
- (3) Harvested production from more than one crop year is commingled; or
- (4) Harvested production from two or more practices/types within the same unit that have separate APH yields is commingled.

B Unsatisfactory Records or No Records

When the records are unsatisfactory or no records are available, handle as instructed below:

NOTE: Satisfactory records would include weighed production as detailed in PAR. 93.

- (1) **Production from insured and uninsured acreage.** Prepare the claim to show all production as being from the insured acreage. In the narrative section, explain that the reported production is commingled production from insured and uninsured acreage.
- (2) **Production from current and prior crop year.** Prepare the claim to show all production as being from the current crop year acreage. In the narrative section of the claim explain that the reported production is commingled from current crop year and prior crop year production.
- (3) **Production from two or more optional units.** If production from two or more separate optional units is commingled, such commingling renders any such unit determination void. Any remaining optional units that were not commingled will retain their optional unit structure.
 - (a) Determine which optional units were commingled. If there were other optional units that were not commingled, combine only the commingled optional units into one optional unit. If ALL optional units were commingled, combine all optional units into applicable basic unit structure(s).
 - (b) The approved APH yields for each commingled unit are retained for the current crop year but will be processed on the acreage report and claim form (Production Worksheet) under one unit. The claim form will be prepared with separate lines representing the guarantees based on the approved yields for each of the units commingled. **NOTE:** The CIH outlines the eligibility of commingled optional units for the next crop year.

- (c) The revised APH form and revised acreage report must be approved or rejected by the insurance provider's approving official for these forms.
- (4) **Commingled harvested production from basic units and or from different policies/counties.** The total commingled production will be allocated to each basic unit in proportion to the liability for the harvested insured acreage of the commingled units. Prepare separate claims for each basic unit that has been commingled. This may involve more than one policy; e.g., basic units from two different policies (policy for each county or policy for the landlord and tenant).
- (a) Use the following formula to allocate production to each commingled basic unit in proportion to the liability for the harvested insured acreage (the insured's per-acre guarantee is used for the harvested acreage liability):
- 1 For each basic unit, calculate the guarantee for the insured acreage that was harvested (insured acres X per-acre guarantee = unit guarantee (U Guar.))
 - 2 Total the unit guarantees for all commingled units to obtain the Total Commingled Unit guarantee (TCU Guar.).
 - 3 Divide the unit guarantee by the TCU Guar. to obtain the Commingled Production (CP) Factor (four-place factor).
 - 4 For each commingled unit: multiply the total production (insured's and share holder's share) from all commingled units times the CP Factor to obtain the apportioned production for each commingled basic unit.

EXAMPLE OF COMMINGLED PRODUCTION FROM THREE BASIC UNITS

- Step 1:** Unit 00100: 10.0 acres X 69.0 bu. (harvest Guar.) = 690.0 bu. (Line Guar.)
- 15.0 acres X 78.0 (harvest Guar.) = 1,170.0 bu. (Line Guar.)
- 690.0 bu. (Line Guar.) + 1,170.0 bu. (Line Guar.) = 1,860.0 bu. (U Guar.)
- Unit 00200: 20.0 acres X 104.0 bu. (harvest Guar.) = 2080.0 bu. (U Guar.)
- Unit 00300: 25.0 acres X 96.0 bu. (harvest Guar.) = 2400.0 bu. (U Guar.)
- Step 2:** 1,860.0 bu. (00100 U Guar.) + 2080.0 bu. (00200 U Guar.) + 2400.0 bu. (00300 U Guar.) = 6340.0 bu. (TCU Guar.)

- Step 3:** Unit 00100: $1860.0 \text{ bu. (U Guar.) } \div 6340.0 \text{ bu. (TCU Guar.)} = .2934 \text{ (CP Factor)}$
- Unit 00200: $2080.0 \text{ bu. (U Guar.) } \div 6340.0 \text{ bu. (TCU Guar.)} = .3281 \text{ (CP Factor)}$
- Unit 00300: $2400.0 \text{ bu. (U Guar.) } \div 6340.0 \text{ bu. (TCU Guar.)} = .3785 \text{ (CP Factor)}$
- Step 4:** Unit 00100 $5000.0 \text{ bu. (TOTAL Prod.)} \times .2934 \text{ (CP Factor)} = 1467.0 \text{ bu. to be allocated to unit 00100.}$
- Unit 00200 $5000.0 \text{ bu. (TOTAL Prod.)} \times .3281 \text{ (CP Factor)} = 1640.5 \text{ bu. to be allocated to unit 00200.}$
- Unit 00300 $5000.0 \text{ bu. (TOTAL Prod.)} \times .3785 \text{ (CP Factor)} = 1892.5 \text{ bu. to be allocated to unit 00300.}$

(b) Completing the Claim Form for Basic Units that Are Commingled

- 1 Enter "Commingled Production" in the heading.
- 2 Prepare Parts I and II in the usual manner, except for farm-stored production; enter the allocated gross production for the unit in the column for gross production.
- 3 Enter the following in the narrative of each commingled unit claim or on a Special Report attached to the claim form:
 - a Total production from all commingled basic units and the calculations used to arrive at the allocated production for each commingled unit.
 - b Explain the reasons given by the insured for the commingling of production.

- (5) **Commingled production from different practices/types having separate APH yields within a unit:** Prorate commingled production which cannot be separated with satisfactory records to each practice/type in proportion to the liability on the harvested acreage for each practice/type. (Separate line entries are required on the claim form in the harvest production part of the claim. (See applicable crop handbook.) **See example below for formula to prorate production in proportion to the unit liability.**

- (a) EXAMPLE: Unit 00100 having practices with different APH's

Step 1: LINE 1: $10 \text{ acres (003 dryland practice)} \times 45.0 \text{ bu. (harvest Guar.)} = 450.0 \text{ bu. (line guarantee (Line Guar.))}$

LINE 2: $15.0 \text{ acres (002 irrigated practice)} \times 80.0 \text{ bu. (harvest guarantee)} = 1,200.0 \text{ bu. (Line Guar.)}$

Step 2: 450.0 bu. (Line 1 Guar.) + 1200.0 bu. (Line 2 Guar.) = 1650.0 bu. unit guarantee (U Guar.)

Step 3: 450.0 bu. (Line 1 Guar.)) 1650.0 bu. (U Guar.) = .2727
Commingled Production (CP) Factor.

1200.0 bu. (Line 2 Guar.)) 1650.0 bu. (U Guar.) = .7273 CP
Factor.

Step 4 1500.0 bu. (TOTAL prod.) X .2727 (Line 1 CP factor) = 409.0 bu. to be allocated for line 1 (003 dryland practice).

1500.0 (TOTAL prod.) X .7273 (Line 2 CP factor) = 1091.0 bu. to be allocated for line 2 (002 irrigated practice).

- (b) Enter the allocated production from the different practices/types in Part III of the claim form as instructed in the individual crop handbooks.
- (c) Show all calculations on a Special Report and attach to the claim form.

116 UNREPORTED UNITS

A General Instructions

If the insured fails to report acreage which could have been established as a separate unit, the insured's share of production from the acreage in the unreported unit will be allocated to the acreage in the REPORTED unit(s) in proportion to the liability on the insured acreage on each reported unit. However, no production from unreported units will be allocated to prevented planting acreage or otherwise affect any prevented planting payment. The calculation examples in subparagraph D below show how the production is proportioned to the liability. No premium will be charged for the acreage on the unreported unit(s). See notes below.

NOTE 1: Production from the unreported unit(s) is allocated to reported units of the same crop in the SAME county, unless the "county" definition in the policy/endorsement or a written agreement specifies otherwise.

NOTE 2: Production from the unreported unit(s) can only be established from harvested and/or appraised production. If no production has been harvested and/or appraised from an unreported insurable unit and this unit is destroyed prior to the adjuster's knowledge of its existence, potential production cannot be assessed for this unreported unit. At the time an unreported unit is discovered, appraise unreported unit acreage any time it is suspected or known that the crop will not be harvested or production will be harvested and stored in such a manner that such production cannot be established at a later date.

B Inform the Insured

Advise the insured that production from the unreported unit WILL NOT be counted for APH purposes for the reported unit even though it will be apportioned to it; however, the unreported unit production will be counted for APH purposes for the unreported unit.

- C When Claim Can Be Finalized. Claims CANNOT be finalized until the production (preferably harvested rather than appraised) from unreported units is established for allocation.
- D Calculation Instructions

Calculate the production from the unreported acreage unit, as follows:

- (1) If only one unit is reported, the insured's share of the production from the unreported unit divided by the insured's share of the reported unit will be the amount allocated to the reported unit.

Example: An unreported unit consisting of 50 acres with 1500.0 bushels of harvested production was found when completing a final loss inspection. It was determined that the insured had a 50 percent share in the unreported unit. The insured's share in the reported unit was 75 percent.

Step 1 1500.0 bu. X .500 = 750.0 bu. share of unreported unit.

Step 2 750.0 bu. (insured's production share of unreported unit)) .750
(share percent of reported unit) = 1000.0 bu. to be allocated to the reported unit.

NOTE: Although the allocated production to the reported unit was increased in this example, it will be reduced to the correct share of production (750.0 bushels) when the indemnity amount is multiplied by the reported unit share (.750).

- (2) If more than one unit was reported, calculate the allocation of production from the unreported unit to each reported unit in proportion to the liability on the insured acreage as follows:
- (a) For each reported unit, calculate the liability for the insured acreage (insured acres X guarantee X share = unit liability).
 - (b) Total the liability for the insured acreage on all reported units to obtain the contract liability.
 - (c) Divide the unit liability by the contract liability to obtain the unit liability factor (four-place factor).
 - (d) Multiply the insured's share of unreported unit(s) production by the unit liability factor and divide the result by the share on the reported unit to obtain the apportioned unreported production for each reported unit.

Example: Unreported acreage of 200.0 acres with 6000.0 bushels of harvested production was found when completing a final loss inspection. It was determined that the insured had a 50% share in this acreage. The insured's share of production to be allocated would be 3000.0 bu. Unit 00101 had 140.0 insured acres; unit 00102 had 100.0 insured acres; and unit 00200 had 200.0 insured acres.

Step 1: Unit 00101: 140.0 acres X 30.4 bu. guarantee X 1.000 share = 4256.0 bu. unit liability for unit 00101

Unit 00102 100.0 acres X 22.2 bu. guarantee X 1.000 share = 2220.0 bu. unit liability for unit 00102

Unit 00200: 200.0 acres X 24.8 bu. guarantee X .500 share = 2480.0 bu. unit liability for unit 00200

Step 2:	Unit 00101 liability	4256.0 bu.
	Unit 00102 liability	2220.0 bu.
	Unit 00200 liability	+ 2480.0 bu.
	Contract liability	8956.0 bu.

Step 3: 4256.0 bu. ÷ 8956.0 = .4752 unit 00101 liability factor
2220.0 bu. ÷ 8956.0 = .2479 unit 00102 liability factor
2480.0 bu. ÷ 8956.0 = .2769 unit 00200 liability factor

Step 4: 3000.0 bu. = insured's share from the unreported unit
(6000.0 X .500 = 3000.0)

3000.0 bu. X .4752 = 1425.6 ÷ 1.000 = 1425.6 bu to be allocated to unit 00101

3000.0 bu. X .2479 = 743.7 ÷ 1.000 = 743.7 bu to be allocated to unit 00102

3000.0 bu. X .2769 = 830.7 ÷ .500 = 1661.4 bu to be allocated to unit 00200

NOTE: The allocated production for unit 00200 was increased to 1661.4 because it will be reduced to the correct share of production (830.7) when the indemnity amount is multiplied by the reported unit share (.500).

E Entering Allocated Production from Unreported Unit(s) on the Claim Form

- (1) For Claims Having a Harvested (H) Stage and/or "P" (Destroyed without Consent) Stage:

Enter the apportioned production on a separate line in the "Bu. Lbs. Cwt. or Tons" column. Identify this line as such by entering the words "Unreported Unit Production" in the "Length" and "Width, Depth, and Deduction" columns. If production is stored on the farm, enter net production in the "Bu. Lbs. Cwt. or Tons" column. See (3) below for documentation requirements.

- (2) For Claims Having ONLY an Unharvested (UH) Stage:

In the "Uninsured Causes" column, using only one line, enter a per-acre amount of production (total allocated production ÷ number of acres for the line) that will equal the total allocated production or come as close as possible to the total

allocated production without exceeding it when the per-acre amount is multiplied by the acres on that line. If possible, choose a line that does not have an actual uninsured-cause appraisal in the "Uninsured Causes" column. However, if you must use a line that will have an actual uninsured-cause appraisal in the "Uninsured Causes" column, add the per-acre amount of production calculated for the allocated production to the uninsured-cause appraisal. See (3) below for documentation requirements.

EXAMPLE: On the claim form, the line selected to make the entry in the "Uninsured Causes" column showed 50.3 acres in the "Final Acres" column. $743.7 \text{ acres} \div 50.3 \text{ (Total Allocated Production)} = 14.785$. This would be entered as 14.7 in the "Uninsured Causes" column) rather than 14.8 since $14.8 \times 50.3 = 744.4$ bushels, which would exceed 743.7 bushels (the total allocated production).

- (3) Document the following in the narrative of the claim or on a Special Report: (If a Special Report is used, attach a copy to each claim.)
 - (a) Actual production from the reported and unreported units. Identify the location of the unreported unit by legal description and field I.D. number;
 - (b) The calculations used to arrive at the production allocated to the reported unit(s); and
 - (c) If the "Uninsured Causes" column has been used for the unreported-unit production, identify which line was used; e.g., line 2. Also, if any actual uninsured-cause appraisal has been included with the allocated production in the "Uninsured Causes" column, separately identify the amount of each.

117 CLAIMS INVOLVING SEVERE INSECT, DISEASE, OR WEED INFESTATION

The first crop year damage resulting from severe insect, disease, or weed infestations (such as cheat grass) will generally be considered unavoidable if the insured was unaware of the conditions at planting time. However, if it is determined that the insured was (or should have been) aware of the infestation at planting time or later but did not follow appropriate recognized good farming practices, some or all of the loss will be considered an avoidable (uninsured) cause of loss. Failure to follow good farming practices might include not following recommended crop rotation or soil treatment practices, or not planting disease-resistant varieties. When the first crop year damage is considered unavoidable:

NOTE: Unless otherwise stated in the crop provisions or Special provisions (e.g., Florida Fruit Trees), disease is not an insured cause of loss when the sole loss of production is due to the required destruction of the diseased crop (or, if applicable tree) by a Federal or State quarantine; i.e., the per-acre guarantee prior to required destruction is above the insurance guarantee. See PAR. 110 Q (3).

- A Inform Insured. Advise the insured that some or all of the damage due to the same cause in subsequent years on the same acreage will be considered avoidable (uninsured) unless recognized good farming practices have been followed. Suggest that the insured contact the local county extension office to obtain their recommendations for treating and eradicating the infestation.
- B Documentation. Record the details of the case and identify the cause and name of weed, disease, or other pest in the narrative section of the claim or on a Special Report.

- C Documenting Location of Infested Fields. Identify the infested field(s) on an aerial photomap and the claim or on a Special Report.
- D Appraisal. Appraise and record loss of production from avoidable causes according to applicable procedure (see PAR. 110).

118 AIRPLANE- OR BROADCAST-SEEDED BARLEY, OATS, RYE, OR WHEAT

- A General Information. Insurance generally attaches at the time of seeding. The General Crop Insurance Policy or Basic Provisions provide that the contract will not cover any loss of production due to failure to follow recognized good farming practices.
- B Protection for Airplane- or Broadcast-Seeded Barley, Oats, Rye, or Wheat

Protection is provided when:

- (1) The barley, oats, rye, or wheat seed was mechanically incorporated. In addition, the actuarial table for some areas of the country may contain a statement which requires any airplane- or broadcast- fall-seeded acreage to be rated on an individual risk basis. This will require that the insured request a Written Agreement from the applicable RMA RO to establish a rate on an individual basis for such acreage. If the insured is unable to mechanically incorporate the seed into the soil AND the insured was not prevented from mechanically incorporating the seed due to an insured cause of loss, the specific crop provisions state that insurance will not attach. (PAR. 126 C (3) provides instructions for when the insured is prevented from mechanically incorporating the seed due to an insured cause of loss.) Mechanical incorporation is required unless excepted by the county actuarial documents.
- (2) All other insurability provisions of the contract are met.

- C Improperly Prepared Seedbed

Failure to properly prepare the seed bed will be considered failure to follow recognized good farming practices, and when it results in a loss of potential production, it will necessitate an appraisal for uninsured causes on any subsequent claim.

- D If Seed Not Mechanically Incorporated

If the insured did not mechanically incorporate (and lack of incorporation was not due to an insured cause of loss) the barley, oats, rye, or wheat seed into the soil and mechanical incorporation is not excepted in the county actuarial document, show such acreage in the "Remarks" section of the acreage report as uninsured. If the original acreage report showed such acreage as insurable acreage, prepare a revised acreage report to delete such acreage.

119 SEVERE WIND EROSION

A General Guidance

As a recognized good farming practice, insureds may need to carry out emergency tillage to control wind erosion in order to conserve the soil and minimize further damage to the insured crop. Such emergency tillage usually begins in strips, but under extreme conditions may progress to the point of solid tillage. Implements used for this purpose vary, although a chisel plow is preferred in many areas. Appraisals are **NOT TO BE CHARGED** as production to count for acreage tilled to control severe soil erosion when the insurance provider can document that such tillage was necessary.

NOTE: This only applies to the ACTUAL acreage of the crop being physically destroyed by the tillage process; i.e., this would not apply to acreage between tilled rows.

Apply the following procedures when the crop is to be tilled to control severe wind erosion.

B Specific Instructions

(1) Replanting Payment Provisions

Crops WITH policy or endorsement provisions for replanting payments will be subject to their particular rules and regulations, including the requirement that the insurance provider must have the opportunity to inspect the acreage prior to destruction to determine eligibility for a replanting payment. Representative areas of the crop are to remain intact for appraisal purposes to verify the eligibility of the acreage for a replanting payment. This requirement can be waived by the insurance provider ONLY under extremely unusual conditions which necessitate solid-tilling prior to appraisal opportunity. Also see PAR.¶ 54 and 55 or additional replanting information.

(2) Insureds' Notification Requirements

IN ALL CASES, insureds are to notify their agent immediately of their intention to till acreage for the purpose of controlling soil erosion. If the urgency to till is such that agent notification is impossible prior to such action, the efforts of the insured to provide immediate notification of the tillage undertaken will be considered in determining the insured's compliance with this requirement.

- (a) 25 percent or less. If the insured intends to till 25 percent or less of the field or subfield, (accumulative rather than single event) the insured can immediately begin tilling upon notifying the agent of such intentions.
- (b) More than 25 percent. If the insured intends to till more than 25 percent of a field or subfield, or finds that after tilling is started, more than 25 percent of a field or subfield needs to be tilled, the insurance provider must be notified immediately so that such acreage can be inspected prior to tilling. The insurance provider may waive this requirement for inspection prior to tilling ONLY under extremely unusual conditions that necessitate tilling prior to inspection opportunity; however, the insurance provider will make every

attempt to give such cases priority attention to inspect the field(s) prior to solid tillage completion.

(3) Documentation of inspections

(a) Upon the receipt of notices involving tillage of more than 25% of the acreage in a field or subfield, adjusters are to make on-the-farm inspections as soon as possible. The insurance provider has the authority to expand this inspection requirement to include notices under 25 percent or to include all notices; i.e., 100 percent of notices inspected. For each inspection, document on a Special Report, the following:

- 1 The need for emergency tillage (to the extent tilled).
- 2 The amount and percent of acreage ACTUALLY tilled or to be ACTUALLY tilled in each field or subfield.
- 3 Whether the crop was ever initially planted.
- 4 Any uninsured causes.
- 5 A statement of the crop stand and condition (prior to tillage) as good, fair, poor, very poor, or destroyed.
- 6 General weather and moisture conditions.
- 7 Variability of crop within the subfield, field, and unit.
- 8 Other pertinent information needed to make future determination of any loss.

(b) If you have any reason to doubt the need for emergency tillage to the extent tilled (or to be tilled), then:

- 1 Prepare a crop appraisal; and
- 2 Support your documentation with recommendations from NRCS, the local CES, or FSA.

120 CORRECTED CLAIMS

A When to Prepare

Prepare a corrected claim **when you are authorized by your insurance provider** to do so, and a review reveals that the claim for indemnity is incorrect and has caused an underpayment or overpayment in excess of the FCIC approved tolerance (\$250). This tolerance applies on a policyholder basis. The results of a review on multiple policies held by a single policyholder within a county will be combined to determine the applicability of the tolerance.

B Labeling Claim as ACorrected Claim. Write "CORRECTED CLAIM" in the heading on all copies of the claim and prepare it in accordance to the applicable crop handbook.

C Documentation

Document on a Special Report why the corrected claim was prepared. The insured and adjuster shall sign all documents prepared. If the insured refuses to sign, document the reason for the refusal on a Special Report. Submit the corrected claim and Special Report to the person or office designated by the insurance provider. Document on the Special Report at least the following:

- (1) The circumstance(s) which resulted in erroneous data (production, acreage, share, etc.) on the original claim.
- (2) Insured's explanation for reporting incorrectly.
- (3) The name of the person finding the error and the manner used to establish the correct information. Determine if the insured was deliberately withholding or concealing production or other information.
- (4) Calculations of indemnity from original and corrected claim in narrative or on a Special Report. Include documentation of contract indemnity to show that the corrected claim was prepared in accordance to the FCIC approved tolerances for a policyholder within a county.
- (5) All other pertinent information.

121 DOCUMENTING DEATH OR INCOMPETENCY OF AN INSURED

A After Insurance Coverage Begins

If insured is deceased or judicially declared incompetent after the beginning of the insurance period for any insured crop, transmit the claim form to the next level of supervision with an attached Special Report showing the following:

- (1) Date of death or declaration of incompetency.
- (2) Name, mailing address and capacity of person entitled to indemnities.

B Before Insurance Coverage Begins

If death or incompetency occurred before timely planting any insured crop, the contract terminates. Check the possibility of an application for a successor contract. If one crop has been planted or partially planted, the contract will remain in force for that crop year on all crops and terminate for the next year.

122 BANKRUPTCY

A General Information

It is important that the insurance provider be notified promptly when an insured has filed for bankruptcy or is in bankruptcy.

B Adjuster Responsibilities

If the adjuster first gains knowledge of the insured filing or being in bankruptcy during a loss adjustment inspection, the adjuster will obtain the following information and promptly relay to the insurance provider.

- (1) Insured's Name,
- (2) Contract Number,
- (3) Insured's Social Security or TAX I.D. Number,
- (4) If possible, the bankruptcy number assigned by the court, and
- (5) If possible, the court or district court in which the bankruptcy has been filed.

C Loss Inspection. The adjuster will complete the loss inspection in its entirety, and will attach a Special Report with the information stated in B above.

123 MODIFICATION OF REQUIREMENT TO DESTROY CROP BEFORE INDEMNIFICATION

A General Information

When crops are planted in low-level soil moisture that continues to stay low, it often results in extremely poor germination of the crop with very little or no survival of what did germinate. When areas of the country that are subject to wind erosion experience this situation, it is unlikely that producers in those areas can establish any cover crop to keep the topsoil from blowing. To deter wind erosion in these areas, the county NRCS, soil specialists from the local CES, etc., may recommend that the existing soil surfaces **NOT** be disced, plowed, etc., in order to preserve existing soil surfaces and existing plants and plant residue.

B Modification of Requirement to Destroy Crop Before Indemnification

- (1) If conditions exist as described in subparagraph A above and the county NRCS, County Food & Agriculture Council, and/or a soil specialist from the CES recommend that existing soil surfaces, plants and plant residue **NOT** be disturbed by discing, plowing, etc., in order to deter wind erosion, the insurance provider may authorize finalization of claims prior to destruction of the crop. This authorization is to be used only if the insured certifies that the crop will not be harvested and the acreage will be put to its intended other use when there is sufficient moisture. These procedures apply to immature and mature unharvested crop acreage.

- (2) Obtain the insured's certification that the crop will not be harvested on the Certification Form at the time the claim is signed. Complete the Certification Form as instructed in this handbook, with these exceptions:

Column Names

(a)	Intended Use	Enter the insured's intended future use.
(b)	Actual Use	Enter N/A.
(c)	Date	Enter N/A.
(d)	Remarks	Enter "As indicated by the insured's signature below, the insured certifies that the acreage in Unit XXXX WILL NOT be harvested and that the acreage will be put to the use stated in item 11 when there is sufficient soil moisture. The acreage will not be reappraised by the insurance provider."
(e)	Insured's Signature & Date	Obtain insured's signature and date of signature. (The form should be signed on the same day that the claim is signed.)
(f)	Accepted or Requested	Mark "Accepted."
(g)	Code No. and Field Person's Signature	Adjuster's signature, code and date of signature. (The form should be signed on the same day that the insured signed the claim.)

- (2) If this authority is utilized, the insurance provider will monitor the insured's certified disposition of the crop by implementing a random review of not less than 10 percent of such claims after sufficient moisture is received to allow destruction of the crop.
- (3) In the event that it is found that a crop has been harvested from the released acreage and the harvested production is greater than the appraised production, a corrected claim will be prepared using the harvested production if the amount of indemnity will be reduced.

124 CHEMICAL CARRYOVER DUE TO AN EXTENDED ADVERSE WEATHER CONDITION

Although chemical carryover is NOT a named insured peril under the insurance contract, any loss of production caused by chemical carryover resulting from a named peril (extended adverse weather condition; i.e., drought) is covered, provided that the insured followed recognized good farming practices. However, any payments or replacement product value(s) from chemical companies or suppliers as compensation for loss of production must be converted to an uninsured cause of loss appraisal.

- A Calculation. Calculate the uninsured cause appraisal by dividing the payment (or replacement product value) by the insured's price election for the insured crop. Include, as an uninsured cause of loss appraisal, any payments or replacement product values:
- (1) Provided to the insured,
 - (2) Pending,
 - (3) Offered to the insured (even if such offer has been rejected by the insured), and/or
 - (4) For which the insured might be eligible if a claim to the chemical company or supplier had been filed.
- B Documentation. Explain your calculations in the narrative of the claim or on a Special Report.

PART 5 LATE PLANTING COVERAGE

125 GENERAL INFORMATION

This part covers late planting (LP) provisions that are contained in the Basic Provisions. These provisions provide automatic LP coverage, unless the specific crop provisions or Special Provisions specifies otherwise.

126 LATE PLANTING COVERAGE

A General Information

(1) LP Period

For applicable crops planted during the LP period (regardless of the reason for the delayed planting), the per-acre production guarantee for those acres will be reduced as stated in C below, unless otherwise specified in the Special Provisions. The LP period, as specified in the Basic Provisions, is 1-25 days after the final planting date unless specified otherwise in the crop provisions or Special Provisions. (Crop Provisions for millet, guaranteed tobacco, and quota tobacco specify less than 25 days).

(2) After the LP Period

If the insured crop was prevented from being planted, due to an insurable cause, by the final planting date or during the LP period by an insurable cause occurring within the insurance period for PP coverage AND PP provisions are applicable to the insured crop, coverage will be provided for acreage planted to the insured crop after the LP period (or after the final planting date for crops that do not have a LP period). See PAR. 126 C (2) for more information.

B Crops having automatic LP coverage are:

Barley, canola/rapeseed, corn, cotton (except no late planting period for ELS cotton), crambe, dry beans, dry peas, flax, grain sorghum, green peas 1/, hybrid seed corn, hybrid sorghum seed, millet, oats, onions, peanuts, popcorn 1/, mustard, central and southern potatoes, northern potatoes, processing sweet corn 1/, processing beans 1/, rice, rye safflowers, soybeans, sugar beets 2/, sunflower seed, tobacco (Guaranteed Production (GP)), tobacco (Quota (QTA)) and wheat 3/.

1/ Late planting period allowed ONLY if provided in the Special Provisions, and the insured provides written approval from the processor by the acreage reporting date that it will accept the production from the late planted acres when it is expected to be ready for harvest.

2/ LP is not available in California Counties with an April 30 CCD and a July 15 cancellation date.

3/ Late planting period not applicable to fall-planted wheat. Winter wheat planted after the fall final planting date, in counties where Special Provisions also contain a spring final planting date, will not be insured. Winter wheat that is planted after the fall final planting date, in counties where Special Provisions contain only fall final planting date, will not be insured unless the producer was prevented from planting the winter wheat by the fall final planting date.

C Guarantee

(1) **Planted within the LP period**

- (a) For all the crops **except millet, GP tobacco, QTA tobacco** that are listed in subparagraph B above, the per-acre production guarantee or per-acre amount of insurance will be reduced by one (1) percent per day for each day planted after the final planting date, **unless otherwise specified in the Special Provisions.**

NOTE: the per-acre production guarantee is reduced a maximum of 25 percent for planting 25 days after the final planting date.

- (b) For millet:

In accordance with the Millet Crop Provisions the following applies, unless stated otherwise in the Special Provisions:

For the first 10 days after the final planting date, the per-acre production guarantee for those acres will be reduced 1 percent for each day delay in planting.

For the 11th day through the 20th day after the final planting date, the per-acre production guarantee for those acres will be reduced an additional 3 percent for each day delay in planting.

NOTE: The per-acre production guarantee is reduced a maximum of 40 percent for planting 20 days after the final planting date.

- (c) For Guaranteed Production (GP) Tobacco:

In accordance with the GP Tobacco Crop Provisions the following applies, unless stated otherwise in the Special Provisions:

For the first 10 days after the final planting date, the per-acre production guarantee for those acres will be reduced 1 percent for each day delay in planting.

For the 11th day through the 15th day after the final planting date, the per-acre production guarantee for those acres will be reduced an additional 2 percent for each day delay in planting.

NOTE: The per-acre production guarantee is reduced a maximum of 20 percent for planting 15 days after the final planting date.

- (d) For quota tobacco:

In accordance with the Quota Tobacco Crop Provisions the following applies, unless stated otherwise in the Special Provisions:

For the first 10 days after the final planting date, the per-acre farm yield for those acres will be reduced 1 percent for each day delay in planting; however, if enough acreage is planted to fulfill the effective poundage marketing quota, no reduction in insured poundage quota will apply.

For the 11th day through the 15th day after the final planting date, the per-acre farm yield for those acres will be reduced an additional 2 percent for each day delay in planting; however, if enough acreage is planted to fulfill the effective poundage marketing quota, no reduction in insured poundage marketing quota will apply.

NOTE: The per-acre farm yield is reduced a maximum of 20 percent for planting 15 days after the final planting date.

(e) For AUP Cotton:

In lieu of the AUP Cotton Provisions and in accordance with the AUP Cotton Special Provisions, the per-acre production guarantee will be reduced by one (1) percent per day for each day planted after the final planting date, up to a maximum of 15 days.

NOTE: The maximum reduction of the per-acre production is 15 percent for planting 15 days after the final planting date.

(2) **Planted to the insured crop AFTER the LP period (after the final planting date for crops not having a LP period)**

Provided the crop was prevented from being planted, due to an insurable cause, as stated in PAR. 126 A (2) above and PP coverage is available for the crop, the insured may choose to insure such acreage. Insureds must report the date acreage is late planted if they decide to report it as insured acreage. The per-acre production guarantee or per-acre amount of insurance for such acreage will be the same as for the insured's PP guarantee for the insured crop.

EXAMPLE: The insured has 60 percent PP coverage level with a 100 bu. per-acre guarantee for timely planted acres. The guarantee for the LP acres will be 60 bu. (.60 X 100.0).

(3) **The definition of "planted acreage" was not met due to an insurable cause**

For acreage on which an insurable cause of loss prevents completion of planting as specified in the policy definition of "planted acreage" (e.g., seed is broadcast on the soil surface but cannot be incorporated and it would have been insurable had the seed been incorporated), is covered at a reduced guarantee provided that PP coverage is available for the crop. Such acreage will be considered as acreage planted after the final planting date, and the per-acre production guarantee will be the same as the PP guarantee for the crop; e.g., the insured has 60 percent PP coverage level with a 100 bu. per-acre guarantee for timely planted acres. The guarantee for these acres will be 60 bu. (.60 X 100.0).

EXHIBIT 1

Abandonment	See PAR. 69.
Acceptable Determined Acres.	See PAR. 70.
Acreage Report (A/R) or Raisin Tonnage Report	An insurance document submitted annually by the policyholder used to establish the premium, and amount of coverage for the crop(s) insured by reporting the number of all acres (insurable and not insurable of the insured crop in the county in which the insured has a share), share percentage, location, practice, type, planting date, (if applicable), and any other information required for the crop.
Actual Production History (APH)	An individual crop insurance yield program in which the producer furnishes or certifies acreage and production records to qualify for a production guarantee calculated from a base period. A transitional or FCIC determined yield is used if production records are not available.
Actuarial	The statistical computation of probable risks and rates according to recorded facts. Includes all related documents.
Actuarial Documents	The material for the crop year which is available for public inspection in the agent's office, and which shows the premium rates, price elections, levels of coverage, production guarantees, amount of insurance, exceptions to the policy, and insurance program dates for a state, county, and crop program.
Actual Yield	The yield for a crop year calculated from the producer's records and/or claims for indemnities. The actual yield is determined by dividing total production (including harvested and appraised potential production) by planted insurable acreage for annual crops and by insurable acres for perennial crops (unless production from uninsurable acreage is commingled with production from insurable acreage).
Additional Coverage	A level of coverage greater than catastrophic risk protection.
Adjuster	A person under contract with or employed by the insurance provider and who is authorized to perform loss adjustment and related activities. Also known as Loss Adjustment Contractor, Loss Adjuster, or Claims Adjuster.
Administrative Fee	A fee the policyholder must pay each crop year on a per crop and county basis for catastrophic risk protection and additional coverage, as specified in the Basic Provisions and the Catastrophic Risk Protection Endorsement.
Agent	A person who is authorized by a reinsured company provider to solicit, and service crop insurance contracts for a set commission fee, and who meets the licensing requirements set by individual states and/or requirements set by FCIC for such activities.
Another Use, notice of	The written notice required when the insured wishes to put acreage to another use (see definition of other use).

EXHIBIT 1

Agreement in Writing	An agreement between two or more parties as would be permitted by the Crop Provisions or Special Provisions. For example, the Coarse Grains Crop Provisions provide that via an agreement between a tenant and landlord, the party who incurs the entire cost of the replant can receive a replanting payment based on the total share insured by the insurance provider. Written agreements are different from agreements in writing. See Written Agreement definition.
Application	The form used to apply for multiple peril crop insurance coverage in a specific state and county which identifies the applicant, entity of applicant, crop, endorsements (options) to the crop provisions, types, coverage levels, and price elections selected by the applicant. This form must be completed and filed in the agent's office not later than the sales closing date of the initial insurance year for each crop for which insurance coverage is requested. The insurance provider must accept the application before insurance coverage will commence.
Appraised Production	Production from unharvested acreage determined by the insurance provider that reflects potential production for the crop at the time of appraisal. (Appraised production can also be production assessed (harvested or unharvested acreage) for uninsured causes, destroying or putting acreage to another use without consent, abandoned acreage, or the insured's failure to provide records of production that are acceptable.) Appraisals made for production LOST due to uninsurable causes are not allowed for APH production records.
Appraisal Worksheet	A form used by an adjuster to enter appraisal information such as plant counts, tillers, sample weights, etc., to compute appraisals on unharvested or damaged crop acreage.
Approved APH Yield	The amount of production per acre computed and approved by the verifier after substitution of 60 percent of the applicable T-yield and in accordance with the Actual Production History Program 7 CFR part 400 subpart G, or for crops not listed under 7 CFR part 400 subpart G, the yield used to determine the guarantee in accordance with the crop provisions or the Special Provisions. The approved APH yield may contain up to ten consecutive APH crop years of actual and/or assigned yields.
Area Yield Plan	See GRP.
Assignment of Indemnity	A form signed by the insured that transfers any named crop indemnity payment to a lender or lending agency. (Commonly referred to as "collateral assignment.")
Assuming Agent	An insurance provider agent who assumes the contracts that were previously serviced by another insurance provider.
Assuming Company	An insurance provider that assumes the contracts that were previously serviced by another insurance provider.

EXHIBIT 1

Authorized Representative	A party that is authorized by the applicant/insured via a properly executed Power of Attorney to represent and sign crop insurance documents for the applicant/insured.
Basic Provisions	The multiple peril crop insurance policy (Common Crop Insurance Policy) that provides basic policy provisions common to all crops. Crop provisions that are specific to the crop are found in the crop provisions or crop endorsements.
Beneficiary	The entity determined by the insurance provider to receive indemnity payments, in the event of the death of the original policyholder.
Cancellation Date	The last date that an insured or insurance provider may cancel insurance coverage for the next crop year for a crop in a specific county or area as specified in the Actuarial Documents and crop provisions.
Carryover Insured	An entity who was insured the previous crop year without respect to the carrier or agent and is determined on crop policy (by county) basis. If the insured had an MPCI, Income Protection, Crop Revenue Coverage, Group Risk Income Protection, Revenue Assurance, or Adjusted Gross Revenue plan of insurance and then switches from one plan to another plan, the insured is still considered a carryover insured.
CAT	Acronym for Catastrophic Risk Protection. It is the minimum level of Federal crop insurance coverage a producer can obtain.
Ceding Agent	A reinsured company agent who cedes or transfers a contract (that the agent previously serviced) to another reinsured company agent.
Ceding Company	The reinsured company that cedes or transfers a contract (that the company previously serviced) to another company).
Certification Form	See PAR. 56.
Circumference	The distance around the outer boundary of a circular structure, such as a grain bin.
Claim Form	An insurance document used to record appraisals of potential or assessed production, unharvested and harvested production to count, guarantees, and acres by practice and type from which an indemnity will be computed.
Claim for Indemnity	Loss and contract information documented on a claim form for the insured due to damage or loss to an insured crop unit and required by the Basic Provisions to be submitted to the insurance provider no later than 60 days after the end of the insurance period.
Claims Adjuster	See Adjuster.
Classified Land (Insurable Land)	Land on which both a coverage and rate have been established in the County Actuarial Documents, making crops showed on the table that are grown on the land eligible for insurance.

EXHIBIT 1

Collateral Assignment	See Assignment of Indemnity.
Commingled Production	See PAR. 115.
Companion Contracts	Multiple peril crop insurance contracts of individuals having a share in the same crop/crop units for the crop year.
Company	As used in the context of this handbook, Company refers to insurance providers.
Conical Pile	A quantity of crop whose base is a circle and whose sides taper evenly up to a point.
Consent	Approval in writing by the insurance provider allowing the insured to take a specific action; e.g., putting a damaged crop to another use.
Continuous Coverage	Insurance coverage not canceled or terminated for a crop year. Transfer of coverage to a different insurance provider is still continuous coverage.
Continuous Rating	A rate presentation method that allows a rate to be calculated for each unit of measure of a crop or for any producer's APH yield.
Continuous Production Report	Production reports submitted by a producer for each consecutive APH crop year (within the base period) and must include the most recent APH crop year in the base period.
Contained Water	See paragraph 110.
Contract	See Insurance Contract or Policy.
Contract Changes	The form used to make changes to or cancel an existing crop insurance contract.
Contract Change Date	The calendar date by which FCIC makes any policy changes available for inspection in the agent's office.
Contract File	See Policyholder File.
Contract Number	A number assigned by the insurance provider to identify insureds' specific contracts. Also known as policy number.
Contract Provisions	All the provisions that make up the contract. See insurance contract.
Controlled Substance Violation	See PAR.46.

EXHIBIT 1

County (Parish in Louisiana)	The county, parish, or other political subdivision of a state listed in the actuarial table and designated on the accepted application, (county includes acreage in a field that extends into an adjoining county or state if the county or state boundary is not readily discernible). For quota tobacco, "county" includes any land identified by an FSA farm serial number for the county but is physically located in another county.
County Crop Program	The offering of insurance coverage by FCIC on a crop in a specified county or parish as approved by FCIC's Board of Directors.
Coverage (Guarantee)	The amount of insurance protection against insured loss of production or value, by unit as shown on the insured's summary of coverage.
Coverage Begins Date	The calendar date insurance begins on the insured crop, as contained in the Crop Provisions, or the date planting begins on the unit.
Crop Endorsement	An adjunct to the General Crop Insurance Policy or Basic Provisions that contains crop-specific provisions.
Crop Handbooks	The FCIC-approved crop-specific procedures that must be used to perform loss adjustment. They contain appraisal methods, forms completions instructions, and any other loss adjustment instructions specific to the crop.
Crop Loss Adjustment Standards (CLAS)	The required crop-specific instructions and methods (standards) that must be utilized during loss adjustment. The insurance provider must comply with these standards when performing loss adjustment.
Crop of Economic Significance	A crop that has either contributed in the previous crop year, or is expected to contribute in the current crop year, 10 percent (10%) or more of the total expected value of the producer's share of all crops grown in the county. However, a crop will not be considered a crop of economic significance if the expected liability under the CAT Endorsement is equal to or less than the administrative fee required for the crop (\$100 per crop per county).
Crop Provisions	An adjunct to the Basic Provisions that contains crop-specific provisions (appraisal of production, production to count, indemnity calculations, definitions, etc.)
Crop Year	The period within in which the insured crop is normally grown, regardless of whether or not it is actually grown, and designated by the calendar year in which the insured crop is normally harvested.
Damage	Injury, deterioration, or loss of production of the insured crop from insured and/or uninsured causes.
Delayed Claim	A claim for indemnity form signed by the insured later than the time required in the applicable policy.
Delayed Notice	A notice of damage or loss filed by the insured after the time required in the policy.

EXHIBIT 1

Destroyed Without Consent	A determination made by an adjuster that an insured has altered the condition of a crop (without permission) so that an accurate appraisal cannot be made.
Diameter	A straight line measurement passing through the center of a circle. Normally an inside measurement when measuring the volume of a round storage structure.
Digitizer	A measuring tool that computes areas and lengths by tracing an area and directly entering the results into a computer. Some digitizers have small internal computers. It is used to obtain acreage measurements.
Earliest Planting Date	See Initial Planting Date.
Employee	A person who works for FCIC or insurance provider in return for wages or salary.
End of Insurance Period	The date upon which the insured's crop insurance coverage ceases for the crop year.
Enterprise Unit	All insurable acreage of the insured crop in the county in which the insured has a share on the date coverage begins for the crop year. An enterprise unit must consist of: (1) Two or more basic units of the same insured crop that are located in two or more separate sections, section equivalents, or FSA farm serial numbers; or (2) Two or more optional units of the same insured crop established by separate sections, section equivalents, or FSA farm serial numbers. (For this definition under CRC and RA plans of insurance, see the applicable Basic Provisions for these plans of insurance.)
Established Price	The price per unit of production issued by RMA by each crop's filing date.
Expected Market Price (Price Election)	The price per unit of production (or other basis as determined by FCIC) anticipated during the period the insured crop normally is marketed by producers. This price will be set by FCIC not less than 15 days before the sales closing date for the crop. The expected market price may be less than the actual price paid by buyers if such price typically includes remuneration for significant amounts of post-production expenses such as conditioning, culling, sorting, packing, etc. Expected market price is applicable to the following crops: barley, corn, grain sorghum, hybrid seed corn, cotton, hybrid sorghum seed, malting barley, oats, rye, soybeans, and wheat.
Farm Serial Number (FSN)	A number assigned by the FSA County Office to identify a specific tract of land. Also known as FSN.
Farming Organization	One or more individuals who participate in establishing a yield history; corporations, partnerships, and family operations are included under this title.

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FCIC	An acronym for Federal Crop Insurance Corporation. A wholly owned government corporation under the control of the USDA and administered by the Risk Management Agency.
FCIC-approved Policies	Multiple Peril Crop Insurance (MPCI) policies, (including endorsements and amendments) approved by FCIC for use by the insurance provider to sell and service MPCI insurance.
Final Acreage Reporting Date	For each insured crop in the county on or before the acreage reporting date contained in the Special Provisions for the insured crop except as follows: (1) if multiple crops are insured (by the same insurance provider) that have final planting dates on or after August 15 but before December 31, the acreage report must be submitted for all such crops on or before the latest applicable acreage reporting date for such crops; (2) if multiple crops are insured (by the same insurance provider) that have final planting dates on or after December 31 but before August 15, the acreage report must be submitted for all such crops on or before the latest applicable acreage reporting date for such crops; (3) If the Special Provisions designate separate planting periods for a crop, the acreage report for each planting period must be submitted on or before the acreage reporting date contained in the Special Provisions for the planting period; and (4) If planting of the insured crop continues after the final planting date or is prevented from planting during the late planting period, the acreage reporting date will be the later of: (a) the acreage reporting date contained in the Special Provisions or applicable date described in (1) or (2) above if there are multiple insured crops insured by the same insurance provider; or (b) Five days after the end of the late planting period for the insured crop, if applicable. (See Late-Filed Acreage Reports for acreage reports filed after this date.)
Final Claim	An FCIC-approved claim form insurance document submitted by the insured after a final inspection has been completed which records the amount of production to count, guarantee, and acres by practice and type from which an indemnity will be computed. Also, used to record and pay replant payments.
Final Inspection	An inspection that requires all of the production and acreage to be accounted for on a unit prior to processing a claim for indemnity or replant payment.
Final Planting Date	The latest date (as shown in the Actuarial Documents) established by FCIC to plant and expect a normal crop to be produced. (Crops initially planted after this date are not insurable unless the crop provisions provide for coverage that extends beyond the planting date. Also, see definitions for Timely Planted and Late Planting Period.)
Flood Irrigation	A method of irrigation other than sprinkler (traveling gun, center pivot, or other recognized forms of sprinkler systems) or furrow irrigation in which the cropland (wider than a furrow) between raised borders, embankments, or dikes of soil is inundated with controlled amounts of water.

EXHIBIT 1

Food Security Act	A law passed by Congress in 1985 that included provisions to discourage the planting of agricultural commodities on converted wetlands or land of predominately highly erodible soils.
FSA	Acronym for Farm Service Agency, an agency of the USDA.
FSA-425	See PAR. 50 and Exhibit 7.
FSA-426	See PAR. 49 and Exhibit 7.
Furrow Irrigation	A type of irrigation carried out by use of gravity water flow at the soil surface that is contained within furrows between planted rows. (Rows must be far enough apart to allow water furrows). The land must be formed to allow uniform distribution of water to the entire irrigated acreage without undue impoundment (ponding).
Gleaner	A person who harvests for free distribution to the needy, or for donation to a nonprofit organization for ultimate distribution to the needy, an agricultural crop that has been donated by the crop owner(s).
Good Farming Practice	See the definition for "Recognized Good Farming Practice."
Group Risk Plan (GRP)	A plan of insurance offered for certain crops in specific counties and states that compare an expected county average yield to the county yield for the insured year. A form of insurance coverage that provides protection against loss of crop production that affects an area rather than individual producers.
Guarantee (unit)	The guarantee for the unit expressed in the unit of measure for the crop (e.g., bushels, pounds, hundredweight, dollars, etc.) calculated by multiplying the total insured acres on the unit by the guarantee per acre times the insured's share.
Harvest	To combine, thresh, cut, pick, dig, or otherwise remove the crop from the crop acreage. See crop policy/endorsement/crop provisions for specific harvest definition for the crop.
Headed	When the plant's head has emerged from the leaf sheath and is visible to the naked eye.
Heading	At least 50 percent of the crop has headed.
High-Risk Land	Land that has a loss frequency and severity potential that cannot be rated adequately on the standard rate table, such as a flood plain, high sand content soil, high aluminum toxicity soil, high sodium content soil, high alkali soil, peat soil, soil with high or low pH, etc.
Indemnity	The dollar amount paid in the event of an insured loss.
Indemnity Summary	A computer-generated document showing the insured's dollar amount of indemnity payment by crop and unit number.

EXHIBIT 1

Initially Planted	The first occurrence of planting the insured crop on insurable acreage for the crop year.
Initial Planting Date	The earliest calendar date that a crop may be planted under the replanting payment provisions. If planted prior to this date, the crop is not eligible for a replanting payment but is still insurable.
Insurable Acreage	Either: (1) the land classified as insurable by FCIC and shown as such on the County Actuarial Map or appropriate land identification list, or (2) the land owned or operated by a person to whom a farm classification is assigned by FCIC or as otherwise provided on the actuarial table.
Insurance Contract	A binding written agreement between the insurance provider and the insured producer specifying the terms and conditions under which each will operate. The insurance contract includes the accepted application for insurance, the Common Crop Insurance Policy (Basic Provisions), or Crop Provisions, Catastrophic Risk Protection Endorsement, (if applicable) Special Provisions, the published actuarial documents for the insured crop/county, any applicable endorsements or options in effect, and the applicable regulations published at 7 CFR Chapter IV.
Insurance Period	The period during which liability for loss due to insured causes is assumed according to the applicable endorsement or policy.
Insurance Policy	Defines the rights and responsibilities of the insured and the insurance provider. See Insurance Contract.
Insurance Premium	The dollar amount paid for insurance. (Does not include administrative fees.)
Insurance Provider	A company reinsured by FCIC to provide crop insurance coverage to producers participating in the Federal crop insurance program.
Insurance Provider Inspection	An inspection initiated by the insurance provider. These inspections may be initiated where misrepresentation is suspected or where routine spot checks are being performed.
Insured	The named person as shown on the application accepted by the insurance provider. This term does not extend to any other person having a share or interest in the crop (for example, a partnership, landlord, or any other person) unless specifically indicated on the accepted application.
Insured Cause of Loss	An unavoidable cause of loss defined in the policy or endorsement for which an indemnity can be paid.
Interplanted	Acreage on which two or more crops are planted in a manner that does not permit separate agronomic maintenance or harvest of the insured crops.
Irrigated Practice	See PAR. 40.

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Kansas City (RMA) Office	The national office responsible for the acceptance and processing of electronically transmitted data for the Federal crop insurance program, for issuing actuarial documents, for issuing approved underwriting and loss adjustment standards/procedures, and for approving reinsured company policies, forms and completion instructions, and procedures.
Late-Filed Acreage Report	Any original acreage report obtained from the policyholder after the final acreage reporting date established by the Actuarial Documents.
Late-Filed Application	Any original application for insurance signed by the producer after the sales closing date established by the Actuarial Document Book.
Late-Filed Claim	See Delayed Notice.
Late Planted	Acreage initially planted after the final planting date or as provided in some crop provisions, during the late planting period or if due to an insured cause occurring within the insurance period for PP coverage and PP provisions are applicable to the insured crop, the acreage is prevented from planting by the final planting date or during the late planting period (if applicable for the crop), but is planted after the late planting period (final planting date if a late planting period is not applicable).
Late Planting Coverage	See PAR. 126.
Late Planting Period	For crop provisions providing automatic late-planting coverage, this is the period that begins the day after the final planting date for the insured crop and ends twenty-five days after the final planting date, unless otherwise specified in the Special Provisions. (Not applicable for fall-planted wheat.)
Legal Description	A specified section, township, and range (or parts thereof) as identified by a land survey.
Legal Entity or Person	See PAR. 11.
Level Election	The percentage of coverage selected by the insured from those offered by FCIC that is used to determine the production guarantee, premium, and dollar amount of insurance.
Liability	Based on the insured's acreage reported, guarantee, price election and share, the maximum dollar amount the insurance provider assumes in the event of a complete loss on an insurable crop unit.
Loss Adjustment Contractor (LAC)	A person under a personal contract with the insurance provider who is authorized to perform loss adjustment and/or contract service activities and is reimbursed for services rendered.
Loss Ratio	The ratio of paid indemnities to net premium expressed as a percentage (i.e., 1.10, etc.).

EXHIBIT 1

Management of a Crop	Person or persons exercise control of the day-to-day operation (controls what and when to plant, till, cultivate, irrigate, fertilize, spray, and harvest) of producing and marketing the crop.
Market Price Election	The price election offered by FCIC that represents expected market prices on specific crops. It is computed annually from the Chicago Board of Trade average market price for a set period of time (see Price Election).
Measuring Wheel	An instrument composed of a handle, wheel, and counter that is used to measure ground area. As the wheel is moved along the ground, the counter measures the number of revolutions of the wheel and then is converted to acreage measurements.
Multiple Peril Crop Insurance (MPCI)	Crop insurance policies, which generally cover more than one cause of loss and that are sold and serviced by reinsured companies.
NAP	An acronym for Non-Insured Assistance Program. NAP covers non-insured commercial crops or other agricultural commodities (except livestock) for which CAT Coverage is not available and that is produced for food or fiber. NAP provides coverage similar to what CAT coverage would be if the crop were insurable under multiple peril crop insurance.
National Resources Conservation Services (NRCS)	Formerly the Soil Conservation Service.
New Crop Program	The offering of insurance or reinsurance coverage by FCIC on a crop that has not previously been entitled to insurance or reinsurance coverage.
Next Level Supervision	A person authorized by the insurance provider to supervise employees, agents, contractors, or other functions as assigned by the insurance provider.
Non-contiguous	Any two or more tracts of land whose boundaries do not touch at any point, except that land separated only by a public or private right-of-way, waterway, or an irrigation canal will be considered as contiguous.
Notice of Acceptance	See Policy Confirmation.
Notice of Damage or Loss	A responsibility of the insured, as stated in the crop endorsement, to notify his/her service office representative (agent) of any probable crop damage or loss within the time frame identified in the policy provisions.
Nurse Crop	Sometimes called companion crop. It is a crop planted into the same acreage as another crop, that is intended to be harvested separately, and which is planted to improve growing conditions for the crop with which it is grown.
Official File	Hard copy of all original documents for each insured maintained by the insurance provider in their headquarters or as otherwise specified in their agreement.

EXHIBIT 1

Operator or Tenant	See PAR. 14.
Original Acreage Report, or Raisin Tonnage Report	The initial report filed for a crop year, by crop, used to determine the liability, amount of coverage, and premium. (See Acreage Report).
Other Use	Using insured acreage in a manner that is different from the original intended use as provided in the insurance provisions for the crop.
Palmer Drought Severity Index	A meteorological index calculated by the National Weather Service to indicate prolonged and abnormal moisture deficiency or excess.
Person	See PAR. 11.
Planted Acreage	Land in which seed, plants, or trees have been placed appropriate for the insured crop and planting method, at the correct depth, into a seedbed that has been properly prepared for the planting method and production practice.
Polar Planimeter	An instrument moved along boundaries on aerial photography. The instrument readings are used to convert photograph measurements to acreages.
Policy	See Insurance Contract.
Policy Confirmation	A form or document issued to the insured indicating that the application, cancellation, etc., has been accepted.
Policyholder	The individual or entity listed on the application and who has been accepted and issued coverage by the insurance provider.
Policyholder File or folder	The file(s) maintained for each insured. The file(s) contains copies of documents, such as, application, acreage report appraisal worksheets, claims, etc. (Also known as insured's contract file or folder.) Some insurance providers may have a file folder that maintains sales documents and another file folder for loss files.
Policy Number	See Contract Number.
Power of Attorney	A document signed by the insured naming another party to act on behalf of the insured. For crop insurance purposes, this document may be specific to only certain transactions or all transactions involved with the crop insurance contract.
Practical to Replant	See PAR. 55.
Practice	A special farming procedure or method, such as irrigation, summer fallow, continuous crop, etc., shown on the actuarial documents for which a separate premium rate and/or yield has been established.

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Preliminary Inspection	A farm visit by an adjuster in which an appraisal is usually made on a part of an insured crop unit, and in some instances, written permission is given to make other use of or destroy the affected crop.
Preliminary Yield	The APH yield calculated by the agent prior to approval by the verifier. Preliminary yields are used to provide coverage estimates and premium quotations.
Premium Adjustment	A premium cost adjustment applicable to some policies, based on continuous favorable insurance experience or unfavorable insurance experience for the crop (also referred to as Experience Adjustment Factor).
Premium Discount	A reduction in the base premium rate for unit consolidation, good experience, as applicable, etc.
Premium Subsidy	The portion of the base premium paid by FCIC for the level elected as authorized by law.
Prevented Planting	Failure to plant the insured crop with proper equipment by the final planting date designated in the Special Provisions for the insured crop in the county. The insured may also be eligible for a prevented planting payment if the insured failed to plant the insured crop with the proper equipment within the late planting period. The insured must have been prevented from planting the insured crop due to an insured cause of loss that is general in the surrounding area and that prevents other producers from planting acreage with similar characteristics.
Previous Crop Year	The crop year immediately preceding the current crop year.
Price Election	The dollar value selected by the insured from those offered by FCIC, which is used to establish the dollar amount of insurance coverage and premium due under a crop contract.
Prior Crop Year	Two or more crop years preceding the current crop year.
Prior APH Yield	The approved APH yield from the previous year's APH form.
Producer Premium	The insurance premium that a policyholder must pay after the subsidy is deducted.
Production Guarantee (Per Acre)	The number of pounds, bushels, tons, cartons, or other applicable units of measure determined by multiplying the approved APH yield per acre by the coverage level percentage selected by the insured. For some crops (e.g., onions, tomatoes), the guarantee per acre for harvested acreage is higher than the guarantee for unharvested acreage, or the guarantee may vary with the maturity (stage) of the crop. Refer to the crop provisions for specifics, by crop.
Production Not to Count	Harvested production of the same crop that is subtracted from the unit's production before the indemnity is computed.

EXHIBIT 1

Production Report	Written record showing the insured crop's annual production and planted acreage. It is used to determine the insured's actual yields for insurance purposes.
Production Reporting Date	The last date production reports will be accepted for inclusion in the base period to be used to calculate an approved APH yield for the current crop year, and is the earlier of the acreage reporting date or 45 days after the earliest cancellation date for the crop for the current crop year, unless stated otherwise in the Special Provisions.
Production to Count	Harvested and/or appraised quantities of a crop produced (including appraised production from uninsured causes of loss) from a unit, which are subtracted from the unit's production guarantee in computing an indemnity.
Quality Assurance	An established review process maintained by the insurance provider to inspect and document the performance of its operations, employees, and adjusters. (This review process is also known as quality control.)
Quality Adjustment Factor	A factor used to reduce production to count when the policy allows for reduction of production to count and the production grades at or lower than the specified quality stated in the policy.
Raisin Tonnage Report	See Acreage Report.
Range	All of the six-section north/south rows of a township identified as being east or west of the principal meridian.
Recognized Good Farming Practices	The cultural practices generally in use in the county for the insured crop to make normal progress toward maturity and produce at least the yield used to determine the production guarantee or amount of insurance and are those recognized by the local Cooperative State Research, Education, and Extension Service as compatible with agronomic and weather conditions in the area.
Regional Office (RO) (Previously known as Regional Service Office (RSO))	Regional Office(s) of the Risk Management Agency. For the assigned states, the RO performs program and underwriting services for the crop insurance program.
Reinsured Company	Private insurance companies selling and adjusting multiple peril crop insurance reinsured by FCIC. Also known as insurance provider.
Relative	A person connected with another by blood or marriage.
Releasing Agent	See ceding agent.
Replant Claim	An insurance document submitted by the insured after an inspection that records the number of acres replanted, not replanted, and the cost of replanting any damaged acres from which a replant indemnity will be computed.

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Replanting	Performing the cultural practices necessary to prepare the land to replace the seed or plants of the damaged or destroyed insured crop, and then replacing the seed or plants of the same crop in the insured acreage with the expectation of producing at least the yield used to determine the production guarantee.
Replant Payment	The payment received when acreage qualifies for a replanting payment in accordance with the Basic Provisions and applicable crop provisions.
Reported Damage or Loss	A responsibility of the insured to promptly notify the Service Office Representative (agent) of any probable crop damage or loss.
Representative	Any person authorized by the insurance provider to work in the field or in an office to carry out in whole or in part the Federal crop insurance marketing, contract servicing, or loss adjustment functions for new applicants or present policyholders. See Agent.
Representative Sample Areas	See PAR. 77.
Representative Strips (Sample)	Strips of the unharvested crop that the insured is required, in accordance with policy provisions, to leave if damage is initially discovered within 15 days of or during harvest.
Revised Acreage Report or Raisin Tonnage Report	Completed when changes and/or corrections are made to the original acreage or tonnage report. Revised acreage reports (tonnage reports) prepared after the acreage (tonnage) reporting date, must be approved by the insurance provider before they are processed.
Risk Classification	Classification provided for each individual and crop that is used in the premium calculation for the crop. This classification may be based on the individual's actual yield history, master yield, land, and/or other factors.
RMA	An acronym for Risk Management Agency. RMA administers the Federal crop insurance program.
Sales Closing Date	The last date for the crop year that a producer may apply for insurance on a crop in a specific county and the last date by which an insured may change the crop insurance coverage for a crop year.
Section	See PAR. 45.
Scale Ruler	A calibrated ruler for use with tapes graduated in chains and feet. Scale rulers for chains are graduated in 660 feet (60 parts to inch and 2,000 feet (75.7 parts to inch.) A tool that can be used by FSA to determine acreage measurements.
Share	See PAR. 13.
Sketch Map	A diagram showing where fields or production are located.

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Special Provisions	The part of the policy (contained in the county actuarial documents) that contains specific provisions of insurance for each insured crop that may vary by county; e.g., planting dates, rotational requirements, exclusions to the policy, etc.
Special Report	A form used to record facts; e.g., used as an attachment to claims or acreage reports when there is not enough room in the narrative to record required documentation and for additional documentation regarding controversial claims, unusual cases, uninsured causes, not following good farming practices, etc.
Standard Reinsurance Agreement	The agreement between a reinsured company and FCIC by which the insurer cedes to FCIC certain liabilities arising from the insurer's sales of insurance policies in return for a portion of premium monies and administrative expense reimbursements.
SSN or EIN	The social security number or Employer Identification Number used on insurance application forms to track an insured entity's insurance history. Insurance coverage cannot be offered if the SSN or EIN is not provided by the prospective insured.
State Premium Subsidy	The portion of the premium paid by the state, when applicable.
Sub-field	A part of a field where damage is so variable within the field that smaller divisions of the field are necessary in order to make accurate appraisals.
Substantial Beneficial Interest (SBI)	A legal share or interest amounting to ten percent or more held by an individual in any crop insurance policy insured or reinsured by FCIC.
Successor-In-Interest Entity	A successor entity that is entitled to receive all of the experience earned by the previous entity, as determined by the insurance provider.
Summary of Coverage	Hard copy notification to the insured of premium and guarantee amounts, by unit, resulting from processing of acreage or tonnage report data.
Timely Planted	Planted on or before the final planting date designated in the Special Provisions for the insured crop in the county.
Termination for Indebtedness Date	The date specified in the crop policy or endorsement on which the insurance contract is subject to termination because of failure of the insured to pay the premium and/or administrative fee in full prior to this date.
Township	A tract of land approximately 6 miles square containing approximately 36 sections, each 1 mile square.
Transfer of Indemnity	A form signed by the insured that transfers the right to an indemnity payment to another party when land ownership or interest has been transferred on part or all of a unit.

EXHIBIT 1

Transfer of Coverage	See Transfer of Indemnity.
Transfer of Contract/Policy	Transfer of a contract or policy to another reinsured company.
Transferee	One who receives an insured right to an indemnity from another party.
Transferor	An insured who transfers an insured right to an indemnity to another party.
Unit	An identifiable, insurable segment of land on which an insurable crop is grown and separate production records have been kept, and meets other guidelines defined in the crop policy; endorsement or option, if applicable ; and/or Special Provisions .
Unrated Land	Land which is not rated on the actuarial map or actuarial listing, requiring a Written Agreement (FCI-2) (sometimes known as unclassified or uninsurable).
USDA	An acronym for United States Department of Agriculture.
Varying Share	A landlord-tenant agreement that allows for different crop shares within the same unit.
Verifier	Individual or organization authorized by FCIC to verify APH records and data furnished by the insured to the insurance provider in order to calculate and determine the approved APH yield.
Verify	To confirm data by an on-site inspection or by checking records that an insured must furnish to the insurance provider.
Whole Farm Unit	All insurable acreage of the insured crops in the county in which the insured has a share on the date coverage begins for each crop for the crop year. (For this definition under CRC and RA plans of insurance, see the applicable Basic Provisions for these plans of insurance.)
Written Agreement	A written agreement between the insurance provider and the insured that alters designated terms of an additional coverage policy and that is authorized under the basic provisions, the crop provisions, or the Special Provisions for the insured crop.
Zero Acreage Report	An acreage report filed by an insured that certifies that the insured does not have a share in insurable acres of the crop for that crop year.

**EXHIBIT 2
CROP POLICY INFORMATION**

2003 CY INFORMATION (or 2004 CY where designated).	Crop Code	FCIC		NCIS		APH or Dollar (\$)	Late Planting Prov.	Prev. Planting Prov.	** Replant Payment Prov.	***Enterprise (E) ** Optional (O) Basic (B) Unit	** High-Risk Land Ex. Opt.
Crop		*Basic Provisions	*Crop Provisions	*Basic Provisions	*Crop Provisions						
Almonds	0028	01-BR	01-028	2001-700B	2001-719	APH				B/O	
Apples	0054	01-BR	01-054	2001-700B	2001-721	APH				B/O	
Avocados (Pilot - California Only)/	0019	01-BR	2002-0019	2001-700B	2002-711	\$				B/O	
Avocados (Pilot - Florida Only)	0019	01-BR	99-019A	2001-700B	1999-808	APH				B/O	
Avocado & Mango Tree (Pilot - Florida Only)		01-BR	2001-212	2001-700B	2001-804	\$				B	
Avocado	0212										
Mango	0214										
Beans, Fresh Market (Pilot)	0105	01-BR	03-105 (rev. 06/2002)	2001-700B	2003-826	\$	Yes <u>1/</u>		Yes	B	
Beans (Processing)	0046	01-BR	98-046	2001-700B	1998-704	APH	Yes <u>1/</u>	Yes <u>1/</u>		B/O/O by type	
Blueberries (Pilot)	0012	01-BR	00-012	2001-700B	2000-794	APH				B/O by type <u>2/</u>	
Cabbage (Pilot)	0072	01-BR	00-072	2001-700B	2000-810	APH			Yes	B/O	
Canola/Rapeseed	0015	01-BR	98-015	2001-700B	1998-795	APH	Yes <u>1/</u>	Yes <u>1/</u>	Yes	B/O	
Cherries (Pilot)	0057	01-BR	01-057	2001-700B	2001-812	\$				B/O	
Chile Peppers, Processing (Pilot)	0045	01-BR	00-045	2001-700B	2000-832	\$				B/O by Type	
California Citrus Dollar Plan (Pilot) Navel oranges	0215	01-BR	2002-0215	2001-700B	2002-836	\$				B/O	
Citrus (AZ & CA)						APH				B by Crop/O	
Grapefruit	0201										
Lemons	0202										
mandarin	0205										
Minneola Tangelos	0206										
Navel Oranges	0215										
Sweet Oranges	0216										
Valencia Oranges	0217										
Orlando Tangelos	0237										
Kinnow Mandarins	0239										

1/ Refer to Part 5 for additional LP and instructions and the Prevented Planting Handbook for additional PP instructions. 2/ Optional units allowed by type if on Special Provisions.

*Current, up to signature date of this handbook. **Applies to additional coverage ONLY. *** Enterprise units if provided for in the Special Provisions.

Unit structures are as identified unless otherwise specified in the Special provisions. For pilot crops, only selected states and counties apply.

**EXHIBIT 2
CROP POLICY INFORMATION**

2003 CY INFORMATION (or 2004 CY where designated)	Crop Code	FCIC		NCIS		APH or Dollar (\$)	Late Planting Prov.	Prev. Planting Prov.	** Replant Payment Prov.	***Enterprise (E) Optional (O) Basic (B) Unit	** High-Risk Land Ex. Opt.
Crop		*Basic Provisions	*Crop Provisions	*Basic Provisions	*Crop Provisions						
Citrus Fruit (Florida) Citrus I Citrus II Citrus III Citrus IV Citrus V Citrus VI Citrus VII	0245 0246 0247 0248 0249 0250 0251	01-BR	99-026	2001-700B	1999-724	\$				B by type/O	
Citrus Fruit (Texas) Early & Midseason Oranges Late Oranges All Other Grapefruit Ruby Red Grapefruit Rio Red & Star Ruby Grapefruit	0224 0225 0226 0228 0238	01-BR	00-226	2001-700B	2000-733	APH				B/O	
Citrus Trees (Texas) Citrus Trees I Citrus Trees II Citrus Trees III Citrus Trees IV Citrus Trees V	0240 0241 0242 0243 0244	01-BR	99-025	2001-700B	1999-737	\$				B/O	
Cultivated Clams (Pilot)	0116	01-BR	2000-0116a43	2001-700B	2000-882 (rev. 12/99)	\$				B/O	
Coarse Grains Corn Grain Sorghum Soybeans	0041 0051 0081	01-BR	98-041	2001-700B	1998-702	APH	Yes <u>2/</u>	Yes <u>2/</u>	Yes	B/O/E	Yes <u>1/</u>
Cotton	0021	01-BR	99-021	2001-700B	1999-703	APH	Yes <u>2/</u>	Yes <u>2/</u>		B/O	Yes <u>1/</u>
Cotton (ELS)	0022	01-BR	99-022	2001-700B	1999-745	APH		Yes <u>2/</u>		B/O	Yes <u>1/</u>
Crambe (Pilot)	0068	01-BR	99-068	2001-700B	1999-814	APH	Yes <u>2/</u>	Yes <u>2/</u>	Yes	B/O	Yes <u>1/</u>
Cranberries	0058	01-BR	99-058	2001-700B	1999-742	APH				B/O	
Cucumbers, Processing (Pilot)	0106	01-BR	00-0106	2001-700B	2000-834	\$				B <u>4/</u>	
Dry Beans	0047	01-BR	98-047	2001-700B	1998-712	APH	Yes <u>2/</u>	Yes <u>2/</u>	Yes	B/O/O by type	Yes <u>1, 3/</u>
Figs	0060	01-BR	01-060	2001-700B	2001-792	APH				B by type/O	

1/ Requires Insured's Signature 2/ Refer to Part 5 for additional LP instructions, and Prevented Planting Handbook for additional PP instructions. 3/ Not available in Idaho, Oregon, Utah, and Washington

4/ Basic unit by planting period. *Current, up to signature date of this handbook. ** Applies to additional Coverage ONLY. *** Enterprise units if provided for in the Special Provisions.

Unit structures are as identified unless otherwise specified in the Special provisions. For pilot crops counties, only selected counties apply.

**EXHIBIT 2
CROP POLICY INFORMATION**

2003 CY INFORMATION (or 2004 CY where designated)	Crop Code	FCIC		NCIS		APH or Dollar (\$)	Late Planting Prov.	Prev. Planting Prov.	** Replant Payment Prov.	***Enterprise (E) ** Optional (O) Basic (B) Unit	** High-Risk Land Ex. Opt.
Crop		*Basic Provisions	*Crop Provisions	*Basic Provisions	*Crop Provisions						
Florida Fruit Trees (Pilot) Orange Trees Grapefruit Trees Lemon Trees Lime Trees All Other Citrus Trees Carambola Trees	0207 0208 0209 0210 0211 0213	01-BR	00-014	2001-700B	2000-748 (rev. 12/99)	\$				B by Type/O	
Forage Production	0033	01-BR	01-033 (Rev. 3/2000)	2001-700B	2001-729	APH				B/O	
Forage Seeding	0032	01-BR	03-032	2001-700B	2003-730	\$				B/O	
Forage Seed (Pilot) Alfalfa Seed	0107	01-BR	02-0107	2001-700B	2002-886	\$			Yes	B/O/O by contract or by variety <u>4/</u>	Yes <u>1/</u>
Grapes	0053	01-BR	00-053	2001-700B	2000-717	APH				B/O Variety <u>3/</u>	
Grapes, T able	0052	01-BR	01-052	2001-700B	2001-741	APH				B/O Variety <u>3/</u>	
Hybrid Seed Corn	0062	01-BR	98-062	2001-700B	1998-738	\$	Yes <u>2/</u>	Yes <u>2/</u>		B/O	
Hybrid Sorghum Seed	0050	01-BR	98-050	2001-700B	1998-797	\$	Yes <u>2/</u>	Yes <u>2/</u>		B/O	
Macadamia Nuts	0023	01-BR	00-023	2001-700B	2000-790	APH				B/O	
Macadamia Trees	0024	01-BR	99-024 (rev. 6/98)	2001-700B	1999-791	\$				B/O	
Millet	0017	01-BR	03-017	2001-700B	2003-789	APH	Yes <u>2/</u>	Yes <u>2/</u>		B/O	
Mint (Pilot)	0074	01-BR	00-74	2001-700B	2000-828	APH				B/O	Yes <u>1/</u>
Mustard (Pilot)	0069	01-BR	99-069	2001-700B	1999-816	APH	Yes <u>2/</u>	Yes <u>2/</u>	Yes	B/O	Yes <u>1/</u>
Nursery (Container/Field Grown)	0073	01-BR	99-073 (rev. 10/98)	2001-700B	1999-782	\$				B/O	
Onions	0013	01-BR	00-013 (rev. 6/30/99)	2001-700B	2000-709	APH	Yes <u>2/</u>	Yes <u>2/</u>	Yes	B/O/O by type	
Peaches	0034	01-BR	01-034	2001-700B	2001-720	APH				B/O	

1/ Requires Insured's Signature. 2/ Refer to Part 5 for additional LP instructions, and the Prevented Planting Handbook for additional PP instructions. **** Applies to additional Coverage ONLY.**
3/ Basic unit by variety in CA/Optional units by non-contiguous land only - All other states B/O units. 4/ Optional unit by contract or variety only if permitted by the Special Provisions.

*Current, up to signature date of this handbook. Unit structures are as identified unless otherwise specified in the Special provisions. For pilot crops, only selected states and counties apply.

**EXHIBIT 2
CROP POLICY INFORMATION**

2003 CY INFORMATION (or 2004 CY where designated)	Crop Code	FCIC		NCIS		APH or Dollar (\$)	Late Planting Prov.	Prev. Planting Prov.	** Replant Payment Prov.	***Enterprise (E) ** Optional (O) Basic (B) Unit	** High-Risk Land Ex. Opt.
Crop		*Basic Provisions	*Crop Provisions	*Basic Provisions	*Crop Provisions						
Peanuts	0075	01-BR	99-075 (Rev. 7/99)	2001-700B	1999-718 (rev. 7/99)	APH	Yes <u>2/</u>	Yes <u>2/</u>	Yes	B/O by FSN	
Pears	0089	01-BR	01-089	2001-700B	2001-715	APH				B/O	
Peas Dry Green	0067 0064	01-BR 01-BR	99-067 (rev. 7/98) 98-064	2001-700B 2001-700B	1999-713-D 1998-713-G	APH APH	Yes <u>2/</u> Yes <u>2/</u>	Yes <u>2/</u> Yes <u>2/</u>		B/O/O by Type	
Pecans (Pilot)	0020	01-BR	99-020	2001-700B	2001-802	\$				B by county	
Peppers, (Fresh Market)	0083	01-BR	99-083	2001-700B	1999-740	\$			Yes	B/O	
Plums	0092	01-BR	01-092	2001-700B	2001-706	APH				B/O	
Popcom	0043	01-BR	99-043	2001-700B	1999-744	APH	Yes <u>2/</u>	Yes <u>2/</u>	Yes	B/O	Yes <u>1/</u> , <u>5/</u>
Potatoes (Central/Southern)	0084	01-BR	99-284	2001-700B	1999-734 CS	APH	Yes <u>2/</u>	Yes <u>2/</u>		B/O	
Potatoes (Northern)	0084	01-BR	98-184	2001-700B	1998-734N	APH	Yes <u>2/</u>	Yes <u>2/</u>		B/O	
Prunes	0036	01-BR	01-036	2001-700B	2001-747	APH				B/O <u>3/</u>	
Raisins	0037	01-BR	98-037	2001-700B	1998-723	\$				B by variety /O <u>6/</u>	
Raspberry/Blackberry (Pilot)	0108	01-BR	02-108	2001-700B	2002-884	\$				B/O <u>6/</u>	
Rice	0018	01-BR	01-018	2001-700B	2001-716	APH	Yes <u>2/</u>	Yes <u>2/</u>	Yes	B/O	Yes <u>1/</u>
Safflower	0049	01-BR	98-049 (rev. 12-97)	2001-700B	1998-749 (rev. 1/98)	APH	Yes <u>2/</u>	Yes <u>2/</u>	Yes	B/O	Yes <u>1/</u> , <u>4/</u>
Small Grains Barley Flax Oats Rye Wheat	0091 0031 0016 0094 0011	01-BR	98-011	2001-700B	1998-714	APH	Yes <u>2/</u>	Yes <u>2/</u>	Yes <u>5/</u> (Wheat Only)	B/O/E	Yes <u>1/</u>
Stonefruit Fresh Apricots Processing Apricots Fresh Nectarine Processing Cling Peaches Processing Freestone Peaches Fresh Freestone Peaches	0218 0219 0220 0221 0222 0223	01-BR	01-077	2001-700B	2001-796	APH				B/O by type	

1/ Requires Insured's Signature 2/ Refer to Part 5 for additional LP instructions, and Prevented Planting Handbook for additional PP instructions. 3/ Unless limited by Crop Provisions or Special Provisions. 4/ Not available in Utah or Idaho. 5/ Not available for fall planted wheat. 6/ Optional units only by non-contiguous land. For pilot crops, only selected states and counties apply. *Current, up to signature date of this handbook. ** Applies to additional Coverage ONLY. *** Enterprise units if provided for in the Special Provisions. Unit structures are as identified unless otherwise specified in the Special provisions.

**EXHIBIT 2
CROP POLICY INFORMATION**

2003 CY INFORMATION (or 2004 CY where designated)	Crop Code	FCIC		NCIS		APH or Dollar (\$)	Late Planting Prov.	Prev. Planting Prov.	** Replant Payment Prov.	*** Enterprise (E) **Optional (O) Basic (B) Unit	** High-Risk Land Ex. Opt.
Crop		*Basic Provisions	*Crop Provisions	*Basic Provisions	*Crop Provisions						
Strawberries (Pilot)	0110	01-BR	01-110	2001-700B	2001-830	\$				B by type/O	
Sugar Beets	0039	01-BR	98-039	2001-700B	1998-707	APH	Yes <u>2/</u>	Yes <u>2/</u>	Yes	B/O	Yes <u>1, 5/</u>
Sugarcane	0038	01-BR	99-038	2001-700B	1999-732	APH				B/O	
Sunflower Seed	0078	01-BR	98-078	2001-700B	1998-708	APH	Yes <u>2/</u>	Yes <u>2/</u>	Yes	B/O	Yes <u>1/</u>
Sweet Corn (Processing)	0042	01-BR	98-042	2001-700B	1998-728	APH	Yes <u>2/</u>	Yes <u>2/</u>		B/O	Yes <u>1/</u>
Sweet Corn (Fresh Market)	0044	01-BR	99-044	2001-700B	1999-746	\$			Yes	B/O	
Sweet Potatoes (Pilot)	0085	01-BR	98-085	2001-700B	1998-806	APH				B/O <u>3/</u>	Yes <u>1/</u>
Tobacco, Guaranteed Production Flue Cured Fire Cured Maryland Dark Air Cigar Filler Cigar Binder Cigar Wrapper	0229 0230 0232 0233 0234 0235 0236	01-BR	99-071	2001-700B	1999-736	APH	Yes <u>2/</u>			B by/share/ type/ O by FSN <u>4/</u>	
Tobacco (Quota) Burley	0231	01-BR	99-070	2001-700B	1999-710	\$	Yes <u>2/</u>			B by FSN	
Tomatoes (Fresh Market Guar. Prod.)	0086	01-BR	99-186	2001-700B	1998-722	APH			Yes	B/O	
Tomatoes (Fresh Market Dollar Plan)	0086	01-BR	99-086	2001-700B	1999-739	\$			Yes	B/O	
Tomatoes (Processing)	0087	01-BR	98-087	2001-700B	1998-727	APH	Yes <u>2/</u>		Yes		
Walnuts	0029	01-BR	01-029	2001-700B	2001-743	APH				B/O	
(Cultivated) Wild Rice (Pilot)	0055	01-BR	99-055	2001-700B	1999-820	APH				B/O	
Winter Squash (Pilot)	0065	01-BR	00-065 (Rev. 08-99)	2001-700B	2000-822	\$				B	
Catastrophic Risk Protection Endorsement		<u>6/</u>	01-CAT <u>6/</u>	<u>6/</u>	2001-777 <u>6/</u>						

1/ Requires insured's signature. 2/ Refer to Part 5 for additional LP instructions, and the Prevented Planting Handbook for additional PP instructions.

3/ Standard optional units plus optional units by type in CA 4/ Basic unit by FSN (Wisconsin only). 5/ Not available in Colorado.

6/ Endorsement attaches to Basic Provisions and specific crop policies when CAT coverage is selected by the insured. Current, up to signature **date of this handbook**.

****Applies to additional Coverage ONLY. *** Enterprise units, if provided for in the Special Provisions.** Unit structures are as identified unless otherwise specified in the Special provisions.

**EXHIBIT 2
CROP POLICY INFORMATION**

2003 CY INFORMATION (or 2004 CY where designated)		FCIC		NCIS		Expected County Yield	Late Planting Prov.	Prev. Planting Prov.	Replant Payment Prov.	Unit of Measure	Unit by County/ Basic (B)/ Optional (O) Enterprise (E) Whole Farm (WF)	High-Risk Land Ex. Option
INSURANCE PLANS	Crop Code	*Basic Provisions	*Crop Provisions	*Basic Provisions	*Crop Provisions							
Crop	Group Risk Plan (GRP)											
Corn	0041	01-102	00-141	2001-950	2000-954	Yes				bu.	Yes (C)	
Cotton	0021	01-102	00-121	2001-950	2000-956	Yes				lbs.	Yes (C)	
Forage Production	0033	01-102	00-133	2001-950	2000-942	Yes				tons	Yes (C)	
Sorghum	0051	01-102	00-151	2001-950	2000-962	Yes				bu.	Yes (C)	
Peanuts	0075	01-102	00-175	2001-950	2000-960	Yes				lbs.	Yes (C)	
Rangeland (Pilot)	0048	01-102	99-048	2001-950	1999-943	Yes				lbs.	Yes (c)	
Soybeans	0081	01-102	00-181	2001-950	2000-964	Yes				bu.	Yes (C)	
Wheat	0011	01-102	00-111	2001-950	2000-941	Yes				bu.	Yes (C)	
Group Risk Income Protection (GRIP)												
Corn	0041	01-GRIP-BASIC	03-GRIP-Corn	2001-950-GRIP	2003-954-GRIP	Yes					Yes (C)	
Soybeans	0081	01-GRIP-BASIC	03-GRIP-Soybeans	2001-950-GRIP	2003-964-GRIP	Yes					Yes (C)	
Income Protection (IP)												
Barley (Pilot)	0091	01-BR	2002-391	2001-700-B	2002-714B-IP	APH/\$	Yes <u>2/</u>	Yes <u>2/</u>		bu/\$	Yes (E)	
Corn (Pilot)	0041	01-BR	2002-341	2001-700-B	2002-702C-IP	APH/\$	Yes <u>2/</u>	Yes <u>2/</u>	<u>1/</u>	bu./\$	Yes (E))	
Cotton (Pilot)	0021	01-BR	2002-321	2001-700-B	2002-703-IP	APH/\$	Yes <u>2/</u>	Yes <u>2/</u>	<u>1/</u>	lbs./\$	Yes (E)	
Wheat (Pilot)	0011	01-BR	2002-311	2001-700-B	2002-714W-IP	APH/\$	Yes <u>2/</u>	Yes <u>2/</u>	<u>1/</u>	bu./\$	Yes (E)	

1/ ONLY available for Additional Coverage ONLY. 2/ Refer to Part 5 for additional LP instructions and the Prevented Planting Handbook for additional PP instructions. GRP, IP, CRC and RA insurance plans, if elected, meet the FSA linkage requirements. For pilot crops, only selected states and counties apply. *Current, up to signature date of this handbook. ** Applies to additional coverage ONLY. Unit structures are as identified unless otherwise specified in the Special Provisions.

**EXHIBIT 2
CROP POLICY INFORMATION**

2003 CY INFORMATION (or 2004 CY where designated)		FCIC		NCIS								
INSURANCE PLANS	Crop Code	*Basic Provisions	*Crop Provisions	*Basic Provisions	*Crop Provisions	Expected County Yield	Late Planting Prov.	Prev. Planting Prov.	Replant Payment Prov.	Unit of Measure	**Unit by County (C) Basic (B) Optional (O) Enterprise (E) Whole Farm (WF)	High Risk Land Exclusion Option
Crop												
Income Protection (Con't.)												
Grain Sorghum (Pilot)	0051	01-BR	2002-351	2001-700-B	2002-702G-IP	APH/\$	Yes <u>2/</u>	Yes <u>2/</u>	<u>1/</u>	bu./\$	Yes (E)	
Soybeans (Pilot)	0081	01-BR	2002-381	2001-700-B	2002-702S-IP	APH/\$	Yes <u>2/</u>	Yes <u>2/</u>	<u>1/</u>	bu./\$	Yes (E)	
Crop Revenue Coverage (CRC)												
Corn <u>1/</u>	0041	02-CRC-BASIC (rev. 9/26/01)	02-CRC-CG (9/26/01)	2002-700B- CRC	2002-702-CRC	APH/\$	Yes <u>2/</u>	Yes <u>2/</u>	Yes	bu./\$	YES (B/O/E)	YES <u>3/</u>
Soybeans <u>1/</u>	0081	02-CRC-BASIC (rev. 9/26/01)	02-CRC-CG (9/26/01)	2002-700B- CRC	2002-702-CRC	APH/\$	Yes <u>2/</u>	Yes <u>2/</u>	Yes	bu./\$	Yes (B/O/E)	Yes <u>3/</u>
Grain Sorghum <u>1/</u>	0051	02-CRC-BASIC (rev. 9/26/01)	02-CRC-CG (9/26/01)	2002-700B- CRC	2002-702-CRC	APH/\$	Yes <u>2/</u>	Yes <u>2/</u>	Yes	bu./\$	Yes (B/O/E)	Yes <u>3/</u>
Cotton <u>1/</u>	0021	02-CRC-BASIC (rev. 9/26/01)	02-CRC-021 (9/26/01)	2002-700B- CRC	2002-703-CRC	APH/\$	Yes <u>2/</u>	Yes <u>2/</u>	No	lb./\$	Yes (B/O/E)	Yes <u>3/</u>
Rice <u>1/</u>	0018	02-CRC-BASIC (rev. 9/26/01)	01-CRC-RICE (9/26/01)	2002-700B- CRC	2002-716-CRC	APH/\$	Yes <u>2/</u>	Yes <u>2/</u>	Yes	lb/\$	Yes (B/O/E)	Yes <u>3/</u>
Wheat	0011	02-CRC-BASIC (rev. 9/26/01)	02-CRC WHEAT (9/26/01)	2002-700B- CRC	2002-714W- CRC	APH\$	Yes <u>2/</u>	Yes <u>2/</u>	Yes	bu./\$	Yes (B/O/E)	Yes <u>3/</u>
Adjusted Gross Revenue (AGR) (Pilot)												
Agricultural Commodities	0063	2001-AGR	N/A	2001-980	N/A	Revenue \$				\$	WF	
Adjusted Gross Revenue Lite (AGR-L)												
Agricultural Commodities		03-AGR-Lite	N/A	2003-982	N/A	Revenue \$						

*Current, up signature date of this handbook.

**Applies to additional coverage only. Unit structures are as identified unless otherwise specified in the Special provisions.

1/ Available as Additional coverage Only 2/ Refer to Part 5 for additional LP instructions and the Prevented Planting Handbook for additional PP instructions. 3/ Requires insured's signature

**EXHIBIT 2
CROP POLICY INFORMATION**

2003CY INFORMATION (or 2004 CY where designated)		FCIC		NCIS								
INSURANCE PLANS	Crop Code	Basic Provisions	Crop Provisions	Basic Provisions	Crop Provisions	Expected County Yield	Late Planting Prov.	Prev. Planting Prov.	Replant Payment Prov.	Unit of Measure	Unit by County (C) Basic (B) Optional (O) Enterprise (E) Whole Farm (WF)	High Risk Land Exclusion Option
Crop												
Revenue Assurance (RA)												
Barley (Feed) <u>1/</u>	0091	02-RA (8/28/01)	02-RA-Barley-CP	2002- 700B-RA	2002-714B-RA	APH/\$	Yes <u>2/</u>	Yes <u>2/</u>		bu/\$	Yes (B/O/E/WF)	
Canola/rapeseed <u>1/</u>	0015	02-RA (8/28/01)	02-RA-Canola-CP	2002 700B-RA	2002- 795-RA	APH/\$	Yes <u>2/</u>	Yes <u>2/</u>	Yes	lbs./\$	Yes (B/O/E/WF)	
Corn <u>1/</u>	0041	02-RA (8/28/01)	02-RA-Corn & Soybeans-CP	2002- 700B-RA	2002-702-RA	APH/\$	Yes <u>2/</u>	Yes <u>2/</u>	Yes	bu./\$	Yes (B/O/E/WF)	Yes <u>3/</u>
Cotton	0021	02-RA- (08/28/01)	03-RA-Cotton (9/24/02)	2002- 700B-RA	2003 703-RA	APH/\$	Yes <u>2/</u>	Yes <u>2/</u>		Lbs./¢	Yes (B/O/E/WF)	Yes <u>3/</u>
Rice	0018	02-RA (08/28/01)	03-RA-Rice (9/24/02)	2002- 700B-RA	2003-716-RA	APH/\$	Yes <u>2/</u>	Yes <u>2/</u>	Yes	Lbs./¢	Yes (B/O/E/WF)	Yes <u>3/</u>
Soybeans <u>1/</u>	0081	02-RA (8/28/01)	02-RA-Corn & Soybeans-CP	2002- 700B-RA	2002-702RA	APH/\$	Yes <u>2/</u>	Yes <u>2/</u>	Yes	bu./\$	Yes (B/O/E/WF)	Yes <u>3/</u>
Sunflowers <u>1/</u>	0078	02-RA (8/28/01)	02-RA-Sunflower- CP	2002- 700B-RA	2002- 708-RA	APH/\$	Yes <u>2/</u>	Yes <u>2/</u>	Yes	lbs./¢	Yes (B/O/E/WF)	Yes <u>3/</u>
Wheat	0011	01-RA (6/22/00)	01-RA-WH (6/22/00)	2002- 700B-RA	2001-714W-RA	APH/\$	Yes <u>2/</u>	Yes <u>2/</u>	Yes	bu/\$	Yes <u>4/</u>	Yes <u>3/</u>
LIVESTOCK												
Livestock Gross Margin		03-LGM		2003-912	N/A							
Livestock Risk Protection Swine		03-LRP-Basic	03-LRP	2003-902	N/A							

1/ Available as Additional coverage only

2/ Refer to Part 5 for additional LP instructions, and the Prevented Planting Handbook for additional PP instructions.

3/ Requires insured's signature

4/ For Winter Wheat, units can be Basic, Optional, or Enterprise Units.

4/ For Spring Wheat, units can be Basic, Optional, Enterprise, or Whole Farm Units.

**EXHIBIT 3
CROP POLICY INFORMATION**

CAUSE OF LOSS NAMES AND CODES		
LOSS CAUSE	CODE	APPLICABLE TO:
NO INDEMNITY	(00)	ALL CROPS
DECLINE OF PRICE	(01)	All crops insured under, Adjusted Gross Revenue, Income Protection, Crop Revenue Coverage, and Revenue Assurance policies, and avocados (Revenue plan CA only) pecans, and CA Dollar Citrus. For income protection, CRC, and RA policies, this is applicable when the harvest price falls below the projected price (base price for CRC policies) and is the primary or secondary contributor of the loss. This is applicable for avocados (Revenue plan CA only) when there is a decline in the standardized season average price, for pecans when a decline in the market price used to determine the indemnity is the primary or secondary contributor of the loss, or for CA Dollar Citrus when there is a decline in the average net price received.
DROUGHT <u>1/</u> , <u>2/</u>	(11)	ALL CROPS EXCEPT : Avocado and Mango Trees, Texas Citrus Fruit, Texas Citrus Trees, Florida Citrus, Cultivated Clams, Florida Fruit Trees, Fresh Market Peppers, Raisins, Rice, Fresh Market Sweet Corn, Fresh Market. Tomatoes (\$ Plan), unless this cause of loss is provided on the Special Provisions.
HEAT <u>2/</u>	(12)	ALL CROPS EXCEPT : Avocado and Mango Trees, Florida Citrus, Texas Citrus Fruit, Texas Citrus Trees, Cultivated Clams, Florida Fruit Trees, Fresh Market Peppers, Raisins, Fresh Market Sweet Corn, and Fresh Market Tomatoes (\$ Plan).
FIS (Failure of irrigation (water) supply)	(13)	ALL CROPS EXCEPT : Avocado and Mango Trees, Florida Citrus, Cultivated Clams, Florida Fruit Trees, and Raisins.
FIE (Failure of irrigation equipment)	(14)	ONLY : CRANBERRIES.
HAIL <u>2/</u>	(21)	ALL CROPS EXCEPT : Avocado and Mango Trees, Cultivated Clams, Florida Fruit Trees, and Raisins.
EXCESS SUN	(22)	ONLY : Apples when Sunburn Option in effect.
EXCESS MOISTURE/PRECIP/RAIN <u>2/</u>	(31)	ALL CROPS* EXCEPT : Florida Citrus and Cultivated Clams.
FROST <u>2/</u> , <u>3/</u> (See footnote below.)	(41)	ALL CROPS EXCEPT : Avocado and Mango Trees, Florida Citrus, Cultivated Clams, Florida Fruit Trees, Fresh Market Peppers, Raisins, Fresh Market Sweet Corn, and Fresh Market Tomatoes (\$ Plan).
FREEZE <u>2/</u> , <u>3/</u> (See footnote below.)	(42)	ALL CROPS EXCEPT : Raisins.

NOTE: Some crop provisions may contain specific cause of loss definitions; e.g., wind, frost, or freeze. Please refer to the crop provisions for any such specifics.

1/ If the insured practice is irrigated, drought cannot be listed as the cause of loss. See PAR. 40 N for more information.

2/ If the applicable crop provisions list “adverse weather” as a cause of loss, the footnoted cause is considered “adverse weather.” For statistical purposes, RMA requires that “adverse weather” is broken down into the specific cause; e.g., drought.

3/ Special Provisions may state this is not an insurable cause if this cause occurs after the specified date or for some crops is not an insurable cause if adequate freeze protection is not in effect.

**EXHIBIT 3
CROP POLICY INFORMATION**

CAUSE OF LOSS NAMES AND CODES		
LOSS CAUSE	CODE	APPLICABLE TO:
COLD WINTER <u>2/</u>	(43)	ALL CROPS EXCEPT: Avocado and Mango Trees, Florida Citrus, Texas Citrus Fruit, Texas Citrus Trees, Cultivated Clams, Florida Fruit Trees, Fresh Market Peppers, Raisins, Fresh Market Sweet Corn, and Fresh Market Tomatoes (\$ Plan).
COLD WET WEATHER <u>2/</u>	(44)	ALL CROPS EXCEPT: Avocado and Mango Trees, Florida Citrus, Texas Citrus Fruit, Texas Citrus Trees, Cultivated Clams, Florida Fruit Trees, Fresh Market Peppers, Raisins, Fresh Market Sweet Corn, and Fresh Market Tomatoes (\$ Plan).
ICH (Insufficient Chill hrs.)	(45)	ONLY the following: Blueberries, Peaches, and Plums.
FLOOD <u>2/</u>	(51)	ALL CROPS EXCEPT: Avocado and Mango Trees, Florida Citrus, Texas Citrus Fruit, Texas Citrus Trees, Cultivated Clams, Florida Fruit Trees, Fresh Market Peppers, Raisins, Fresh Market Sweet Corn, and Fresh Market Tomatoes (\$ Plan).
GRP CROPS ONLY	(55)	CROPS INSURED UNDER THE GRP PLAN OF INSURANCE.
WIND/EXCESS WIND <u>1/</u> (See footnote below.), <u>2/</u>	(61)	ALL CROPS EXCEPT: Florida Citrus, Fresh Market Peppers, Raisins, and Fresh Market Tomatoes (\$ Plan).
HOT WIND <u>2/</u>	(62)	ALL CROPS EXCEPT: Avocado and Mango Trees, Florida Citrus, Texas Citrus Fruit, Texas Citrus Trees, Cultivated Clams, Florida Fruit Trees, Fresh Market Peppers, Raisins, Fresh Market Sweet Corn, and Fresh Market Tomatoes (\$ Plan).
CYCLONE <u>2/</u>	(63)	ALL CROPS EXCEPT: Avocado and Mango Trees, Florida Citrus, Texas Citrus Fruit, Texas Citrus Trees, Cultivated Clams, Florida Fruit Trees, Fresh Market Peppers, Raisins, Fresh Market Sweet Corn, and Fresh Market Tomatoes (\$ Plan).
TORNADO <u>2/</u>	(64)	ALL CROPS EXCEPT: Avocado and Mango Trees, Cultivated Clams, Florida Fruit Trees, and Raisins.
TIDAL WAVE	(65)	ONLY: CULTIVATED CLAMS.
OXYGEN DEPLETION	(66)	ONLY: CULTIVATED CLAMS.
STORM SURGE	(67)	ONLY: CULTIVATED CLAMS.
ASIATIC CITRUS CANCKER	(70)	ONLY: FLORIDA FRUIT TREES.
INSECTS <u>1/</u> (See footnote below.)	(71)	ALL CROPS EXCEPT: Avocado and Mango Trees, Florida Citrus, Texas Citrus Trees, Cultivated Clams, Florida Fruit Trees, Figs, and Raisins.
PREDATION <u>3/</u> (See footnote below.)	(73)	ONLY: CULTIVATED CLAMS.

NOTE: Some crop provisions may contain specific cause of loss definitions; e.g., wind. Please refer to the crop provisions for any such specifics.

1/ Some policies may be limited or restricted for this cause of loss; see the individual crop provisions for specifics.

2/ If the applicable crop provisions list “adverse weather” as a cause of loss, the footnoted cause is considered “adverse weather.” For statistical purposes, RMA requires that “adverse weather” is broken down into the specific cause; e.g., drought.

3/ This cause of loss is excluded unless allowed by the Special Provisions.

**EXHIBIT 3
CROP POLICY INFORMATION**

CAUSE OF LOSS NAMES AND CODES		
LOSS CAUSE	CODE	APPLICABLE TO:
SALINITY	(76)	ONLY: CULTIVATED CLAMS.
DISEASE, AQUACULTURE	(80)	ONLY: CULTIVATED CLAMS.
PLANT DISEASE 3/ (See footnote below.)	(81)	ALL CROPS EXCEPT: Avocado and Mango Trees, Florida Citrus, Texas Citrus Trees, Cultivated Clams, Florida Fruit Trees, Figs, and Raisins.
MYCOTOXIN (e.g., AFLATOXIN)	(82)	ALL CROPS* EXCEPT: Almonds, Apples, Avocados (revenue and APH plans), Avocado and Mango Trees, Fresh Market Beans, Blueberries, Cabbage, Cherries, Crambe, AZ-CA Citrus, Florida Citrus Fruit, Texas Citrus, Texas Citrus Trees, Chile Peppers, Cultivated Clams, Cucumbers (Processing), Florida Fruit Trees, Figs, Grapes, Table Grapes, Macadamia Nuts, Macadamia Trees, Mint, Peaches, Pears, Pecans, Fresh Market Peppers, Plums, Prunes, Raisins, Raspberries/blackberries, (California) Stonefruit, Strawberries, Sweet Potatoes, Fresh Market Sweet Corn, Fresh Market Tomatoes (\$ and GP Plans), Walnuts, and Winter Squash.
FIRE 4/ (See footnote below)	(91)	ALL CROPS EXCEPT: Avocado and Mango Trees, Cultivated Clams, Florida Fruit Trees, and Raisins.
HURRICANE OR TROPICAL DEPRESSION 1/ (See footnote below), 2/	(92)	ALL CROPS EXCEPT: Avocado and Mango Trees, Texas Citrus Fruit, Texas Citrus Trees, Florida Fruit Trees, Peaches, Raisins, and Fresh Market Sweet Corn.
WILDLIFE 3/ (See footnote below.)	(93)	ALL CROPS EXCEPT: Avocado and Mango Trees, Florida Citrus, Texas Citrus Trees, Cultivated Clams, Florida Fruit Trees, Pears, Pecans, Fresh Market Peppers, Raisins, Fresh Market Sweet Corn, and Fresh Market Tomatoes (\$ Plan).
HOUSE BURN/POLE BURN	(95)	ONLY: Tobacco
EARTHQUAKE	(97)	ALL CROPS EXCEPT: Avocado and Mango Trees, Florida Citrus, Texas Citrus Fruit, Texas Citrus Trees, Cultivated Clams, Florida Fruit Trees, Fresh Market Peppers, Raisins, Fresh Market Sweet Corn, and Fresh Market Tomatoes (\$ Plan).
VOLCANIC ERUPTION	(98)	ALL CROPS EXCEPT: Avocado and Mango Trees, Florida Citrus, Texas Citrus Fruit, Texas Citrus Trees, Cultivated Clams, Florida Fruit Trees, Fresh Market Peppers, Raisins, Fresh Market Sweet Corn, and Fresh Market Tomatoes (\$ Plan).
OTHER (Snow, Lightning, Etc.) 2/	(99)	ALL CROPS EXCEPT: Avocado and Mango Trees, Florida Citrus, Texas Citrus Fruit, Texas Citrus Trees, Cultivated Clams, Florida Fruit Trees, Fresh Market Peppers, Raisins, Fresh Market Sweet Corn, and Fresh Market Tomatoes (\$ Plan).

NOTE: Some crop provisions may contain specific cause of loss definitions; e.g., wind. Please refer to the crop provisions for any such specifics.

1/ The Florida Citrus Fruit Crop Provisions lists “Hurricane” as an insured cause of loss, but not “Tropical Depression.”

2/ If the applicable crop provisions list “adverse weather” as a cause of loss, the footnoted cause is considered “adverse weather.” For statistical purposes, RMA requires that “adverse weather” is broken down into the specific cause; e.g., drought

3/ Some policies may be limited or restricted for this cause of loss; see the individual crop provisions for specifics.

4/ Fire must be due to an act of nature.

EXHIBIT 4

UNITS OF MEASURE OF PRODUCTION *, BY CROP	
CROP NAME	UNIT OF MEASURE
Almonds	Pounds
Apples (Eastern)	Bushels (42 lbs.)
Apples (Colorado)	Bushels (40 lbs.)
Apples (Western)	Boxes (35 lbs. lose/field box)
Avocados California Only (Pilot)	Pounds/Dollars ****
Avocados Florida Only (Pilot)	Bushels
Avocado and Mango Tree (Pilot)	% Stand Dollar *
Barley	Bushels (48 lbs.)
Barley (Malting)	Bushels (48 lbs.)
Beans (Fresh Market) (Pilot)	Pounds/Dollars ****
Beans (Processing)	Tons ***
Blueberries (Pilot)	Pounds
Cabbage (Pilot)	Hundredweight
Canola/Rapeseed	Pounds
Cherries (Pilot)	Pounds/Dollars ****
Chile Peppers, Processing (Pilot)	Pounds/Dollars ****
Citrus (AZ-CA) (Navel, Valencia, Sweet Oranges) (Lemons) (Grapefruit) (Tangerines, Tangelos, Mandarin Oranges)	Cartons (38 lbs.) Cartons (40 lbs.) Cartons (32 lbs.) Cartons (25 lbs.)
Citrus, California Dollar Plan (Pilot) (Navel Oranges)	Cartons (38 lbs.)/Dollars ****
Citrus (FL)	Boxes (85 or 90 lbs.-depends on type)
Citrus (TX)	Tons
Texas Citrus Trees	% Tree Damage/Dollar *
Cultivated Clams (Pilot)	Dollar (Individual Clam Value) ****
Corn (Grain)**	Bushels (56 lbs.)
Corn (Silage)	Tons ***
Cotton	Pounds
Cotton, ELS	Pounds

* For Tree Crops the loss measurement is first based on the % of tree damage, and then the dollar loss is determined from this.

** To convert weight of ear corn to equivalent bushels of shelled corn divide by 70.

*** Tons = 2,000 pounds

**** Claim value by size

EXHIBIT 4

UNITS OF MEASURE OF PRODUCTION*, BY CROP	
CROP NAME	UNIT OF MEASURE
Crambe (Pilot)	Pounds
Cranberries	Barrels (100 lbs.)
Cucumbers, Processing (Pilot)	Bushels (50 lbs.)/Dollars ****
Dry Beans	Pounds (60 lbs. per bu)
Figs	Pounds
Flaxseed	Bushels (56 lbs.)
Florida Fruit Trees (Pilot)	% Stand/Dollar *
Forage Production	Tons ***
Forage Seed (Pilot)	Pounds
Forage Seeding	% Stand/Dollar *
Grain Sorghum	Bushels (56 lbs.)
Grapes	Tons ***
Table Grapes	Lugs (20-21 lbs.**)
Hybrid Corn Seed	Bushels (56 lbs.)
Hybrid Sorghum Seed	Bushels (56 lbs.)
Macadamia Nuts	Pounds
Macadamia Trees	% Tree damage/Dollar *
Millet ***	Bushels
Mint (Pilot)	Pounds
Mustard (Pilot)	Pounds
Nursery	Dollar (Individual Plant Value)
Oats	Bushels (32 lbs.)
Onions	Hundredweight
Peaches	Bushels (50 lbs.)
Peanuts	Pounds
Pears	Tons ***
Peas, dry	Pounds (60 lbs. per Bu.)
Peas, green	Pounds

* For Forage Seeding, the loss measurement is first based on the % of stand, and then the dollar loss is determined from this. For Tree Crops, the loss measurement for a non-Asiatic-Citrus -Canker (ACC) loss is first based on the % of tree damage, and then the dollar loss is determined from this. For trees for which ACC is a covered cause of loss and for which there is an ACC loss, the loss measurement is based on number of trees destroyed and then dollar amount determined from this.

** 20 lbs. in Arizona and Coachella Valley, CA district; 21 lbs. in all other CA districts.

*** Ton = 2,000 pounds

**** Loss measurement is first based on weight/capacity measurement, as shown, and then is converted to dollars.

EXHIBIT 4

UNIT OF MEASURE OF PRODUCTION, BY CROP	
CROP NAME	UNIT OF MEASURE
Pecans (Pilot)	Pounds/Dollar **
Peppers	1 1/9 bushels (per box)
Plums	Lugs (28 lbs.)
Popcorn	Pounds
Potatoes (Northern and Central/Southern)	Hundredweight
Prunes	Tons *
Raisins	Tons *
Rangeland (GRP) (Pilot)	Pounds
Raspberries/Blackberries (Pilot)	Crates – California Lbs. – Oregon, Washington
Rice	Pounds (45 lbs. per bu.)
Rye	Bushels (56 lbs.)
Safflowers	Pounds (35 lbs. per bushel)
Soybeans	Bushels (60 lbs.)
Strawberries (Pilot)	Pounds/Dollars **
Stonefruit (Apricots) (Nectarines) (Freestone Peaches) (Proc. apricots and Proc. Peaches)	Lugs (24 lbs.) Lugs (25 lbs.) Lugs (22 lbs.) Tons *
Sugar Beets	Tons *
Sugarcane	Pounds
Sugarcane (Hawaiian)	Pounds
Sunflower Seed (Oil)	Pounds (29 lbs. per bu.)
Sunflower Seed (Non-oil)	Pounds (25 lbs. per bu.)
Sweet Corn (Processing)	Tons *
Sweet Corn (Fresh)	Containers (42 lbs.)
Sweet Potatoes (Pilot)	Hundredweight
Tobacco (Guarantee & Quota)	Pounds
Tomatoes (Processing)	Tons *
Tomatoes (Fresh & Fresh Guarantee)	Cartons (25 lbs.)
Walnuts	Pounds
(Cultivated) Wild Rice (Pilot)	Pounds (25 lbs. per bu. for MN & 29 lbs per bu. for CA.)
Winter Squash (Pilot)	Hundredweight/Dollar **
Wheat	Bushels (60 lbs.)

*Ton = 2,000 pounds.

**Loss measurement is first based on weight/capacity measurement, as shown, and then is converted to dollars.

EXHIBIT 5

ENTITIES AND DOCUMENTATION CHART

ENTITY	APPLICATION	*SIGNATURE(S) REQUIRED	DOCUMENTATION NEEDED	ID NUMBER
INDIVIDUAL	John C. Doe	John C. Doe	None	Individual EIN or SSN <u>1/</u>
INDIVIDUAL (Including a spouse or individual interest insured under the policy.)	John C. Doe	John C. Doe	None	Individual EIN or SSN <u>3/</u>
INDIVIDUAL	Northam Land Company c/o James T. Anderson	Northam Land Company By James T. Anderson, Sole Owner	None	EIN or SSN of The Owner <u>1/</u>
INDIVIDUAL (Female)	Anna M. Smith (Not Mrs. John C. Smith)	Anna M. Smith (Not Mrs. John C. Smith)	None	EIN or SSN of Individual <u>1/</u>
INDIVIDUAL (Joint & Survivor & Interest)	John W. Doe or Mary C. Doe	(Both must sign) John W. Doe Mary C. Doe	If they are not spouses, statements signed by both parties showing authority of one to act for the other	EIN or SSN of Individual <u>3/</u>
INDIVIDUAL (Minor, Natural Guardian)	John Doe, (minor) by Fred Doe, Guardian	Fred Doe, Guardian for John Doe and John Doe	Statement signed by minor and guardian showing qualifications as separate entity	EIN or SSN of Minor <u>1/</u>
INDIVIDUAL (Minor Unable To Enter Into Contracts & Incompetent Court-Appointed Guardian)	Frank W. Doe c/o John H. Doe, Guardian	John H. Doe Guardian for Frank W. Doe,	Statements signed by court-appointed guardian showing where court decree can be verified	EIN or SSN of Minor or Incompetent <u>1/</u>
INDIVIDUAL (Authorized Signature)	John C. Doe c/o Richard C. Roe, Authorized Representative	John C. Doe By Richard C. Roe, Under Power of Attorney	Power of Attorney	Individual EIN or SSN of insured <u>1/</u>
INDIVIDUAL (Tobacco Marketing Card)	John C. Doe	John C. Doe	Statement signed by all shareholders agreeing to the arrangement and designating responsible person	Named Insured EIN or SSN <u>2/</u>
INDIVIDUAL (Undivided Interest)	John C. Doe	John C. Doe	Copy of agreement designating responsible person	Names Insured EIN or SSN <u>2/</u>
SPOUSES	John C. Doe	John C. Doe	None	Individual EIN or SSN <u>3/</u>
ENTITY INSURING A LANDLORD'S OR TENANT'S SHARE	John C. Doe	John C. Doe	None	Individual EIN or SSN <u>3/</u>
CO-OWNERS JOINT OPERATORS	James L. Smith and John A. Brown, Co-Owners James L. Smith and John A. Brown, Joint Operators	(All must sign) James L. Smith John A. Brown	None, if all sign, Or Power of Attorney authorizing signature	Joint Interest EIN or SSN's <u>2/</u>
CORPORATION	ABC Company, Inc. c/o Richard Roe, (Title) First National Bank of Dallas c/o John H. Doe, (Title)	ABC Company, Inc. By Richard Roe, (Title) First National Bank of Dallas By John H. Doe, (Title)	Statements where articles of incorporation are on file. Application must be signed by authorized officer of the Corporation.	EIN For the Corporation <u>3/</u>
ESTATE	Estate of Richard Roe, Deceased, c/o John H. Doe, Executor (or Administrator)	Estate of Richard Roe, Deceased, by John H. Doe Executor (or Administrator)	Statement advising where authority can be found	Estate EIN Or Deceased SSN or EIN

1/ If EIN, Individual MUST be listed as SBI and SSN provided

2/ All ENTITIES/PERSONS Insured must be listed as SBI and EIN or SSN provided

3/ SSN of **spouse and/** or any individual holding a 10% or more interest; EIN if not individual.

EXHIBIT 5

ENTITIES AND DOCUMENTATION CHART

ENTITY	APPLICATION	*SIGNATURE(S) REQUIRED	DOCUMENTATION NEEDED	ID NUMBER
TRUST (BIA) (Irrevocable) (Revocable)	John H. Doe Trust, c/o Richard Roe, Trustee or Administrator	John H. Doe, Trust by Richard Roe, Trustee or Administrator	Statement advising where authority can be found	EIN for Trust Or SSN Reported for the Trust <u>3/</u>
	Jones, Brown, Smith c/o Richard Roe, Trustee	Jones, Brown, Smith By Richard Roe, Trustee		EIN of Trust or SSN Reported for the Trust <u>3/</u>
	(Name of Trust) BIA Trust 0016	BIA Trust 0016 by John Doe Trustee or Power of Attorney		State County BIA# Example: 01 201 0016
	Ralph R. Doe, Trust, c/o Richard Roe, Trustee or Administrator	Ralph R. Doe Trust, c/o Richard Roe, Trustee or Administrator	Statement advising where authority can be found	EIN for Trust or SSN Reported for the Trust <u>3/</u>
	John H. Doe, Trust, c/o Richard Roe, Trustee or Administrator	John H. Doe, Trust, c/o Richard Roe, Trustee or Administrator	Statement advising where authority can be found	EIN for Trust or SSN Reported for the Trust <u>3/</u>
RECEIVER OR LIQUIDATOR	XYZ Company c/o John H. Doe, Receiver (or Liquidator)	XYZ Company By John H. Doe, Receiver or Liquidator & Court-Appointed	Statement advising where authority can be found	EIN of Named Insured or Correspondent's EIN and/or SSN
PUBLIC AGENCY (a state, a political subdivision of a state (county or parish), or any agency thereof)	Brown County Farms c/o Richard R. Roe Farm Manager	Brown County Farms By Richard R. Roe, Farm Manager (Other Authorized Title Acceptable)	Statement advising where authority can be found	EIN if issued
	State of Ohio, Board of Aeronautics, c/o John H. Doe, Director	State of Ohio, Board of Aeronautics, By John H. Doe, Director (Other Authorized Title Acceptable)		
	Fairtown Farms c/o I.M. Boss, City Mgr.	Fairtown Farms By I.M. Boss, City Mgr. (Other Authorized Title Acceptable)		
ASSOCIATION, CLUB OTHER TAX-EXEMPT ORGANIZATION	Park and Recreation Association c/o John H. Doe, Treasurer	Park and Recreation Association By John H. Doe, Treasurer	Statement advising where authority can be found	EIN for the Organization
PARTNERSHIP (Written or Verbal)	Jones and Smith, A Partnership c/o Sam Jones	Jones and Smith, A Partnership By Sam Jones, A Partner	Statement signed by all partners certifying they are members of the partnership	Partnership EIN <u>3/</u>

1/ If EIN, Individual MUST be listed as SBI and SSN provided

2/ All ENTITIES/PERSONS Insured must be listed as SBI and EIN or SSN provided

3/ SSN of any spouse and/or individual holding a 10% or more interest; EIN if not individual.

EXHIBIT 6

HAIL/FIRE EXCLUSION APPRAISAL FACTOR CHART

The following table lists the appraisal factors for the following levels of coverage when the percent of hail/fire loss exceeds the difference between 100% and the level of coverage percent.

% Hail Damage	65%	70%	75%	80%	85%
15%	0	0	0	0	0
16%	0	0	0	0	.0118
17%	0	0	0	0	.0236
18%	0	0	0	0	.0354
19%	0	0	0	0	.0472
20%	0	0	0	0	.0590
21%	0	0	0	.0125	.0708
22%	0	0	0	.0250	.0826
23%	0	0	0	.0375	.0944
24%	0	0	0	.0500	.1062
25%	0	0	0	.0625	.1180
26%	0	0	.0133	.0750	.1298
27%	0	0	.0267	.0875	.1416
28%	0	0	.0400	.1000	.1534
29%	0	0	.0533	.1125	.1652
30%	0	0	.0667	.1250	.1770
31%	0	.0143	.0800	.1375	.1888
32%	0	.0286	.0933	.1500	.2006
33%	0	.0429	.1067	.1625	.2124
34%	0	.0571	.1200	.1750	.2242
35%	0	.0714	.1333	.1875	.2360
36%	.0154	.0857	.1467	.2000	.2478
37%	.0308	.1000	.1600	.2125	.2596
38%	.0462	.1143	.1733	.2250	.2714
39%	.0615	.1286	.1867	.2375	.2832
40%	.0769	.1429	.2000	.2500	.2950
41%	.0923	.1571	.2133	.2625	.3068
42%	.1077	.1714	.2267	.2750	.3186
43%	.1231	.1857	.2400	.2875	.3304
44%	.1385	.2000	.2533	.3000	.3422
45%	.1538	.2143	.2667	.3125	.3540
46%	.1692	.2286	.2800	.3250	.3658
47%	.1846	.2429	.2933	.3375	.3776
48%	.2000	.2571	.3067	.3500	.3894
49%	.2154	.2714	.3200	.3625	.4012
50%	.2308	.2857	.3333	.3750	.4130
51%	.2462	.3000	.3467	.3875	.4248
52%	.2615	.3143	.3600	.4000	.4366
53%	.2769	.3286	.3733	.4125	.4484
54%	.2923	.3429	.3867	.4250	.4602
55%	.3077	.3571	.4000	.4375	.4720
56%	.3231	.3714	.4133	.4500	.4838
57%	.3385	.3857	.4267	.4625	.4956
58%	.3538	.4000	.4400	.4750	.5074
59%	.3692	.4143	.4533	.4875	.5192
60%	.3846	.4286	.4667	.5000	.5310
61%	.4000	.4429	.4800	.5125	.5428
62%	.4154	.4571	.4933	.5250	.5546
63%	.4308	.4714	.5067	.5375	.5664
64%	.4462	.4857	.5200	.5500	.5782
65%	.4615	.5000	.5333	.5625	.5900

EXHIBIT 6

% Hail Damage	65%	70%	75%	80%	85%
66%	.4769	.5143	.5467	.5750	.6018
67%	.4923	.5286	.5600	.5875	.6136
68%	.5077	.5429	.5733	.6000	.6254
69%	.5231	.5571	.5867	.6125	.6372
70%	.5385	.5714	.6000	.6250	.6490
71%	.5538	.5857	.6133	.6375	.6608
72%	.5692	.6000	.6267	.6500	.6726
73%	.5846	.6143	.6400	.6625	.6844
74%	.6000	.6286	.6533	.6750	.6962
75%	.6154	.6429	.6667	.6875	.7080
76%	.6308	.6571	.6800	.7000	.7198
77%	.6462	.6714	.6933	.7125	.7316
78%	.6615	.6857	.7067	.7250	.7434
79%	.6769	.7000	.7200	.7375	.7552
80%	.6923	.7143	.7333	.7500	.7670
81%	.7077	.7286	.7467	.7625	.7788
82%	.7231	.7429	.7600	.7750	.7906
83%	.7385	.7571	.7733	.7875	.8024
84%	.7538	.7714	.7867	.8000	.8142
85%	.7692	.7857	.8000	.8125	.8260
86%	.7846	.8000	.8133	.8250	.8378
87%	.8000	.8143	.8267	.8375	.8496
88%	.8154	.8286	.8400	.8500	.8614
89%	.8308	.8429	.8533	.8625	.8732
90%	.8462	.8571	.8667	.8750	.8850
91%	.8615	.8714	.8800	.8875	.8968
92%	.8769	.8857	.8933	.9000	.9086
93%	.8923	.9000	.9067	.9125	.9204
94%	.9077	.9143	.9200	.9250	.9332
95%	.9231	.9286	.9333	.9375	.9440
96%	.9385	.9429	.9467	.9500	.9558
97%	.9538	.9571	.9600	.9625	.9676
98%	.9692	.9714	.9733	.9750	.9794
99%	.9846	.9857	.9867	.9875	.9912
100%	1.0000	1.0000	1.0000	1.0000	1.0000

Instructions for using the “Decimal Part of a Percent” chart below: Add the whole number to the decimal %.
 Example: 58.7 hail damage @ 65 % level of coverage (.3538 + .0108) = .3646 appraisal factor
 .3646 X guarantee per acre = appraisal for uninsured causes.

	65%	70%	75%	80%	85%
.1	.0015	.0014	.0013	.0013	.0012
.2	.0031	.0029	.0027	.0025	.0024
.3	.0046	.0043	.0040	.0038	.0035
.4	.0062	.0057	.0053	.0050	.0047
.5	.0077	.0071	.0067	.0063	.0059
.6	.0092	.0086	.0080	.0075	.0071
.7	.0108	.0100	.0093	.0088	.0083
.8	.0123	.0114	.0107	.0100	.0094
.9	.0138	.0129	.0120	.0113	.0106

EXHIBIT 7

FSA DOCUMENTS

FSA 425

Form FSA-425 (11-07-2001)	United States Department of Agriculture Farm Service Agency Any County FSA Office	MM-DD-YYYY			
BURLEY TOBACCO INFORMATION					
Requester: JONES, JULIUS BOX 243 BIRD CITY, NC 27847	Producer: SAMUAL SMITH 2333848 S SMITHVILLE, NC 27892				
Multicounty Producer? N					
6-CP eligibility indicator for 2001 is: Y					
6-CP eligibility indicator for the prior year (2000) is: Y					
FARM TRACT, BASE, AND YIELD INFORMATION					
Farm No. 1991	Requested Producer is: Other Owner's Name: Other Owner's Name: Other Owner's Name: Other Owner's Name:	OWNER ALICE A. SMITH BART B. SMITH CHARLES C. SMITH DONALD D. SMITH			
Tract No.	Farm land	Crop land	Photo/grid and Legal description		
1987	13.0	3.4	M2 4C/		
1988	32.0	13.8	M2 5C/		
1989	13.0	6.0	N1 5E/		
1990	135.0	92.0	N3 2C/		
1991	10.0	7.6	01 2D/		
1992	155.0	99.9	01 3A/		
1993	94.0	23.9	02 2A/		
Crop Name	Crop Year	Farm Yield	Effective Quota	Total Prev Year Mkt.	Carryover Lb. Qty
BURTS ***	2000	2,070	1,200	1,528	1,000
Note: A line of asterisks indicates there is no burley tobacco on the farm.					

EXHIBIT 7
FSA DOCUMENTS
FSA-426

Reproduce Locally: Include form number and date on reproduction							
FSA-426 U.S. DEPARTMENT OF AGRICULTURE (xx-xx-xxxx) Farm Service Agency MPCI/FCIC INFORMATION REQUEST WORKSHEET			1. COUNTY OFFICE NAME, ADDRESS AND TELEPHONE NO. (Include area code) <i>Anywhere County FSA Office (XXX) XXX-XXXX</i> <i>P.O. Box 555</i> <i>City, State XXXXX-XXXX</i>				
			2. Program Year 20YY		3. Date MM-DD-YYYY		
TO BE COMPLETED BY REQUESTER							
4. REQUESTER'S NAME <i>I. M. Adjuster</i>			A. ID NUMBER XXX-XX-XXXX		B. ID TYPE		
5. PRODUCER'S NAME		6. ID NUMBER	7. ID TYPE	8. INFORMATION REQUESTED Check appropriate box(es) that are applicable to producer			
				FSA-423	FSA-424	FSA-425	Map Photocopies
<i>I. M. Insured</i>		xxx-xx-xxxx	xxx		U		U
9. INFORMATION WILL BE: <input type="checkbox"/> MAILED <input checked="" type="checkbox"/> PICKED UP			ADDRESS, IF MAILED				
10. REMARKS							
11. REQUESTER'S SIGNATURE <i>I. M. Adjuster</i>							
TO BE COMPLETED BY FSA ONLY							
DATE RECEIVED		DATE FURNISHED		WORKLOAD DATA		INITIALS	
This program or activity will be conducted on a nondiscriminatory basis without regard to race, color, religion, national origin, age, sex, marital status, or handicap							

EXHIBIT 8

FSA ABBREVIATIONS ON AERIAL PHOTOS

FSA AERIAL PHOTO ABBREVIATIONS	MEANING
HEL	Highly erodible land
NHEL	Not highly erodible land
W	Wetland
NW	Nonwetland
CW	Wetland converted before 11/28/90
CWA	Wetland converted after 11/28/90 Example: "CW95" to indicate that the conversion occurred in 1995.
FW	Farmed wetland
PC	Wetland converted before 12/23/85
AW	Artificial wetland or irrigated wetland
MW	Converted wetlands determined to have a minimal effect
MG	A prior converted wetland is restored to replace a frequently cropped wetland that is converted
MG	A prior converted wetland is restored to replace a non-frequently cropped wetland
RW	Restored wetland that was converted before 11/28/90
RW	Restored wetland that was converted after 11/28/90
RW	Wetland that was restored under a good faith agreement
CWTE	Wetlands determined by NRCS to be exempt because of technical error
CWNA	Wetlands converted for non-agricultural uses
FW	Wetland granted a commenced conversion or third party exemption that allows a maintenance of the current system
PC	Wetland granted a commenced conversion or third party exemption that does not restrict any drainage activities on the land
NC	Noncropland pasture and acreage reclassified as noncropland.
CRP	Land that is being devoted on a nonagricultural use (Land is under Conservation Reserve Program contract).
BCSYR	Fields approved for early release from the Conservation Reserve Program. The "YR" is the year the CRP contract is scheduled to expire. CRP will have been lined through. When the originally expired date is reached the CRPBCSYR will be lined through and "Expired" will be shown beside it. Example Expired.
FSN	Farm Serial Number. It is placed in the upper-left corner of the farm on the photo.
T	T followed by numbers is the assigned "Tract number"; e.g., "T1520."
1...	An assigned number to identify the field, i.e., "1" or "2." When a field is subdivided a number followed by a letter suffix, such as "1A" is shown.

EXHIBIT 8

FSA CODES USED ON FSA-578

CROP STATUS CODES					
First Character		Second Character		Third Character	
I	Initial (1st crop)	I	Intended	M	Multiple plantings on the same field
D	Double crop (2nd crop)	P	Prevented Planting		
S	Subsequent crop (3rd or later crop)	F	Failed		
A	After prevented planted or failed	A	Abandoned (Only for Peanuts)		
E	Experimental (Not counted as a crop)	“ ”	Means planted		
R	Repeat (same crop)				
B	Program crop behind a contract commodity or minor oilseed.				

Examples: II-Initial Intended DF- Double crop failed I- Initial Planted

INTENDED USE CODES					
Abbreviation	Explanation		Abbreviation	Explanation	
BR	Brooders		JU	Juice	
CN	Canning		LV	Leaves	
DE	Dry edible		ML	Molasses	
DS	Destroyed without benefit		OL	Oil	
EG	Eggs		PP	Processing for pellets	
FD	Fodder		PR	Processed	
FF	Foodfish		RS	Rootstock	
FG	Forage		RT	Root(s)	
FH	Fresh		SD	Seed	
FN	Fingerlings		SE	Sets	
FZ	Freezing		SG	Silage	
GC	Greenchop		SK	Stockers	
GR	Grain		SO	Sod	
GZ	Grazing		ST	Storage	
GM	Green Manure				
GN	Greens		GP	Green peanuts	
HY	Hay		HP	Hogged peanuts	
HG	Haylage		NP	Nut peanuts	

EXHIBIT 9

FSA CODES USED ON FSA-578

LAND USE FLAG				
Abbreviation	Explanation		Abbreviation	Explanation
F	Fruit or Vegetables		N	No Credit
O	Other cropland (not counted for program purposes)			

FSA CODES AND ABBREVIATIONS

PLANTING PRACTICE CODES USED ON FSA-578
The planting practices on the FSA-578 are FCIC planting codes. Refer to the FCI-35 for the code and code explanation.

EXHIBIT 10

CLAIM CHECKLIST

A General Information for insurance provider

- (1) It is recommended that insurance providers provide this or a similar checklist to adjusters for them to complete during each loss inspection. (The insurance provider may choose to develop a similar checklist that has been modified to fit their region and the crops insured.)
- (2) The checklist is to be used as a tool to assist the adjuster in determining that important verifications have been made. It may be utilized for other purposes, such as review of adjusters' work, etc.
- (3) If the insurance provider chooses to use this checklist, be aware that this checklist was designed to be used nationwide. There may be some items that are not applicable to a particular geographical area or crop. On the other hand, there may be items that are not included on this list because they are specific to ONLY certain geographical areas or crops. Therefore, at the bottom of this checklist, space has been provided to add additional items that may be needed but have not been included.

B Adjuster completion instructions

- (1) Enter the insured's name, claim number, contract number, crop(s) and units inspected during the farm visit, and purpose of farm visit; e.g., acreage report review inspection, preliminary inspection, growing season inspection, final inspection, etc.
- (2) With a check mark, indicate "Yes" or "No" for each item on the checklist. If the item cannot be answered with a "Yes" or "No," explain on the line provided by each item or on the back of the checklist if more space is needed. Be sure to appropriately identify any comments made on the reverse side.
- (3) Signature is optional unless otherwise locally instructed; however, it is recommended that adjusters sign the form to facilitate any necessary follow-up action.

NOTE: An indication that a particular item has been verified, such as "Special Option endorsements verified" is intended to be an indication that you not only verified that the insured had the option, endorsement, etc., but that you also verified the insured's eligibility for such option, etc., and that all applicable provisions have been met and applied properly in the adjustment of the loss.

Distribution

Place the completed checklist in the insured's contract folder. No other copies are required to be distributed unless otherwise instructed by the insurance provider.

EXHIBIT 10
CLAIM CHECKLIST

		Insured-s name	Claim number	Policy number
		Crop(s)-Unit(s)		
YES	NO			
G	G	1	Insured Present _____	
G	G	2	Insurable Entity verified _____	
G	G	3	Timely Notice _____	
G	G	4	Share Verified _____	
G	G	5	Companion Contract Verified (if applicable) _____	
G	G	6	Legal Description Verified _____	
G	G	7	Practice(s) Insurability Verified _____	
G	G	8	Insurable Type/Variety Verified _____	
G	G	9	Planting Dates Verified _____	
G	G	10	Unit/Unit Division Verified _____	
G	G	11	Risk Area Verified _____	
G	G	12	Insurable Cause Of Loss _____	
G	G	13	Similar Damage _____	
G	G	14	Reasonable APH _____	
G	G	15	Insurable Acreage _____	
G	G	16	Sharing Interests _____	
G	G	17	Options/Endorsements _____	
G	G	18	Review Previous Reports _____	
G	G	19	Previous Appraisals _____	
G	G	20	Quality Adjustment Eligibility Verified _____	
G	G	21	Acreage Determined/Method _____	
G	G	22	Acreage Replanted _____	
G	G	23	Replanting Payment _____	
G	G	24	Certification Form _____	
G	G	25	Sold Production Verified _____	
G	G	26	Farm Stored Production Verified _____	
G	G	27	Commingled Production _____	
G	G	28	Fed Production Verified _____	
G	G	29	Other Names/Entities for Production Verified _____	
G	G	30	All Production Accounted For _____	
G	G	31	Unusual/Controversial Circumstances _____	
G	G	32	Reviewed Completed Claim with Insured or Insureds Representative _____	
G	G	33	Obtained Signatures _____	
G	G	34	Other _____	
G	G	35	Other _____	

Adjuster-s Signature _____ Date _____

EXHIBIT 11

CERTIFICATION FORM AND COMPLETION INSTRUCTIONS

EXHIBIT 11

CERTIFICATION FORM AND COMPLETION INSTRUCTIONS

Refer to paragraph 54 for detailed information pertaining to uses of this form.

Complete the following entries:

- A Items 1 thru 12 and items 17 (intended use), 21, 22 and 23.
- B The insured will complete the following entries: Items 13, 14, 15, 16, 17 (actual use), 18, 19 and 20.
- C Item numbers below apply to replant, crop with no market value (such as aflatoxin-infected corn), and final inspections (unless otherwise designated) and correspond with item numbers on the Certification Form.

Item No. Completion instructions:

- 1 Contract number exactly as shown on the most recent policy confirmation.
- 2 Name of insured PRINTED exactly as shown on the most recent policy confirmation.
- 3 Date originated (inspection date).
- 4 Name of crop.
- 5 Farm Serial Number from the acreage report after verification.
- 6 Name of the individual (or office) and address of where the completed Certification Form will be mailed.
- 7 Unit number from acreage report after verification.
- 8 Total acres, to tenths, of crop on the unit. Account for all crop acreage on the unit.
- 9 Enter Crop Year.
- 10 Identification symbol for each field (corresponds to the entry for this item on the claim form. Leave items 10 thru 17 blank when completed for special delayed claims (see PAR. 59).
- 11 Intended use of the acreage in the field. Make separate line entries for different intended uses of fields or subfields ("plow-under," "cut for hay," "destroy aflatoxin-infected corn," "destroy zero-value production," etc).
- 12 Acres, to tenths, of the intended use. (The acreage of all fields and subfields must equal the total acres in the unit as shown in item 8.)

EXHIBIT 11

COMPLETION INSTRUCTIONS FOR THE CERTIFICATION FORM (Continued)

Item No. Completion instructions:

- 13 Actual use of the acreage in the field (when completed). Make separate line entries for different actual uses.
- 14 Acres, to tenths, of actual use. (The acreage of all fields and subfields must equal the total acres in the unit as shown in item 8.)
- 15 Date that any acreage was replanted, crop with no market value (such as aflatoxin-infected corn) was destroyed, OR that each field in the ENTIRE unit was put to another use.
- 16 For replant payments only: Insured's actual cost per acre for replanting.
- 17 Total acreage of intended use and actual use, respectively.
- 18 Enter any remarks necessary to explain any entries on the form. (Method(s) used to destroy aflatoxin-infected corn or production records available).
- 19 Signature of the insured or insured-s authorized representative, if applicable, after the actual use and after the Certification Form, has been completed. If the landlord and tenant are both insured, the operator-s (tenant-s) certification can be used for both the landlord and operator.
- 20 Date of signature by the insured.
- 21 Acceptance or rejection as signified by a check mark in the corresponding box. If the Certification Form is rejected, refer to paragraph 56.

NOTE: A second field inspection is required for:

- (1) mycotoxin infected crops that are infected at a level which Federal or State law require destruction of the production.
 - (2) special delayed claims to verify information reported.
- 22 Code number and signature by the adjuster or supervisor who accepted (or rejected) the completed form.
 - 23 Date of signature by the adjuster or field representative.

DISTRIBUTION: Unless otherwise instructed by the insurance provider distribute copies as follows:

- ☐ Original and one copy to the insured.
- ☐ One copy to the contract folder.

EXHIBIT 11

CERTIFICATION FORM								
Complete and mail this form within five (5) days after: All acreage in the unit has been put to another use, or completion of replanting on the unit for replanting payment <u>1/</u>								
1. CONTRACT NO. XX-XX-XXXXX			2. INSURED I.M. INSURED			3. DATE ORIGINATED 06/15/YYYY		
4. CROP Soybeans			5. FARM SERIAL NO. 1264			6. MAIL TO: INSURANCE PROVIDER		
7. UNIT NO. 00100	8. UNIT ACRES 85 0		9. YEAR 20YY			ANY STREET ADDRESS		
Replant/Other Use of acreage Identified above was completed on the date(s) shown:						ANY TOWN, STATE XXXXX		
10. FIELD ID	11. INTENDED USE	12. ACRES		13. ACTUAL USE	14. ACRES		15. DATE	16. REPLANT COST
A	<i>To Replant</i>	20	0	<i>Replanted</i>	20	0	6/30/YYYY	18.00
A	<i>Not Replanted</i>	20	0	<i>Not Replanted</i>	20	0		
B	<i>Not Replanted</i>	45	0	<i>Not Replanted</i>	45	0		
17. TOTALS		85	0		85	0		
<p><u>1/</u> Refer to the crop policy qualifications for replanting payments.</p> <p>I submit this report pursuant to the requirements of my above-identified crop INSURANCE contract, and I certify that to the best of my knowledge and belief the information shown above is correct and that such information can be used for processing the claim which I previously signed.</p>								
19. INSURED-S SIGNATURE <i>I. M. Insured</i>						20. DATE 6/30/YYYY		
21. ACCEPTED 9 REJECTED		22. CODE NO. AND FIELD PERSON-S SIGNATURE XXXXX <i>I. M. Adjuster</i>				23. DATE 7/5/YYYY		
ORIGINAL								

EXHIBIT 12

SELF-CERTIFICATION REPLANT WORKSHEET AND COMPLETION INSTRUCTIONS

The following items correspond with the item number on the Self-Certification Replant Worksheet Form example in this exhibit. Complete items as follows:

Item
No.

- 1 Insurance provider-s name.
- 2 Insured's name as shown on the most recent Policy Confirmation.
- 3 Policy number from the most recent Policy Confirmation.
- 4 Crop year and crop; e.g., 2001 Soybeans.
- 5 Claim Number.
- 6 Insured's share to THREE decimal places. (If shares vary on same UNIT, all shares must be listed and the acreage associated with each share must be identified.)
- 7 Unit number from the acreage report.
- 8 FSA Farm Serial Number for the replanted acreage.
- 9 Total number of insurable acres in the unit.
- 10 Total number of replanted acres.
- 11 Legal description(s) where acreage is replanted.
- 12 Insured cause of damage.
- 13 Month plus the year, during which MOST of the insured damage occurred. Include the specific DATE where applicable; e.g., JUN 1-YYYY.
- 14 Date acreage was originally planted.
- 15 Date acreage was replanted.
- 16 Sketch of the field and replanted acreage (shaded as instructed on worksheet).
- 17 Initial type/practice and the type/practice used for the replanted acreage (indicate by placing a check mark by the applicable practice). Write in practice or type if not listed. Write in tillage method used for the original planting and tillage method used for the replanted acreage.

EXHIBIT 12

SELF-CERTIFICATION REPLANT WORKSHEET AND COMPLETION INSTRUCTIONS

Item
No.

- 18 Insured's estimate of yield potential per acre on acres to be replanted.
- 19 Mark "YES" or "NO" as indicated.
- 20 Mark "landlord", "tenant", or "owner/operator" to indicate insured entity.
- Insured's TOTAL ACTUAL cost to replant the acreage. (Only the dollar amount the insured paid or is liable for.)
- 21 Indicate whether an agreement exists with any other insured party to incur the entire cost of replanting or to receive all replant payments. If question in item 21 is answered "Yes" include documentation of the agreement. If such provision is not shown in the policy, replant payments are limited to the insured's actual cost times the share no matter what agreement is in effect.
- 22 Insured's signature and date, certifying to information on the worksheet.
- 23 Adjuster's signature, code number, and date (after reviewing and determining worksheet is correctly completed and crop acreage is eligible for a replanting payment.)

GENERAL RANDOM REVIEW (AUDIT) INFORMATION.

- (a) Items 24-31 of the worksheet are to be completed when a random review (audit) is done.
- (b) Use a Special Report when there is not room in item 23 for documenting additional information or reasons for differences found during the review.
- (c) As part of the random review determine the unit acreage. If the determined acreage does not agree with what is on the worksheet, enter this fact in item 23 or on a Special Report.
- (d) Any information recorded on the Self-Certification Replant Worksheet or on the claim form that is found to be incorrect, line through the incorrect information, enter the correct information, and have the insured initial the change. (If you find it necessary or if instructed by the insurance provider, prepare a new claim form and void the original.)

EXHIBIT 12

SELF-CERTIFICATION REPLANT WORKSHEET AND COMPLETION INSTRUCTIONS

Item
No.

- 24 Enter information pertinent to audit. If additional room is needed, use a Special Report and write appropriately, "See attached (Title or number of form used for documentation purposes)." in item 23.
- 25 Enter the reviewer code number and the date of review.
- 26 Enter "O.K." if you verify that the number of acres actually replanted agree with the entry in item 10. If you verify that the number of acres do not agree with item 10, enter the correct number of acres replanted.
- 27 Enter "O.K." if you verify that the date of damage agrees with the entry in item 13. If you verify that the date of damage does not agree with the entry in item 13, determine the correct date and enter.
- 28 Enter "O.K." if you verify that the cause of damage is insurable and agrees with the entry in item 12. If you verify that the entry does not agree with the entry in item 12, enter the cause of damage you have determined. If the cause of damage is not insurable, identify as such.
- 29 Enter "O.K." if you verify that the type or practice used for replanted acreage agrees with the entry in item 17. If you verify that the practice replanted does not agree with item 17, enter the practice you have determined.
- 30 Enter "Yes" or "No" to indicate whether the acreage recorded in item 10 and 26 appears to qualify for the replanting payment. If you answered no, document why the acreage did not qualify for the replant payment in item 24 or on a Special Report.
- 31 Enter "O.K." after you have verified with the insured or insured's authorized representative that the total cost incurred by the INSURED for the replanting operation (without regard to crop share and substantiated by receipts) is the same as the entry in item 20. If you verify that the total cost incurred by the INSURED in item 20 does not agree with your determination, enter the total cost you have determined and explain the difference in item 24 or on a Special Report.

DISTRIBUTION:

Adjuster:

- 1 Transmit partially completed original and two copies to the insured to be completed by the insured.

EXHIBIT 12

SELF-CERTIFICATION REPLANT WORKSHEET AND COMPLETION INSTRUCTIONS

- 2 Attach the completed original and copies (with receipts showing replanting costs) to all copies of the completed claim form and transmit in accordance with instructions from your insurance provider.

After the Self-Certified Replant claim is approved for processing, the minimum distribution of the Self-Certified Replant Worksheet is as follows:

- (a) Original attached to original claim to the office designated by the insurance provider to maintain insureds' file of original documents.
- (b) One copy to the insured along with a legible copy of the claim.

EXHIBIT 12

SELF-CERTIFICATION REPLANT WORKSHEET

GUIDELINES:

The self-certification Replant Worksheet may be used when the acreage to be replanted is 50 acres or less for a unit. Per policy provisions, in order to qualify for a replant payment, the number of acres to be replanted must be at least the lesser of 20 acres or 20% of the insured planted acreage for the unit (as determined on the final planting date or within the late planting period if a late planting period is applicable). The potential for the acres to be replanted must not exceed the amount stated in the crop policy. A replant payment may be made only once on acreage in the same location for the same crop. The maximum replant payment for eligible crops is your actual cost not to exceed the amount indicated in your policy.

INSTRUCTIONS: Please fill out the following information completely.

1. COMPANY ABC		2. INSURED-S NAME I.M. Insured		3. POLICY NUMBER XX-XXX-XXXXX		4. CROP/CROP YEAR Corn YYYY		
5. CLAIM NUMBER xxxxx	6. SHARE 1.000	7. UNIT NO. 0 0100	8. FSA FSN 1234	9. UNIT ACRES 100.0	10. REPLANT ACRES 20.0			
11. LEGAL DESCRIPTION E 2 6 Section Township 8 10 Range			12. CAUSE OF DAMAGE Excess Precipitation		13. DATE OF DAMAGE MM-YYYY		14. ORIGINAL PLANT DATE MM-DD	
						15. REPLANT DATE MM-DD		

16. Draw the field where the crop is planted. Shade the area actually replanted.

FIELD DIAGRAM

N

S

17. Indicate the practice/type utilized (✓).

	ORIGINAL	REPLANT
Drilled		
Broadcast Airplane-seeded		
Rowed Dry bean type	✓	✓
Tillage method		
Other		

18. My yield potential for the acres to be replanted is 100.0 bu. per acre.

19. Is damage on your farm similar to other farms in the area?
YES U NO _____ (explain)

20. The following represent my ACTUAL REPLANT COSTS as
landlord _____ tenant _____ owner/operator U

MY TOTAL ACTUAL COST FOR REPLANTED ACRES:
 SEED \$ XX.XX (Attach seed receipt)
 CLEANING \$ _____ (Bin run seed)
 HERBICIDE \$ XX.XX (Attach receipt)
 labor \$ XX.XX \$ XXX.XX
 (other) TOTAL EXPENSE

21. I have an agreement with the other insured party(ies) to incur the entire cost of replanting or to receive all replant payments as provided by policy provisions.
 YES _____ NO X (If yes, provide documentation)

I certify the information provided above to the best of my knowledge, to be true and complete, and I understand that it will be used to determine my replanting payment, if any, for damage to the above crop. I also understand that this Worksheet and supporting papers are subject to audit and approval by the insurance provider, and that my signature herein authorizes the insurance provider to process a replanting payment in accordance with the terms of my insurance contract. I understand that any false or inaccurate information may result in the sanctions outlined in my policy and administrative, civil, and criminal sanctions under 18 U.S.C. ' ' 1006 and 1014, 7 U.S.C. ' 1506; 31 U.S.C. ' ' 3729 and 3730 and other federal statutes.

22. I, M. Insured _____ MM-DD-YYYY _____
 (Insured-s Signature) (Date)

23. I.M. Adjuster _____ XXXXX _____ MM-DD-YYYY _____
 (Adjuster-s Signature and Code No.) (Date)

FOR OFFICE USE ONLY - AUDIT INFORMATION

24. Review Remarks	25. Reviewer code/Date	26. Actual/Replant Acres	27. Date of Damage	28. Cause of Damage
	29. Replant Practice	30. Did acreage appear to qualify?	31. Actual Cost	

EXHIBIT 13

SQUARE ROOT TABLE

N	/n		n	/n		n	/n		n	/n
1	1.000		28	5.292		55	7.416		82	9.055
2	1.414		29	5.385		56	7.483		83	9.110
3	1.732		30	5.477		57	7.550		84	9.165
4	2.000		31	5.568		58	7.616		85	9.220
5	2.236		32	5.657		59	7.681		86	9.274
6	2.449		33	5.745		60	7.746		87	9.327
7	2.646		34	5.831		61	7.810		88	9.381
8	2.828		35	5.916		62	7.874		89	9.434
9	3.000		36	6.000		63	7.937		90	9.487
10	3.162		37	6.083		64	8.000		91	9.539
11	3.317		38	6.164		65	8.062		92	9.592
12	3.464		39	6.245		66	8.124		93	9.644
13	3.606		40	6.325		67	8.185		94	9.695
14	3.742		41	6.403		68	8.246		95	9.747
15	3.873		42	6.481		69	8.307		96	9.798
16	4.000		43	6.557		70	8.367		97	9.849
17	4.123		44	6.633		71	8.426		98	9.899
18	4.243		45	6.708		72	8.485		99	9.950
19	4.359		46	6.782		73	8.544		100	10.000
20	4.472		47	6.856		74	8.602			
21	4.583		48	6.928		75	8.660			
22	4.690		49	7.000		76	8.718			
23	4.796		50	7.071		77	8.775			
24	4.899		51	7.141		78	8.832			
25	5.000		52	7.211		79	8.888			
26	5.099		53	7.280		80	8.944			
27	5.196		54	7.348		81	9.000			

EXHIBIT 14

ROUND BIN CONVERSION CHART: CONVERTING CIRCUMFERENCE TO DIAMETER: SQUARE FOOT FACTOR CHART						
FACTOR FOR DETERMINING GROSS CUBIC FEET IN ROUND STRUCTURES						
Circumference (feet)	Diameter (feet)	Factor (sq. ft.)		Circumference (feet)	Diameter (feet)	Factor (sq. ft.)
18.7-19.0	6.0	28.3		26.6-26.8	8.5	56.8
19.1-19.3	6.1	29.2		26.9-27.1	8.6	58.1
19.4-19.6	6.2	30.2		27.2-27.4	8.7	59.5
19.7-19.9	6.3	31.2		27.5-27.8	8.8	60.8
20.0-20.2	6.4	32.2		27.9-28.1	8.9	62.2
20.3-20.5	6.5	33.2		28.2-28.4	9.0	63.6
20.6-20.8	6.6	34.2		28.5-28.7	9.1	65.0
20.9-21.2	6.7	35.3		28.8-29.0	9.2	66.4
21.3-21.5	6.8	36.3		29.1-29.3	9.3	67.9
21.6-21.8	6.9	37.4		29.4-29.6	9.4	69.4
21.9-22.1	7.0	38.5		29.7-30.0	9.5	70.9
22.2-22.4	7.1	39.6		30.1-30.3	9.6	72.4
22.5-22.7	7.2	40.7		30.4-30.6	9.7	73.9
22.8-23.0	7.3	41.9		30.7-30.9	9.8	75.4
23.1-23.4	7.4	43.0		31.0-31.2	9.9	77.0
23.5-23.7	7.5	44.2		31.3-31.5	10.0	78.5
23.8-24.0	7.6	45.4		31.6-31.8	10.1	80.1
24.1-24.3	7.7	46.6		31.9-32.2	10.2	81.7
24.4-24.6	7.8	47.8		32.3-32.5	10.3	83.3
24.7-24.9	7.9	49.0		32.6-32.8	10.4	85.0
25.0-25.2	8.0	50.3		32.9-33.1	10.5	86.6
25.3-25.6	8.1	51.5		33.2-33.4	10.6	88.3
25.7-25.9	8.2	52.8		33.5-33.7	10.7	89.9
26.0-26.2	8.3	54.1		33.8-34.0	10.8	91.6
26.3-26.5	8.4	55.4		34.1-34.4	10.9	93.3

EXHIBIT 14

ROUND BIN CONVERSION CHART: CONVERTING CIRCUMFERENCE TO DIAMETER: SQUARE FOOT FACTOR CHART						
FACTOR FOR DETERMINING GROSS CUBIC FEET IN ROUND STRUCTURES						
34.5-34.7	11.0	95.0		42.3-42.5	13.5	143.2
34.8-35.0	11.1	96.8		42.6-42.8	13.6	145.3
35.1-35.3	11.2	98.5		42.9-43.1	13.7	147.4
35.4-35.6	11.3	100.3		43.2-43.5	13.8	149.5
35.7-35.9	11.4	102.1		43.6-43.8	13.9	151.7
36.0-36.2	11.5	103.9		43.9-44.1	14.0	153.9
36.3-36.5	11.6	105.7		44.2-44.4	14.1	156.1
36.6-36.9	11.7	107.5		44.5-44.7	14.2	158.3
37.0-37.2	11.8	109.3		44.8-45.0	14.3	160.6
37.3-37.5	11.9	111.2		45.1-45.3	14.4	162.9
37.6-37.8	12.0	113.1		45.4-45.7	14.5	165.2
37.9-38.1	12.1	115.0		45.8-46.0	14.6	167.4
38.2-38.4	12.2	116.9		46.1-46.3	14.7	169.7
38.5-38.7	12.3	118.8		46.4-46.6	14.8	172.0
38.8-39.1	12.4	120.8		46.7-46.9	14.9	174.4
39.2-39.4	12.5	122.8		47.0-47.2	15.0	176.7
39.5-39.7	12.6	124.7		47.3-47.5	15.1	179.1
39.8-40.0	12.7	126.7		47.6-47.9	15.2	181.4
40.1-40.3	12.8	128.6		48.0-48.2	15.3	183.9
40.4-40.6	12.9	130.7		48.3-48.5	15.4	186.3
40.7-40.9	13.0	132.7		48.6-48.8	15.5	188.7
41.0-41.3	13.1	134.8		48.9-49.1	15.6	191.2
41.4-41.6	13.2	136.8		49.2-49.4	15.7	193.6
41.7-41.9	13.3	138.9		49.5-49.7	15.8	196.0
42.0-42.2	13.4	141.1		49.8-50.1	15.9	198.5

EXHIBIT 14

ROUND BIN CONVERSION CHART: CONVERTING CIRCUMFERENCE TO DIAMETER: SQUARE FOOT FACTOR CHART						
FACTOR FOR DETERMINING GROSS CUBIC FEET IN ROUND STRUCTURES						
50.2-50.4	16.0	201.1		58.0-58.2	18.5	268.8
50.5-50.7	16.1	203.6		58.3-58.5	18.6	271.7
50.8-51.0	16.2	206.1		58.6-58.9	18.7	274.7
51.1-51.3	16.3	208.7		59.0-59.2	18.8	277.6
51.4-51.6	16.4	211.3		59.3-59.5	18.9	280.5
51.7-51.9	16.5	213.9		59.6-59.8	19.0	283.5
52.0-52.3	16.6	216.5		59.9-60.1	19.1	286.5
52.4-52.6	16.7	219.0		60.2-60.4	19.2	289.5
52.7-52.9	16.8	221.6		60.5-60.7	19.3	292.6
53.0-53.2	16.9	224.3		60.8-61.1	19.4	295.6
53.3-53.5	17.0	227.0		61.2-61.4	19.5	298.7
53.6-53.8	17.1	229.7		61.5-61.7	19.6	301.8
53.9-54.1	17.2	232.3		61.8-62.0	19.7	304.8
54.2-54.5	17.3	235.1		62.1-62.3	19.8	307.9
54.6-54.8	17.4	237.8		62.4-62.6	19.9	311.0
54.9-55.1	17.5	240.6		62.7-62.9	20.0	314.2
55.2-55.4	17.6	243.3		63.0-63.3	20.1	317.3
55.5-55.7	17.7	246.1		63.4-63.6	20.2	320.4
55.8-56.0	17.8	248.8		63.7-63.9	20.3	323.7
56.1-56.3	17.9	251.6		64.0-64.2	20.4	326.9
56.4-56.7	18.0	254.5		64.3-64.5	20.5	330.1
56.8-57.0	18.1	257.3		64.6-64.8	20.6	333.3
57.1-57.3	18.2	260.1		64.9-65.1	20.7	336.5
57.4-57.6	18.3	263.0		65.2-65.5	20.8	339.8
57.7-57.9	18.4	265.9		65.6-65.8	20.9	343.1

EXHIBIT 14

ROUND BIN CONVERSION CHART: CONVERTING CIRCUMFERENCE TO DIAMETER: SQUARE FOOT FACTOR CHART						
FACTOR FOR DETERMINING GROSS CUBIC FEET IN ROUND STRUCTURES						
65.9-66.1	21.0	346.4		73.7-73.9	23.5	433.8
66.2-66.4	21.1	349.7		74.0-74.2	23.6	437.5
66.5-66.7	21.2	353.0		74.3-74.6	23.7	441.2
66.8-67.0	21.3	356.3		74.7-74.9	23.8	444.9
67.1-67.3	21.4	359.7		75.0-75.2	23.9	448.6
67.4-67.7	21.5	363.1		75.3-75.5	24.0	452.4
67.8-68.0	21.6	366.5		75.6-75.8	24.1	456.2
68.1-68.3	21.7	369.8		75.9-76.1	24.2	459.9
68.4-68.6	21.8	373.2		76.2-76.4	24.3	463.8
68.7-68.9	21.9	376.7		76.5-76.8	24.4	467.6
69.0-69.2	22.0	380.1		76.9-77.1	24.5	471.5
69.3-69.5	22.1	383.6		77.2-77.4	24.6	475.3
69.6-69.9	22.2	387.0		77.5-77.7	24.7	479.2
70.0-70.2	22.3	390.6		77.8-78.0	24.8	483.0
70.3-70.5	22.4	394.1		78.1-78.3	24.9	486.9
70.6-70.8	22.5	397.6		78.4-78.6	25.0	490.9
70.9-71.1	22.6	401.2		78.7-79.0	25.1	494.8
71.2-71.4	22.7	404.7		79.1-79.3	25.2	498.7
71.5-71.7	22.8	408.3		79.4-79.6	25.3	502.7
71.8-72.0	22.9	411.9		79.7-79.9	25.4	506.7
72.1-72.4	23.0	415.5		80.0-80.2	25.5	510.7
72.5-72.7	23.1	419.1		80.3-80.5	25.6	514.8
72.8-73.0	23.2	422.7		80.6-80.8	25.7	518.8
73.1-73.3	23.3	426.4		80.9-81.2	25.8	522.8
73.4-73.6	23.4	430.1		81.3-81.5	25.9	526.8

EXHIBIT 14

ROUND BIN CONVERSION CHART: CONVERTING CIRCUMFERENCE TO DIAMETER: SQUARE FOOT FACTOR CHART						
FACTOR FOR DETERMINING GROSS CUBIC FEET IN ROUND STRUCTURES						
81.6-81.8	26.0	530.9		89.4-89.6	28.5	638.0
81.9-82.1	26.1	535.0		89.7-90.0	28.6	642.5
82.2-82.4	26.2	539.1		90.1-90.3	28.7	646.9
82.5-82.7	26.3	543.3		90.4-90.6	28.8	651.4
82.8-83.0	26.4	547.4		90.7-90.9	28.9	656.0
83.1-83.4	26.5	551.6		91.0-91.2	29.0	660.5
83.5-83.7	26.6	555.7		91.3-91.5	29.1	665.1
83.8-84.0	26.7	559.9		91.6-91.8	29.2	669.6
84.1-84.3	26.8	564.1		91.9-92.2	29.3	674.3
84.4-84.6	26.9	568.3		92.3-92.5	29.4	678.9
84.7-84.9	27.0	572.6		92.6-92.8	29.5	683.5
85.0-85.2	27.1	576.8		92.9-93.1	29.6	688.2
85.3-85.6	27.2	581.0		93.2-93.4	29.7	692.8
85.7-85.9	27.3	585.4		93.5-93.7	29.8	697.4
86.0-86.2	27.4	589.7		93.8-94.0	29.9	702.1
86.3-86.5	27.5	594.0		94.1-94.4	30.0	706.9
86.6-86.8	27.6	598.3		94.5-94.7	30.1	711.6
86.9-87.1	27.7	602.6		94.8-95.0	30.2	716.3
87.2-87.4	27.8	607.0		95.1-95.3	30.3	721.1
87.5-87.8	27.9	611.4		95.4-95.6	30.4	725.8
87.9-88.1	28.0	615.8		95.7-95.9	30.5	730.6
88.2-88.4	28.1	620.2		96.0-96.2	30.6	735.4
88.5-88.7	28.2	624.6		96.3-96.6	30.7	740.2
88.8-89.0	28.3	629.0		96.7-96.9	30.8	745.1
89.1-89.3	28.4	633.5		97.0-97.2	30.9	749.9

EXHIBIT 14

ROUND BIN CONVERSION CHART: CONVERTING CIRCUMFERENCE TO DIAMETER: SQUARE FOOT FACTOR CHART						
FACTOR FOR DETERMINING GROSS CUBIC FEET IN ROUND STRUCTURES						
97.3-97.5	31.0	754.8		105.1-105.4	33.5	881.4
97.6-97.8	31.1	759.6		105.5-105.7	33.6	886.7
97.9-98.1	31.2	764.5		105.8-106.0	33.7	892.0
98.2-98.4	31.3	769.4		106.1-106.3	33.8	897.3
98.5-98.8	31.4	774.4		106.4-106.6	33.9	902.6
98.9-99.1	31.5	779.3		106.7-106.9	34.0	907.9
99.2-99.4	31.6	784.3		107.0-107.2	34.1	913.3
99.5-99.7	31.7	789.2		107.3-107.5	34.2	918.6
99.8-100.0	31.8	794.2		107.6-107.9	34.3	924.0
100.1-100.3	31.9	799.2		108.0-108.2	34.4	929.4
100.4-100.6	32.0	804.2		108.3-108.5	34.5	934.8
100.7-101.0	32.1	809.3		108.6-108.8	34.6	940.2
101.1-101.3	32.2	814.3		108.9-109.1	34.7	945.7
101.4-101.6	32.3	819.4		109.2-109.4	34.8	951.1
101.7-101.9	32.4	824.5		109.5-109.7	34.9	956.6
102.0-102.2	32.5	829.6		109.8-110.1	35.0	962.1
102.3-102.5	32.6	834.7		110.2-110.4	35.1	967.6
102.6-102.8	32.7	839.8		110.5-110.7	35.2	973.1
102.9-103.2	32.8	845.0		110.8-111.0	35.3	978.7
103.3-103.5	32.9	850.1		111.1-111.3	35.4	984.2
103.6-103.8	33.0	855.3		111.4-111.6	35.5	989.8
103.9-104.1	33.1	860.5		111.7-111.9	35.6	995.4
104.2-104.4	33.2	865.7		112.0-112.3	35.7	1001.0
104.5-104.7	33.3	870.9		112.4-112.6	35.8	1006.6
104.8-105.0	33.4	876.2		112.7-112.9	35.9	1012.2

EXHIBIT 14

ROUND BIN CONVERSION CHART: CONVERTING CIRCUMFERENCE TO DIAMETER: SQUARE FOOT FACTOR CHART						
FACTOR FOR DETERMINING GROSS CUBIC FEET IN ROUND STRUCTURES						
113.0-113.2	36.0	1017.9		120.8-121.1	38.5	1164.2
113.3-113.5	36.1	1023.5		121.2-121.4	38.6	1170.2
113.6-113.8	36.2	1029.2		121.5-121.7	38.7	1176.3
113.9-114.1	36.3	1034.9		121.8-122.0	38.8	1182.4
114.2-114.5	36.4	1040.6		122.1-122.3	38.9	1188.5
114.6-114.8	36.5	1046.3		122.4-122.6	39.0	1194.6
114.9-115.1	36.6	1052.1		122.7-122.9	39.1	1200.7
115.2-115.4	36.7	1057.8		123.0-123.3	39.2	1206.9
115.5-115.7	36.8	1063.6		123.4-123.6	39.3	1213.0
115.8-116.0	36.9	1069.4		123.7-123.9	39.4	1219.2
116.1-116.3	37.0	1075.2		124.0-124.2	39.5	1225.4
116.4-116.7	37.1	1081.0		124.3-124.5	39.6	1231.6
116.8-117.0	37.2	1086.9		124.6-124.8	39.7	1237.9
117.1-117.3	37.3	1092.7		124.9-125.1	39.8	1244.1
117.4-117.6	37.4	1098.6		125.2-125.5	39.9	1250.4
117.7-117.9	37.5	1104.5		125.6-125.8	40.0	1256.6
118.0-118.2	37.6	1110.4		125.9-126.1	40.1	1262.9
118.3-118.5	37.7	1116.3		126.2-126.4	40.2	1269.2
118.6-118.9	37.8	1122.2		126.5-126.7	40.3	1275.6
119.0-119.2	37.9	1128.2		126.8-127.0	40.4	1281.9
119.3-119.5	38.0	1134.1		127.1-127.3	40.5	1288.3
119.6-119.8	38.1	1140.1		127.4-127.7	40.6	1294.6
119.9-120.1	38.2	1146.1		127.8-128.0	40.7	1301.0
120.2-120.4	38.3	1152.1		128.1-128.3	40.8	1307.4
120.5-120.7	38.4	1158.1		128.4-128.6	40.9	1313.8

EXHIBIT 14

ROUND BIN CONVERSION CHART: CONVERTING CIRCUMFERENCE TO DIAMETER: SQUARE FOOT FACTOR CHART						
FACTOR FOR DETERMINING GROSS CUBIC FEET IN ROUND STRUCTURES						
128.7-128.9	41.0	1320.3		136.6-136.8	43.5	1486.2
129.0-129.2	41.1	1326.7		136.9-137.1	43.6	1493.0
129.3-129.5	41.2	1333.2		137.2-137.4	43.7	1499.9
129.6-129.9	41.3	1339.6		137.5-137.7	43.8	1506.7
130.0-130.2	41.4	1346.1		137.8-138.0	43.9	1513.6
130.3-130.5	41.5	1352.7		138.1-138.3	44.0	1520.5
130.6-130.8	41.6	1359.2		138.4-138.6	44.1	1527.5
130.9-131.1	41.7	1365.7		138.7-139.0	44.2	1534.4
131.2-131.4	41.8	1372.3		139.1-139.3	44.3	1541.3
131.5-131.7	41.9	1378.9		139.4-139.6	44.4	1548.3
131.8-132.1	42.0	1385.4		139.7-139.9	44.5	1555.3
132.2-132.4	42.1	1392.0		140.0-140.2	44.6	1562.3
132.5-132.7	42.2	1398.7		140.3-140.5	44.7	1569.3
132.8-133.0	42.3	1405.3		140.6-140.8	44.8	1576.3
133.1-133.3	42.4	1412.0		140.9-141.1	44.9	1583.4
133.4-133.6	42.5	1418.6		141.2-141.5	45.0	1590.4
133.7-133.9	42.6	1425.3		141.6-141.8	45.1	1597.5
134.0-134.3	42.7	1432.0		141.9-142.1	45.2	1604.6
134.4-134.6	42.8	1438.7		142.2-142.4	45.3	1611.7
134.7-134.9	42.9	1445.5		142.5-142.7	45.4	1618.8
135.0-135.2	43.0	1452.2		142.8-143.0	45.5	1626.0
135.3-135.5	43.1	1459.0		143.1-143.3	45.6	1633.1
135.6-135.8	43.2	1465.7		143.4-143.7	45.7	1640.3
135.9-136.1	43.3	1472.5		143.8-144.0	45.8	1647.5
136.2-136.5	43.4	1479.3		144.1-144.3	45.9	1654.7

EXHIBIT 14

ROUND BIN CONVERSION CHART: CONVERTING CIRCUMFERENCE TO DIAMETER: SQUARE FOOT FACTOR CHART						
FACTOR FOR DETERMINING GROSS CUBIC FEET IN ROUND STRUCTURES						
144.4-144.6	46.0	1661.9		152.2-152.5	48.5	1847.5
144.7-144.9	46.1	1669.1		152.6-152.8	48.6	1855.1
145.0-145.2	46.2	1676.4		152.9-153.1	48.7	1862.7
145.3-145.6	46.3	1683.7		153.2-153.4	48.8	1870.4
145.7-145.9	46.4	1690.9		153.5-153.7	48.9	1878.1
146.0-146.2	46.5	1698.2		153.8-154.0	49.0	1885.7
146.3-146.5	46.6	1705.5		154.1-154.4	49.1	1893.5
146.6-146.8	46.7	1712.9		154.5-154.7	49.2	1901.2
146.9-147.1	46.8	1720.2		154.8-155.0	49.3	1908.9
147.2-147.4	46.9	1727.6		155.1-155.3	49.4	1916.7
147.5-147.8	47.0	1734.9		155.4-155.6	49.5	1924.4
147.9-148.1	47.1	1742.3		155.7-155.9	49.6	1932.2
148.2-148.4	47.2	1749.7		156.0-156.2	49.7	1940.0
148.5-148.7	47.3	1757.2		156.3-156.6	49.8	1947.8
148.8-149.0	47.4	1764.6		156.7-156.9	49.9	1955.7
149.1-149.3	47.5	1772.1		157.0-157.2	50.0	1963.5
149.4-149.6	47.6	1779.5				
149.7-150.0	47.7	1787.0				
150.1-150.3	47.8	1794.5				
150.4-150.6	47.9	1802.0				
150.7-150.9	48.0	1809.6				
151.0-151.2	48.1	1817.1				
151.3-151.5	48.2	1824.7				
151.6-151.8	48.3	1832.3				
151.9-152.1	48.4	1839.8				

EXHIBIT 15

NOTICE OF DAMAGE OR LOSS FORM STANDARDS

The following provides the Notice of Damage or Loss Form standards.

A Insured's E-mail Notice of Loss

The insured can provide notice via E-mail, but must have the following information in order to be considered as complying with the policy requirements for providing a written notice:

- (1) Insured's Name
- (2) Policy number
- (3) Crops for which notice is being provided
- (4) State and county in which the damage acreage is located

However, if the e-mail notice is not accompanied by an electronic signature for the insured, insurance providers are still responsible for verifying that the notice of loss was actually submitted by the policyholder. All other information contained in subparagraph B below must be obtained from the insured via telephone, postal service, fax, in person, etc.

B Notice of Damage or Loss Form Standards

Following are the minimum items that are required (identified as substantive) for this form. Also, included are suggested but not required items identified as non-substantive).

- (1) Title of Form - ANotice of Damage or Loss@(Substantive)
- (2) Company Name, Address, and Telephone Number (Substantive)
- (3) Insured's Name (Substantive)
- (4) Insured's Address and Telephone Number (Substantive)
- (5) Policy Number (Substantive)
- (6) Claim Number (Non-substantive)
- (7) Agency Name (Substantive)
- (8) Agency Address and Phone Number (Substantive)
- (9) Best Time to Contact Insured (Non-substantive)
- (10) Insured's Intention- Check one To harvest To chop/silage Leave for cover Replant Destroy Pasture Hay Crop will be direct marketed Other (explain) (Substantive)

EXHIBIT 15

NOTICE OF DAMAGE OR LOSS FORM STANDARDS

- (11) I am an agent, employee, or contractor affiliated with multiple peril crop insurance (MPCI)? Yes No (Substantive)
- (12) Crop (Substantive)
- (13) Unit No. (Substantive)
- (14) Acres (Non-substantive)
- (15) Legal Description (Non-substantive)
- (16) Est. Prod. (Non-substantive)
- (17) Cause of Damage (Substantive)
- (18) Date of Damage (Substantive)
- (19) Expected Harvest Date (Non-substantive)
- 20) Check one: This is a notice of damage only (appears that production will exceed the guarantee at this time)
- This is a notice of probable loss
- Immediate inspection is requested. If checked, explain why (Substantive)
- (21) Insured's Signature and Date (Substantive)
- (22) **NOTE:** Refer to the Basic Provisions and the specific Crop Provisions for more details on notice of damage or loss requirements.® (Substantive)
- (23) If you have less than 100% share, is the other share insured under an MPCI program? If so, list the person's name, name of insurance company for which they carry MPCI insurance and policy number if known.® (Substantive)

EXHIBIT 16

FORM No. XXXX Continuation Sheet (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.

NONDISCRIMINATION STATEMENT

The U.S. Department of Agriculture (USDA) prohibits discrimination in all its programs and activities on the basis of race, color, national origin, gender, religion, age, disability, political beliefs, sexual orientation, and marital or family status. (Not all prohibited bases apply to all programs.) Persons with disabilities who require alternative means for communication of program information (Braille, large print, audiotape, etc.) should contact USDA's TARGET Center at (202) 720-2600 (voice and TDD).

To file a complaint of discrimination, write USDA, Director, Office of Civil Rights, Room 326-W, Whitten Building, 1400 Independence Avenue, SW, Washington, D.C. 20250-9410 or call (202) 720-5964 (voice or TDD). USDA is an equal opportunity provider and employer.

EXHIBIT 16

Form No. XXXX (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.

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EXHIBIT 17

FGIS FM AND DOCKAGE DEFINITIONS

CROP	FGIS Dockage Definition (Conspicuous Admixture or Admixture, if applicable).	FGIS FM Definition
Barley	Dockage: All matter other than barley that can be removed from the original sample by use of an approved device according to procedures prescribed in FGIS instructions. Also, underdeveloped, shriveled, and small pieces of barley kernels removed in properly separating the material other than barley and that cannot be recovered by properly rescreening or recleaning.	All matter other than barley, other grains and wild oats that remains in the sample after removal of dockage.
Canola	Dockage - All matter other than canola that can be removed from the original sample by use of an approved device according to procedures prescribed in FGIS instructions. Also, underdeveloped, shriveled, and small pieces of canola kernels that cannot be recovered by properly rescreening or recleaning. Machine separated dockage is added to conspicuous admixture in the computation of total dockage Conspicuous admixture: All matter other than canola including, but not limited to ergot sclerotinia, and stones, which is conspicuous and readily distinguishable from canola and which remains in the sample after the removal of machine separated dockage.	N/A
Corn	N/A	All matter that passes readily through a 6/64 round-hole sieve and all matter other than corn that remains on top of the 12/64 round-hole sieve according to procedures prescribed in FGIS instructions.
Crambe	N/A	All material other than crambe seed that you can remove from the original sample by use of an approved device according to procedures prescribed in the Federal Grain Inspection Service (FGIS) instructions.
Dry Beans	N/A to grade – FGIS does not perform a dockage test unless requested.	Stones, dirt, weed seeds, cereal grains, lentils, peas, and all matter other than beans.
Dry Peas	Dockage - Small, underdeveloped dry peas, pieces of dry peas, and all matter other than dry peas, which can be removed readily by the use of an approved device in accordance with procedures prescribed in the Pea and Lentil Handbook and the Equipment Handbook. For the purpose of this paragraph, “approved device” shall include sieves as set forth in paragraph (q) of this section and any other equipment that is approved by the Administrator as giving equivalent results.	FM in dockage-free dry peas – All matter other than dry peas and including detached seedcoats. FM in thresher-run dry peas – All matter other than dry peas, including detached seedcoats, which cannot be readily removed in the determination of dockage.
Flax	Dockage: All matter other than flaxseed that can be removed from the original sample by use of an approved device according to procedures prescribed in FGIS instructions. Also, underdeveloped, shriveled, and small pieces of flaxseed kernels removed in properly separating the material other than flaxseed and that cannot be recovered by properly rescreening or recleaning. There are no definitions for stones or conspicuous admixture.	N/A

EXHIBIT 17

FGIS FM AND DOCKAGE DEFINITIONS

CROP	FGIS Dockage Definition (Conspicuous Admixture or Admixture, if applicable).	FGIS FM Definition
Millet	N/A	All matter other than millet seed that you can remove from the original sample by use of an approved device according to procedures prescribed in the Federal Grain Inspection Service (FGIS) instructions. Foreign material is also underdeveloped, shriveled, and small pieces of millet kernels removed in properly separating the material other than millet seed and which cannot be recovered by properly rescreening or recleaning and includes detached millet hulls.
Mustard	<p>Dockage: Material other than mustard seed, that can be easily removed with sieves and/or cleaning device. Also, underdeveloped, shriveled, and small pieces of mustard seed that cannot be recovered by properly rescreening or recleaning.</p> <p>Conspicuous Admixture: All matter other than mustard seed which is conspicuous and readily distinguishable from mustard seed and which remain in the sample after the removal of dockage.</p> <p>Stones: Concreted earthy or mineral matter and other substances of similar hardness that do not disintegrate readily in water.</p>	N/A
Oats	N/A	All matter other than oats, wild oats, and other grains.
Popcorn	N/A	All matter other than popcorn
Rice	No definition (N/A)	No definition (N/A)
Rye	Dockage: All matter other than rye that can be removed from the original sample by use of an approved device in accordance with procedures prescribed in FGIS instructions. Also, underdeveloped, shriveled, and small pieces of rye kernels removed in properly separating the material other than rye and that cannot be recovered by properly rescreening and recleaning.	All matter other than rye that remains in the sample after the removal of dockage.
Safflowers	<p>Dockage: All material other than whole safflower seed that can be easily removed with a cleaning device and by handpicking. Also, underdeveloped, shriveled, and small pieces of safflower seed that cannot be recovered by properly recleaning</p> <p>There are no definitions for admixture, conspicuous admixture, or stones.</p>	N/A
Sorghum, Grain	Dockage: All matter other than sorghum that can be removed from the original sample by use of an approved device according to procedures prescribed in FGIS instructions. Also, underdeveloped, shriveled, and small pieces of sorghum kernels removed in properly separating the material other than sorghum.	All matter, except sorghum, which passes over the number 6 riddle and all matter other than sorghum that remains on the top of the 5/64 triangular-hole sieve according to procedures prescribed in FGIS instructions.
Soybeans	N/A	All matter that passes through an 8/64 round-hole sieve and all matter other than soybeans remaining in the sieved sample after sieving according to procedures prescribed in FGIS instructions.

EXHIBIT 17

FGIS FM AND DOCKAGE DEFINITIONS

CROP	FGIS Dockage Definition (Conspicuous Admixture or Admixture, if applicable).	FGIS FM Definition
Sunflower Seed Non-Oil (Confectionary)	<p>Dockage: All matter other than whole confectionary sunflower seeds containing kernels, which you can remove by using an approved device and by handpicking a portion of the sample.</p> <p>Admixture: Consists of all material other than confectionary sunflower seed which you can remove from a test portion by handseiving and handpicking. Consider empty hulls and part of seed as confectionary sunflower seed.</p> <p>There are no definitions for conspicuous admixture or stones.</p>	<p>N/A</p>
Sunflower Seed – Oil	<p>N/A</p>	<p>All matter other than whole sunflower seeds containing kernels that can be removed from the original sample by use of an approved device and by handpicking a portion of the sample according to procedures prescribed in FGIS instructions.</p>
Wheat	<p>Dockage: All matter other than wheat that can be removed from the original sample by use of an approved device according to procedures prescribed in FGIS instructions. Also, underdeveloped, shriveled, and small pieces of wheat kernels removed in properly separating the material other than wheat and that cannot be recovered by properly rescreening or recleaning.</p>	<p>All matter other than wheat that remains in the sample after the removal of dockage and shrunken and broken kernels.</p>

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