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Federal Crop
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Product
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LOSS ADJUSTMENT MANUAL (LAM) STANDARDS HANDBOOK

2010 and Succeeding Crop Years

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

FEDERAL CROP INSURANCE HANDBOOK		NUMBER: 25010 (02-2010) 25010-1 (05-2010)	
SUBJECT: LOSS ADJUSTMENT MANUAL (LAM) STANDARDS HANDBOOK 2010 and SUCCEEDING CROP YEARS		OPI: Product Administration and Standards Division APPROVED: <i>/s/ Tim B. Witt</i> Deputy Administrator, Product Management	
		DATE: <i>May 7, 2010</i>	

SUMMARY OF CHANGES/CONTROL CHART

The following list contains significant changes to this handbook, as determined by us. It may not represent all changes made. All changes made to this handbook are applicable regardless of whether or not listed.

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

Changes for May 2010 Issuance (FCIC-25010-1):

1. PAR. 85 B (3) (d) Removed wording regarding forage and moved to subparagraph (e). Moved the last sentence so it is the ending sentence of subparagraph B (3) since it is applicable to all items listed in (3).
2. PAR. 85 B (3) (e) Revised wording to correct this subparagraph by indicating pre-harvest appraisals for forage stored in agricultural storage (ag) bags (called horizontal plastic tubes in the Forage Loss Adjustment Standards Handbook (LASH)) are only applicable when the diameter of the ag bag is greater than the maximum diameter listed in the Forage LASH.

LOSS ADJUSTMENT MANUAL STANDARDS HANDBOOK

SUMMARY OF CHANGES/CONTROL CHART (Continued)

CONTROL CHART FOR: LOSS ADJUSTMENT MANUAL STANDARDS HANDBOOK						
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				19(474-478)	02-2010	FCIC-25010
				20(479-488)	02-2010	FCIC-25010
				21(489)	02-2010	FCIC-25010
				22(490-494)	02-2010	FCIC-25010
				23(495-504)	02-2010	FCIC-25010

When the other person sharing in the unit is uninsured, do not establish the total production for the unit by establishing the uninsured shareholder's production share based on the insured's production amount and share percentage, unless you are unable to establish it by any other means and the resulting total production for the unit is reasonable. If this should happen, document the circumstances preventing the measurement of the uninsured shareholder's share of the production, if farm-stored, or the reason the insured cannot obtain copies of the settlement sheets of the uninsured shareholders sold production along with other needed information/documents of the uninsured shareholder's sold production. Generally, the fact that the uninsured shareholder's share of farm-stored production is located in another storage structure at some other location is not a justifiable reason for determining the total unit production as stated above without making an attempt to obtain permission to make actual determinations of the uninsured's shareholder's share.

- (3) A claim for indemnity may be completed once the final disposition of the crop and any applicable quality adjustment factors (refer to (4) below for information regarding uninsured shareholders) are determined for all production to count within the unit, **EXCEPT:**
 - (a) In the case where the quality provisions are in the SPOIs and the production falls under Section C 3e of the quality adjustment provisions in the SPOIs, the claim cannot be processed until the adjuster can verify that all shares of the unit production is sold, destroyed, or fed or used by the shareholders.
 - (b) In the case where the quality provisions are in the crop provisions and the production falls under section 15 (j) of the Basic Provisions (may be different section in CRC or RA Basic Provisions), the claim cannot be processed until the adjuster can verify that all shares of any unsold production is destroyed by all the shareholders.
- (4) When the other shareholder is uninsured and the insured producer is unable to obtain the necessary information from the uninsured shareholder regarding the disposition of the production (e.g., if sold or not sold. If shareholder's production is sold, the shareholder's settlement sheet for the share unit(s) showing the reduction in value applied by the buyers), to determine the QAF for the shareholder's share of the production, such production is considered undamaged.
- (5) If the other person(s) share is insured through another AIP, refer to the procedure for companion contracts in PAR. 25.
- (6) Refer to PAR. 96 for more detailed information and examples. Also refer to Exhibit 20 for examples involving crops with quality provisions in the SPOIs.

D 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 AIP's instructions regarding the meeting.

E Documentation. Prepare a Special Report if there:

- (1) is unreported production, or

(2) are unjustified differences in production between different shares or different units.

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

85 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. 88.
- (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. Refer to 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. Some examples, but not limited to, are:
 - (a) High-moisture grain that will be mechanically packed in an open pit;
 - (b) A crop insured as grain (e.g., grain sorghum or corn) that will be partially or all cut for silage;
 - (c) Corn that will be cut and ground for corn and cob meal or cut for earlage. Earlage is high moisture corn grain, cobs, husks, and in some cases, a portion of the stalk that is cut and ensiled; and
 - *** (d) Silage that will be packed in ag bags. **This is because** there are no acceptable measurement calculation formulas to determine the amount of silage packed in ag bags.
 - (e) **Forage stored in ag bags that have a diameter greater than the maximum diameter of horizontal plastic tubes listed in the Forage LASH. This is because there are no acceptable measurement formulas to determine the amount of forage packed in these larger diameter ag bags.**

In the situations listed in (3) (a)-(e) above, if a pre-harvest appraisal is not done before the crop is utilized in a manner that does not allow an accurate determination of the amount of production, the full guarantee must be assessed on any acreage from which this production was harvested.

