

United States
Department of
Agriculture



Federal Crop
Insurance
Corporation



Product
Administration and
Standards
Division

FCIC-25370 (11-2010)
FCIC-25370-1 (03-2011)

PREVENTED PLANTING LOSS ADJUSTMENT STANDARDS HANDBOOK

2011 and Succeeding Crop Years

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

FEDERAL CROP INSURANCE HANDBOOK		NUMBER: 25370 (11-2010) 25730-1 (03-2011)	
PREVENTED PLANTING (PP) LOSS ADJUSTMENT STANDARDS HANDBOOK 2011 AND SUCCEEDING CROP YEARS	OPI: Product Administration and Standards Division		
	APPROVED:		DATE:
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Deputy Administrator, Product Management			

THIS HANDBOOK CONTAINS THE OFFICIAL FCIC-ISSUED LOSS ADJUSTMENT STANDARDS FOR PREVENTED PLANTING (PP) FOR THE 2011 AND SUCCEEDING CROP YEARS. ALL REINSURED COMPANIES WILL UTILIZE THESE STANDARDS FOR BOTH LOSS ADJUSTMENT AND LOSS TRAINING.

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: See changes or additions in text which have been highlighted. Three stars (***) identify where information has been removed.

Changes for March 2011 Issuance (FCIC-25370-1) for the 2011 and succeeding crop years:

- A. **Section 4 C (3) (a) 2 a (iii)** – Corrected to indicate: (1) the entry for “Cause of Damage” on the claim form is “Inability to prepare the land for irrigation” (code 15) and (2) to Document the Narrative of the claim form or on a Special Report as explained in paragraph 40 N (3) of the LAM.

Control Chart For: Prevented Planting Loss Adjustment Standards Handbook						
	SC Page(s)	TC Page(s)	Text Page(s)	Reference Material	Date	Directive Number
Remove	1-8		13-14		11-2010	FCIC-25370
Insert	1-2		13-14		03-2011	FCIC-25370-1
Current Index	1-2	1-4	1-12 13-14 15-84	85-129	03-2011 11-2010 03-2011 11-2010	FCIC-25370-1 FCIC-25370 FCIC-25370-1 FCIC-25370

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SUMMARY OF CHANGES/CONTROL CHART (Continued)

(RESERVED)

- (ii) Data showing prolonged precipitation deficiencies for the area in which the crop is grown from one or more of the sources stated in (a) 1 above;
- (iii) Documentation (i.e., published material or written opinions) from agricultural experts for the insured PP crop stating the amount of soil moisture needed to germinate seed or for progress toward maturity (as defined in (a) 1 above) is not available. Agricultural experts must be disinterested third parties to the insured. This written opinion must be based on the crop, area in which the crop is grown, soil type in which the crop is grown, and other relevant factors. Refer to the definition of agricultural expert in the LAM or Basic Provisions.
- (iv) Information showing insufficient moisture conditions existed on the FPD or within the LPP, regardless of whether rain subsequently falls or is expected to fall. To eliminate any questions about the soil moisture content of the acreage in question, the insured may submit a written soil moisture profile/report of the acreages in question from a disinterested third party that is knowledgeable in determining soil moisture.

Each of the items above must be proven separately and all must be provided; i.e., an NRCS drought advisory alone does not provide the documentation that the crop would not have germinated and progressed the crop to maturity, UNLESS the advisory also specifically states that the soil is too dry for the germination or production of the crop. Likewise, documentation of inadequate rainfall for the area by itself does not indicate the crop would not germinate or progress to maturity. When it has been established that there is inadequate rainfall from an acceptable sources, item b (iii) above is also required, as well as the other listed items in b (iii).

2 For irrigated acreage, if due to an insured cause of loss:

- a The insured is unable to prepare the land for irrigation using the insured's established irrigation method.
 - (i) The insured must provide documentation of his/her established irrigation method.
 - (ii) The adjuster must be able to verify the insured's established irrigation method and the cause of loss claimed by the insured was the sole reason the irrigation method could not be established. Consult with the local NRCS and other similar sources knowledgeable in furrow type irrigation operations to help make these determinations. The documentation must be maintained in the insured's claim file;

- (iii) The entry for “Cause of Damage” on the claim form is “Inability to prepare the land for irrigation” (code 15) –refer to Exhibit 3 of the LAM. Document the Narrative of the claim form or on a Special Report as explained in paragraph 40 N (3) of the LAM.

b The irrigation equipment or facilities fail or break down, provided the insured made all reasonable efforts to restore the equipment or facilities to proper working order within a reasonable amount of time after an insured peril caused the equipment or facilities to be inoperable, unless the AIP determines it is not practical to do so.

- (i) Cost will not be considered when determining whether it is practical to restore the equipment or facilities.
- (ii) The adjuster must be able to verify the insured cause of loss was the sole reason the irrigation equipment failed or broke down. The adjuster must document the date and if applicable, the time the insured cause occurred and any other pertinent information. The documentation must be retained in the insured’s claim file;

c There is failure of the irrigation water supply; i.e., there is not a reasonable expectation of having adequate water to carry out an irrigated practice. Adjusters and AIPs are to consider the following to determine whether there is a failure of irrigation water supply due to an insured cause of loss occurring during the PP insurance period.

- (i) The insured cause that reduces the amount of irrigation water available MUST occur within the insurance period for prevented planting (see section 4 B). New policyholders are eligible for PP payments only if the peril insured against occurred on or after the SCD for the current year and all requirements for PP have been met.
- (ii) A continued drought from one calendar year to the next generally has major components of insurable causes of loss occurring during the PP insurance period for the current crop year. (Refer to examples and illustrations in Section 4 B.)
- (iii) Use the Irrigated Practice Guidelines in Exhibit 1 of section 13, along with the following information, to verify the insured qualifies for an irrigated practice, other than not having enough adequate water to irrigate the acres turned in as PP, and that the insured qualifies for the number of acres the insured could have irrigated had it not been for failure of the irrigation water supply; i.e., the insured has adequate facilities and equipment to irrigate the number of acres reported as irrigated (both prevented from planting and planted).
- (iv) The following contains additional information that must be considered when determining whether failure of the irrigation

