

United States  
Department of  
Agriculture



Federal Crop  
Insurance  
Corporation



Product  
Administration and  
Standards  
Division

FCIC-25010 (02-2011)  
FCIC-25010-1 (10-2011)

# **LOSS ADJUSTMENT MANUAL (LAM) STANDARDS HANDBOOK**

**2012 and Succeeding Crop Years**



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

<b>TITLE: LOSS ADJUSTMENT MANUAL (LAM) STANDARDS HANDBOOK 2012 and SUCCEEDING CROP YEARS</b>	<b>NUMBER: 25010 (02-2011) 25010-1 (10-2011)</b>
<b>EFFECTIVE DATE: 10/28/2011</b>	<b>ISSUE DATE: 10/28/2011</b>
<b>SUBJECT:</b>  <b>Provides the FCIC-issued general loss- adjustment standards.</b>	<b>OPI: Product Administration and Standards Division</b>
	<b>APPROVED:</b>  <b>/S/ Tim B. Witt 10/28/2011</b>  <b>Deputy Administrator for Product Management</b>

**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 October 2012 Issuance (FCIC-25010-1):**

1. PAR. 14 Revised entities ("Persons(s): Type, Documentation, and Determination") to agree with the Crop Insurance Handbook (CIH).
2. PAR. 17 Added plan of insurance, percentage of projected price and coverage in regards to type of changes the insured can make.
3. PAR. 19 A Changed "APH form" to "APH Database," and added practice/type.
4. PAR. 21 A (3) Added separate line entries are required on acreage reports for uninsurable acreage, uninsured acreage, unreported acreage within a unit, and unreported units; and all must be designated as specified in the CIH.
5. PAR. 21 C Added reference for information regarding insurable and uninsurable acreage. Deleted subparagraph for "Special Purpose Information."
6. PAR. 21 D Deleted subparagraph about Misreported Information Factor (MIF).
7. PAR. 31 A (5) Revised the acres the to 88.0 acres in the next to last line of the subparagraph entitled "Action."
8. PAR. 31 A (13) Deleted language regarding the MIF in the subparagraph entitled "Action."

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### SUMMARY OF CHANGES/CONTROL CHART (Continued)

- |     |                               |  |
|-----|-------------------------------|--|
| 9.  | PAR. 39 A                     | Updated language regarding summerfallow practice to be consistent with the CIH.  |
| 10. | PAR. 43                       | Updated language regarding organic farming practice to be consistent with the CIH.   |
| 11. | PAR. 44 B (2)                 | Formatted subparagraphs to agree with the CIH in regards to uninsurable acreage.   |
| 12. | PAR. 49 C                     | Revised to agree with MGR. 11-003 in regards to production from double-cropped acreage that was not kept separate from non-double cropped acreage.   |
| 13. | PAR. 54 A (4)<br>(a)          | Deleted repeated verbiage.   |
| 14. | PAR. 54 A (4)<br>(b) <u>1</u> | Clarified wording.   |
| 15. | PAR. 54 A (5)<br>(b) <u>1</u> | Clarified wording.   |
| 16. | PAR. 65 F (2)                 | Deleted "to remove such acreage and the acreage must be."  |
| 17. | PAR. 69 A (4)<br>(d)          | Deleted "for crops having QA Provisions in the SP (for crops that have the quality provisions in the crop provisions, 60 days after the EOIP)."  |
| 18. | PAR. 76 B                     | Revised to provide example of what cause of damage "other" could be.   |
| 19. | PAR. 78 A (6)                 | Deleted subparagraph (a) in regards to levels and re-designated remaining subparagraphs accordingly.   |
| 20. | PAR. 80                       | Added in the introductory paragraph that AIP-approved precision farming technology' s system planter monitor records shall be considered equivalent to AIP-measured acres and clarified when acreage measurements need to be made. |
| 21. | PAR. 80 B (1)                 | Added that if an acreage measurement is only requested for a portion of the acreage within a unit, the insured must separately designate the acreage for which an acreage measurement has been requested.                          |
| 22. | PAR. 80 F (4)                 | Clarified the language.  |
| 23. | PAR. 83 A                     | Inserted reference to PAR. 90 C for information on acceptable production records from precision farming technology systems.  |
| 24. | PAR. 94 B (1)                 | Replaced "approved charitable listing" with "charitable organization," defined as 501 c 3 (non-profit organization).   |

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### SUMMARY OF CHANGES/CONTROL CHART (Continued)

- 25. PAR. 94 B (2) Revised to provide websites where pertinent information to protect insureds from liability when they allow gleaning of crop from their land.
- 26. PAR. 96 H (3) Revised to state samples for quality adjustment must be obtained not later than 60 days after the end of the insurance period to match the SP.
- 27. PAR. 96 H (10) Deleted the reference to "Group 1 QA Statement."
- 28. PAR. 96 H (12) (g) Revised to state "... (A processor contract for specialty barley and soybean types must be in place in order to insure production at a contract price.)"
- 29. PAR. 96 L (a) 3 Added language to clarify that if quality adjustment is waived, the determined production to count on the claim will be used for the APH record.
- 30. PAR. 102 M (7) Inserted statement to attach to the claim a copy of the test results from the testing facility when documenting the presence of mycotoxins or other substances.
- 31. PAR. 102 D (3) Clarified that documentation only has to include test results from an approved lab when the State or Federal agency-issuance states a type and level of substance and condition that would be in excess of the levels considered safe for animal usage.
- 32. PAR. 102 P (1) (b) 1 Deleted statement: "In lieu of destruction of ZMV production, the ZMV production may be gleaned provided the criteria stated in PAR. 94 are met." The statement conflicts with PAR. 94 D because this production would be considered injurious to human or animal health; i.e., over 20 ppb.
- 33. PAR. 104 A Clarified the purpose of paragraph 104. Also, removed the language that required the AIP to assure the insured understands the consequences of non-compliance with this paragraph.
- 34. PAR. 104 H Removed the sentence "Adjusters often use portable scales to perform appraisals" because it is not needed. Clarified footnote 1 by deleting unnecessary language and changing "and" to "and/or."
- 35. PAR. 105 B (1) (a) Removed the language that required the AIP to assure the insured understands the consequences of non-compliance with this paragraph.
- 36. PAR. 105 D (3) Added "Non-precision Farming Technology System to indicate the procedures for "Combine Monitor Records" alone are not the same as procedures for Precision Farming System records.
- 37. PAR. 106 A (2) Revised statement which addressed when samples for quality must be taken to 60 days after the EOIP, to agree with the current SP.
- 38. PAR. 107 C Revised Rounding Rule Table to agree with the CIH.
- 39. PAR. 121 D (2) Clarified language and added examples.

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### SUMMARY OF CHANGES/CONTROL CHART (Continued)

- 40. PAR. 127 A (5) Clarified that the appraised production on an unreported unit will be allocated to the reported unit.
- 41. PAR. 127 D (3) (a) Changed “price election” to “price” and added a footnote explaining what price is.
- 42. PAR. 127 D (3) (d) Added clarification that production from unreported units is both appraised and harvested production.
- 43. PAR. 127 E Deleted subparagraph referring to CRC and RA plans of insurance.
- 44. PAR. 131 A (1) Deleted subparagraph (g) due to it being in conflict with PARs 29 and 80 and re-designated remaining subparagraphs accordingly.
- 45. PAR. 134 B (2) Removed instructions to add statement because the statement is now required on the Certification Form as stated in the Document and Supplemental Standards Handbook (DSSH).
- 46. PAR. 137 A (6) Added that the production must be sold or in commercial storage. Also, added warehouse receipt in subparagraph (6) (a) as well as information about sold production and production in commercial storage in the footnote.
- 47. PAR. 137 D Revised to indicate the SCP Form standards are now in the DSSH and the AIP is to provide the completion instruction for the SCP Form as stated in Exhibit 22.
- 48. PAR. 140 A Clarified procedures concerning good farming practice administrative review.
- 49. PAR. 141 A and B Revised subparagraph A to agree with the SRA and subparagraph B to reference the Large Claim Handbook for detailed procedures.
- 50. Exhibit 1 Updated definitions to agree with the 11-BR, Basic Provisions and/or the CIH.
- 51. Exhibit 2 Updated with new current policy information.
- 52. Exhibit 3 Added to footnote 4 on page 450, “Cultivated Clam Pilot Crop Provisions.”
- 53. Exhibit 4 Added ARH Strawberries and its unit of measure.
- 54. Exhibit 5 Updated to agree with the CIH.
- 55. Exhibit 12 Updated to remove form standard information since the form standards for this form have now been added to the DSSH. Also added separate entry for crop and crop year to agree with form standard in DSSH and revised example of the form to agree with the DSSH.
- 56. Exhibit 21 Corrected weight per bushel for sesame.

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57. Exhibit 22      Removed any language pertaining to form standards for the SCP form because the form standards are now in the DSSH. .

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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 the FSA has recognized the spouses as being separate entities (operations), and the AIP has verified that spouses are legally separated or separate under State law and 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 have separate FSA FNs.) 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 PERSON(S): TYPES, DOCUMENTATION, AND DETERMINATION

A Verification of Person at Loss Time

Using the information in the following subparagraphs, the adjuster (or AIP if specified), must:

- (1) From information obtained from the insured, FSA or other reliable sources, and from the criteria for each person type found below; verify that the person qualifies for the entity shown on the application or qualifies for a separate person from another household member, relative, corporation, etc., and that the person on the application has **an insurable** interest in the crop.

If it is determined the person shown on the application has no insurable share in the crop, the AIP must void the policy; e.g., the insured's application shows "individual" but all FSA documents, marketing records, etc., show the person that has the **insurable** share in the crop is a Corporation. Even if the individual is one of the members of the Corporation, the insured as an "individual person type" does not have the **insurable** share in this crop policy. However, there may be situations where corrections to person names/types are allowed as outlined in subparagraph E below

- (2) Verify whether the insured is married and, if so, whether the insured has provided the spouse's SSN or EIN. Refer to 14 C and F (2) below for requirements of the spouses SSN/EIN. AIPs do not have to verify persons through the FSA; however, are encouraged to do so since AIPs must ensure that producer-certified information is accurate and that liability is established and indemnities are paid according to policy provisions.

- (3) If the person type **and/or** ID number reported is questionable or incorrect, document the facts and refer the case to the next line of supervision or to whom the AIP has instructed.
- 1 If the person type and/or ID number is verified at FSA and there is a discrepancy between the person type and/or ID number recorded for crop insurance and the local FSA office, AIPs will try to resolve the discrepancy with the FSA. If the discrepancy cannot be resolved and the AIP has evidence supporting its position, the AIP should retain the person type reported to them; and keep on file all documentation and evidence supporting this decision.
- 2 **The insured or the agent's certification and/or statement are not adequate documentation** (evidence) to support questionable person types or discrepancies between the person types reported to FSA and the AIP.
- (4) Signature/Documentation. Verify that the person has authority to sign the document. Refer to Exhibit 5 for a list of the person authorized (and documentation required for such authorization) to sign documents (including loss documents) for each person type and documentation required for each person type.
- (5) AIPs must verify that the RAN has not expired, as stated in B (3) below, before an indemnity, replant payment, or PP payment is made.

**B General Information for Person Types and ID Numbers**

- \*\*\*** (1) To obtain insurance, each person type requires either a(n) SSN, EIN, or RAN be reported on the application.
- (a) An EIN is to be used only by the person to whom it was assigned.
- (b) A SSN is to be used only by the individual to whom it was assigned, with exception for co-ownerships/joint operations/joint ventures, LLCs, **revocable** trusts, and estates.
- (2) Insurance will not be provided to persons who fail to report their SSN, EIN, or RAN, if applicable, by the SCD. An incorrectly reported person type may result in an invalid policy.
- (3) RANs
- \*\*\*** (a) RMA will issue a RAN if the applicant or applicant's SBI **can** demonstrate the applicant or applicant's SBI is a non-citizen qualified alien entitled to Federal benefits in accordance with the PRWORA.
- (b) For BIA trust allotments only, AIPs may issue a RAN in accordance with the CIH procedures when the BIA allotment does not have an EIN.
- (c) RAN Expiration.
- 1 For non-citizen qualified aliens, a RAN is temporary, and will expire either when the qualified alien becomes a U.S. citizen **and is assigned an SSN** or the documentation provided to support qualified alien status expires. If a RAN expires:

- a And the applicant or the applicant's SBI receives an admittance extension from the USCIS, of which renews the individual's qualified alien status, then the applicant or applicant's SBI must resubmit a request for a RMA assigned RAN.
- b And after resubmitting a request for a RMA RAN:
  - (i) If the applicant no longer qualifies for a RAN, then a policy will not be issued.
  - (ii) If the applicant's SBI does not qualify for a RAN, then the amount of coverage for all crops on the Application will be reduced proportionately by the percentage of interest the SBI has in the applicant.

2 For BIA trust allotments, the RAN has no expiration.

3 The AIP is responsible for monitoring the expiration of the RAN.

a If a RAN expires due to a non-citizen receiving a SSN, the AIP must correct the policy to include the SSN and notify RMA of the receipt of the SSN.

b If a RAN expires due to a non-citizen no longer qualifying as a qualified alien; upon discovery the AIP must notify RMA of the disqualification by the next SCD.

Failure to report the expiration may adversely affect the insured's ability to continue coverage. Refer to the CIH for more information regarding failure to report.

(d) RANs for SBIs of a Business Entity.

- 1 Obtaining insurance as a business entity cannot be used to defeat the purpose of PRWORA. If a business entity only has one individual with a SBI in the entity and it is determined that the business entity was formed in order to defeat the requirements of PRWORA, the entity is to be treated as an individual; therefore, no insurance will be provided.
- 2 If any individual belonging to the entity does not qualify for federal benefits under PRWORA, then the entity's insurable interest must be reduced proportionately. If any individual is eligible to receive federal benefits, then the individual's share is insurable.

(e) Refer to the CIH for more detailed information about RANs.

- (4) If an incorrect SSN/EIN is certified or an insured receives an indemnity, PP payment, or replant payment and the SSN/EIN is not correct; the insured may be subject to civil, criminal, or administrative sanctions.
- (5) The Application must also contain SBI information, if applicable, as stated in subparagraph D below.

- \*\*\* (6) Correction After Discovery. When an AIP discovers an incorrect identification number for an insured or an incorrect or unreported identification number for a SBI:

- (a) The AIP must notify the insured in writing of the incorrect or unreported identification number(s) and establish a deadline for submitting the corrected or unreported identification number(s);
- (b) Failure by the insured to correct or provide the identification number by the AIPs established deadline results in policy voidance;

A policy that has been voided after the established deadline has expired cannot be reinstated.

## C SBI Information

The following requirements apply to an interest held by any person of at least 10 percent in the insured/applicant: A SBI of less than 10 percent is not required to be reported to the AIP nor RMA.

### (1) Requirements

- (a) All persons with a SBI in a person must be listed and the SSN, EIN, or RAN of each SBI provided on the policy/application.
- (b) All SBI information must be provided by the applicable SCD for both new and carryover insureds.
- (c) SBI information collected must be provided to an assuming AIP for any policy transferred.
- (d) If any SBI information changes after the SCD for the previous crop year:
  - 1 The Application must be revised by the SCD for the current crop year.
  - 2 If such information changes less than 30 days before the SCD for the current crop year, the Application must be revised by the SCD of the next crop year.
  - 3 If the insured fails to provide such revisions, the procedures in subparagraph D below apply.
- (e) The spouse of any individual applicant/individual insured will be presumed to have a SBI in the applicant or insured, even if the spouses qualify for separate policies in accordance with F(2)(b) below;

**Exception:** If the spouses can prove they are legally separated or otherwise legally separate under the applicable state dissolution of marriage laws, then separate policies may be available. Refer to F (2) (a) below.

- (f) Any child of an individual applicant/individual insured will not be considered to have a SBI in the applicant or insured unless the child has a separate legal interest in such person.



**(g) SBI Examples**

**EXAMPLE 1:** There are two partnerships that each has a 50 percent interest in the insured. Each partnership consists of two individuals, each with a 50 percent share of the applicable partnership. Each individual is considered to possess a 25 percent interest in the applicant/insured. Therefore, both the partnership and the individuals would have a SBI in the applicant/insured. The spouses of the individuals would not be considered to have a SBI unless the spouse was one of the individuals that **comprised** the partnership.

**EXAMPLE 2:** If each partnership is comprised of six individuals with equal interest in the applicant/insured, then each would only have an 8.33 percent interest in the applicant/insured although the partnership would have a SBI interest in the applicant/insured.

The total of all SBIs' shares may exceed 100 percent.

**D Person Status Changes**

**(1) Death, Disappearance, or Judicial Declaration of Incompetence.**

**(a) Married Individuals**

**1** When the named insured dies, disappears, or is judicially declared incompetent, the policy will automatically convert to the name of the surviving or competent spouse if all of the following are met:

**a** The spouse was included on the policy as having a SBI in the named insured;

**b** The spouse has a share of the crop; and

**c** The procedure in subparagraph D (2) below is not applicable.

**2** When a married insured dies and the share converts to an estate or is otherwise legally transferred to a person other than a spouse; or if a married insured dies and the conditions in subparagraph D (1) (a) **1** are not met, and the event(s) occurs:

**a** More than 30 days before the cancellation date, the policy is automatically cancelled as of the cancellation date and a new Application must be submitted; or

**b** 30 days or less before the cancellation date, or after the cancellation date, the policy will continue in effect through the crop year immediately following the cancellation date and be automatically canceled as of the cancellation date immediately following the **EOIP** for the crop year, unless cancelled by the cancellation date prior to the start of the insurance period.

**(i)** A new Application must be submitted prior to the SCD for coverage for the subsequent crop year, and

(ii) Any indemnity will be paid to the person(s) determined to be beneficially entitled, and such person(s) must comply with all policy provisions and pay the premium.

c The beneficiary is required to report the death, disappearance, or judicial incompetence no later than the cancellation date prior to the start of insurance, except when the event occurs 30 days or less before the cancellation date or after the cancellation date, then notice must be provided by the cancellation date for the next crop year.

(b) Unmarried Individual

If an unmarried individual dies, disappears, or is judicially declared incompetent and the event occurs:

- 1 More than 30 days before the cancellation date, the policy is automatically cancelled as of the cancellation date and a new Application must be submitted; or
- 2 30 days or less before the cancellation date, or after the cancellation date, the policy will continue in effect through the crop year immediately following the cancellation date and be automatically canceled as of the cancellation date immediately following the EOIP for the crop year, unless cancelled by the cancellation date prior to the start of the insurance period.
  - a A new Application must be submitted prior to the SCD for coverage for the subsequent crop year, and
  - b Any indemnity will be paid to the person(s) determined to be beneficially entitled; such person(s) must comply with all policy provisions and pay the premium.
- 3 The beneficiary is required to report the death, disappearance, judicial or incompetence no later than the next cancellation date, except when the event occurs 30 days or less before the cancellation date or after the cancellation date, then notice must be provided by the cancellation date for the next crop year.

(c) Legal Business Entities

If any partner, member, shareholder, etc., of an insured legal entity dies, disappears, or is judicially declared incompetent and such event dissolves the entity; and the event occurs:

- 1 More than 30 days before the cancellation date, the policy is automatically cancelled as of the cancellation date and a new Application must be submitted; or
- 2 30 days or less before the cancellation date, or after the cancellation date, the policy will continue in effect through the crop year immediately following the cancellation date and be automatically canceled as of the cancellation date immediately following the **EOIP**

for the crop year, unless cancelled by the cancellation date prior to the start of the insurance period.

a A new Application must be submitted prior to the SCD for coverage for the subsequent crop year, and

b Any indemnity will be paid to the person(s) determined to be beneficially entitled; such person(s) must comply with all policy provisions and pay the premium.

3 The remaining member(s) of the insured entity is required to report the death, disappearance, or judicial incompetence no later than the next cancellation date for the next crop year, except if notice is not provided timely, then 1 and 2 above apply retroactive to the date such notice should have been provided and any payments made after the date the policy should have been cancelled must be returned.

(2) **Causes Other Than Death, Disappearance, or Judicial Declaration of Incompetence**

For all person type status changes other than death, disappearance, or judicial declaration of incompetence the following applies:

(a) If the insured entity dissolves before the cancellation date:

1 The policy is automatically canceled by the cancellation date prior to the start of the insurance period; and

2 A new Application must be submitted **by the SCD.**

(b) If the **insured** entity dissolves on or after the cancellation date:

1 The policy will continue through the crop year immediately following the cancellation date, and automatically cancel on the cancellation date immediately following the EOIP for the current crop year unless canceled by the cancellation date before insurance attaches.

2 A new Application must be submitted prior to the SCD of the subsequent crop year.

3 Any indemnity, replant payment, or PP payment will be paid to the person(s) determined to be beneficially entitled; such person(s) must comply with all policy provisions and pay the premium.

(c) The remaining member(s) **or beneficiaries** of the insured entity must report the event that caused the dissolution no later than:

1 The next cancellation date, except

2 When the event occurs 30 days or less before the cancellation date or after the cancellation date, then notice must be provided by the cancellation date for the next crop year.

## E Correctable Entity Names

### (1) **General Information**

Situations have arisen where the named insured is not the person with the insurable interest in the crop, yet the named insured does bear financial risk of the crop. For example, an individual may incorrectly obtain a policy in the individual's name when a corporation (wholly owned by the individual) actually has the insurable interest in the crop. The individual does have a direct financial interest in the crop due to being the sole owner of the corporation. Additionally, the individual may have formed the corporation several years ago, failed to change the name on the insurance policy to the corporation but complied with every other term of the policy, including payment of premium, until the discrepancy in the named insured associated identification number is discovered at loss time or during a compliance review. In this instance, whether the policy is in the corporation's name or the individual's name, there would be no difference in unit structure, approved yields, production or revenue protection guarantees, premium rate, indemnities, etc.

### (2) **Correctable Entity Names**

When the following criteria are met, AIPs may grant relief to correct the named insured and the associated identification number in those limited situations as described below:

(a) The following conditions must be met:

- 1 The named insured is required under current policy provisions and procedures to be reported as a SBI holder in the person who is the correct named insured, or conversely the person who is the correct named insured must previously have been reported as a SBI holder for the person with the policy;
- 2 The named insured can prove they are the owner, shareholder, or member of the person who is the correct named insured, or the person who is the correct named insured is the owner, shareholder, or member of the named insured;
- 3 If the correct named insured also participates in any FSA program, the AIP must verify the correct named insured is also contained in FSA information. If the correct named insured does not reconcile, the policy cannot be corrected until the FSA information is corrected unless the policy or FCIC-issued procedures provide otherwise (e.g., FSA information shows the entity as a joint venture, but FCIC procedures allow an individual to insure their share of a joint venture when 100 percent of the joint venture is not insured, or FSA shows a husband and wife, but FCIC procedures provide for an individual policy with the spouse shown as having a SBI);
- 4 There is no evidence of fraudulent or material misrepresentation;
- 5 The APH records, approved yields, production guarantees or revenue production guarantees, unit structure, premium rates, indemnities, coverage level, etc. is maintained when the named insured is

corrected (i.e. APH history must not have been lost or altered, production guarantees, unit structures, etc., must not have been altered);

- 6 The person who is the correct named insured is eligible for insurance;
- 7 The reported identification number matches the reported named insured (e.g., an individual reported their correct SSN on the policy; however, the correct named insured is a corporation wholly owned by the individual);
- 8 Such discovery is made for the 2006 or subsequent crop years.

**Exception:** If all members of a partnership reported their respective share of the partnership under their individual policies, the error may be corrected by establishing a policy for the partnership (with the appropriate acreage, unit structure, etc., and reducing the individual policies by the acreage and share that is not theirs as individuals, but rather is the partnership's) for the next crop year; AND

- 9 If this authority is used to grant relief, then these procedures must be referenced as part of the documentation for AIP's determination to grant relief and maintained in producer's file.

(b) Correction of the named insured is limited to the following situations if the criteria in (a) above are met:

- 1 A corporation or LLC, wholly owned by an individual, owns the insurable crop, but the crop insurance policy is in the individual's name. In this case, the individual's policy would be discontinued for the current crop year and a policy for the corporation or LLC would be provided.
- 2 An individual owns the insurable crop, but the crop insurance policy is in the name of a corporation or LLC, wholly owned by the individual. If the individual is reported as a SBI to the corporation or LLC, the corporation's or LLC's policy could be corrected for the current crop year to reflect the individual.
- 3 A farm is a partnership made up of individuals and each of the individuals has insured their share of the partnership under their separate individual policies. The individuals' separate policies would be continued for the current crop year, and a new policy for the partnership provided for the next crop year. If the individual producers also have a separate insurable share in acreage that is not a part of the partnership, such acreage would continue to be insured under the separate individual policy(s).
- 4 A corporation, LLC, joint operation/joint venture/co-owner, partnership or trust, wholly owned or granted by an individual and spouse, owns the insurable crop, but the crop insurance policy is in the individual's name with spouse listed as a SBI. In this case, the individual's policy would be discontinued for the current crop year and a policy for the

corporation, LLC, joint operation/joint venture/co-owner, partnership or trust would be provided.

- 5 An individual and spouse own the insurable crop, but the crop insurance policy is in the name of a corporation, LLC, joint operation/joint venture/co-owner, partnership or trust, wholly owned by the individual and spouse. If the individual and spouse are reported as a SBI to the corporation, LLC, joint operation/joint venture/co-owner, partnership or trust, the corporation's, LLC's, joint operation/joint venture/co-owner's, partnership's or trust's policy could be corrected for the current crop year to reflect the individual with spouse reported as SBI.

F Person Type: Individuals

Policies written for individuals require a SSN, EIN, or RAN, as authorized below by type of individuals.

(1) **Individual**

This person type is a natural person, including but not limited to a citizen of the United States, an alien lawfully admitted for permanent residence, and a non-citizen national or non-resident alien as defined by the Immigration and Nationality Act as amended, 8 USC 1452.

- (a) The individual applicant must be an eligible person.
- (b) The individual applicant incurs debt (if any) related to production, stores, or markets in the individual's or individual's business name and receives proceeds.
- (c) The Application covers only 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 G below for Landlord/Tenant requirements.  
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- (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. Separate insurable shares are not applicable to spouses unless all the criteria noted in subparagraph F (2) (b) below is met.
- (e) The individual must report a SSN/RAN. An individual with an EIN must report as an individual operating as a business.
  - 1 Effective the 2012 crop year, applications/carryover policies containing an EIN of either the applicant/insured or an individual SBI must be reported as an individual operating as a business.
  - 2 The AIP must notify the carryover insured that he/she or their SBI has been identified as an individual operating as a business and of the change in person type.

(2) **Married Individual (Spousal)**

- (a) **Spousal Policy.** The spouse of a married insured is presumed to have a SBI equal to 50 percent in the insured individual, unless legally separated or otherwise legally separate under the applicable state dissolution of marriage laws.
- 1 One spouse is reported as the insured and the other spouse is reported as a SBI.
  - 2 Failure to report a spouse as a SBI and the spouse's identification number by the applicable SCD will void the policy; if:
    - a The identification number is not provided;
    - b The insured cannot prove the omission was inadvertent (simply stating the omission was inadvertent is not sufficient to prove the omission was inadvertent); or
    - c The AIP determines the omitted identification number:
      - (i) Would have allowed the insured to obtain disproportionate benefits;
      - (ii) The SBI is ineligible to participate in the crop insurance program; or
      - (iii) The insured or the insured's SBI could avoid an obligation or requirement under any state or Federal law.
- (b) **Separate Policies for Spouses.** Any acreage or interest by or for a spouse will be considered to be included in a married individual's policy (spousal), unless the spouses can prove each have a separate farming operation.
- 1 Spouses must document with distinct and identifiable records proving separate farming operations. Separate farming operations require, but are not limited to, the following:
    - a Separate land (transfers of acreage from one spouse to another is not considered separate land);
    - b Separate capital;
    - c Separate inputs;
    - d Separate accounting; and
    - e Separate maintenance of proceeds.
  - 2 There is not any evidence of intentional misrepresentation or fraud.
  - 3 Application is submitted on or before the SCD for the crop year.

- 4 Each spouse must have a spousal policy with the other spouse reported as a SBI.
- 5 There may be no joint operation between spouses.

(3) **An Individual Operating as a Business**

This person type is an unincorporated business created and governed under the laws of the state in which it was formed in which an individual owns all the assets, owes all the liabilities, and operates in his or her own personal capacity. This type includes but is not limited to individual proprietorships, sole proprietorships, DBA (doing business as) and assumed name. For a policy to be issued to an individual operating as a business, the following apply:

- (a) An EIN. If an EIN is not provided, then the person must be insured as an individual reporting a SSN or RAN. See subparagraph F (1) (e) above.
  - 1 Effective the 2012 crop year, applications/carryover policies containing an SSN of either the applicant/insured or an individual SBI must be reported as an individual.
  - 2 The AIP must notify the carryover insured that he/she or their SBI has been identified as an individual and of the change in person type.
- (b) Must meet the requirement of subparagraph F (1) or (2).
- (c) The application must be signed by the owner or authorized representative of the company/small business.
- (d) A statement from the company/small business listing the authorized representative must be maintained.
- \*\*\* (e) Must not be a Corporation or other legal entity.
- (f) Individual/married individuals SSN or RAN must be reported and listed as a SBI.

Separate policies are not allowed for an individual/married individuals and an individual operating as a company/small business. If the individual/married individual operates both as an individual/married individual and as an individual operating as a business, both operations must be reported under the individual/married individual policy.

(4) **Joint Tenancy and Survivorship Interests**

This person type includes real property held by two or more persons jointly; each party has equal rights of possession and income. On the death of one joint tenant, his interest transfers to the benefit of the survivors in equal shares, without court proceedings. Joint and survivorship interests are applicable in "community property" states in which a husband and wife have a joint and survivorship interest in insurable acreage and in states where such an interest may be created by deed.



For a policy to be issued to individuals with Joint and Survivorship interests the following is required:

- (a) All parties must meet the requirements in subparagraph F (1).
- (b) All parties must sign the application. However, when the individuals with joint and survivorship interest are husband and wife or when a statement is prepared and signed by both parties showing the authority of either party to act as agent for the other; one party may sign the Application. The Application is completed in the name of the joint and survivorship interest, such as John W. Doe, James C. Smith.

**(CAT policies ONLY →**  
**(5) Undivided Interests**

**CAT policies only are allowed for insurance under this individual person type.**

Individual 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 the following:
  - 1 Furnishing proof to the AIP that an undivided interest in the land exists;
  - 2 Furnishing the AIP 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.) to the AIP;
  - 3 Furnishing the AIP with the names and the SSN/EIN of all landowners to the AIP;
  - 4 Applying for insurance and paying the AIP 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.
- (d) All landowners must be listed as an SBI without regard to their actual interest in the land; and
- (e) The policy must be insured at CAT coverage level.

←CAT policies ONLY)

G Person Type: Landlord/tenant (SBI only)

Any person(s) may insure a landlord's and/or a tenant's share(s).

- (1) When insuring the landlord's/tenant's share the following is required:
- (a) The Application must clearly state the tenant will insure the landlord's share or the landlord will insure the tenant's share.
  - (b) The person who is insuring the other's share must provide and the AIP must maintain evidence of the other party's approval, such as the lease agreement or power of attorney.
  - (c) The landlord/tenant and the applicable identification number must be listed on the insured person's application even if their share is less than 10 percent. Additionally, the percentage shares of all persons must be:
    - 1 Shown in the remarks section of the acreage report, or
    - 2 Documented and attached to the Acreage Report.
  - (d) If a person is sharing with multiple landlords/tenants and requests to insure the landlord's/tenant's share, only one policy is allowed:

**EXAMPLE:** Insured A insures his landlord's (Producer B and Producer C) share for corn in County A. Insured A may only have one corn policy in County A. Such policy covers the named insured and the landlord's/tenant's share (as listed on the application) of the insured acreage only.

- (e) If the other person insured the crop under an insurance plan that used APH to determine the per acre production guarantee the previous crop year, the production history of the other person for the appropriate locations must be transferred to, reported by and used by the insured. If either the landlord or tenant had new producer status for a crop prior to establishing the landlord/tenant arrangement and the other person (either the tenant/landlord) previously produced a crop for more than two crop years, the new producer status is not retained.

**Example 1:** Joe Tenant and Tom Landlord - Joe has 200 acres of cotton and shares with Tom on 50 acres. Joe has never farmed before and Tom has farmed cotton for 10 years. Joe no longer retains new producer status on cotton.

**Example 2:** Joe has his own policy for soybeans - he doesn't insure Tom's share as landlord because Tom doesn't share in the soybeans, Tom only shares in the cotton. Same scenario, Joe has never farmed before and Tom has farmed soybeans for 10 years. Joe would retain new producer status on soybeans. However, if Joe is insuring Tom's share with zero acres, then Joe would not be eligible for new producer status.

- (f) Each separate share arrangement with different landlords or tenants qualifies as a BU.

- (g) Landlord/tenants are to be reported on the person's policy in which they are reported as an SBI

(2) **Multiple Policies Not Allowed**

Only one application/policy is allowed per person, per crop, per county. Separate applications/policies are required for each person(s) insured, unless the Application clearly states the landlord will insure the tenant's share, or the tenant will insure the landlord's share. However, if the tenant or landlord has a separate policy for that crop/county, they cannot be insured under another person's policy.

H Person Type: Partnerships

This person type is the voluntary association of two or more persons who jointly own and carry on a business for profit. The association can be either written or oral. Because each partner has the authority to enter into contracts and bind all other members to such contracts, a partnership is distinguished from other joint ventures. This person type includes, but is not limited to, General Partnerships, Limited Partnerships, and Limited Liability Partnerships.

- (1) **Partnership application policy.** For a partnership to obtain insurance, the following is required.

- (a) An EIN is required and must be reported for all legal entities that are insured as a partnership.
- (b) All SBIs for the partnership must be reported:
  - 1 All persons with an SBI in the partnership must be listed and the SSN/EIN/RAN of each SBI provided with at least two SBIs provided.
  - 2 If two or more persons do not have a SBI in the partnership, documentation must be obtained from the insured verifying a single SBI.

(2) **Share**

- (a) Crops to be insured under the partnership are those in which the partnership has a share and allows only one policy; however, if the entire share of the partnership is not to be insured:
  - 1 A policy to cover the share of an individual/married individual holding an interest in the partnership may be obtained.
  - 2 The application also covers any other individual/married individual person type interest the applicant may have.
- (b) The death, judicial declaration of incompetence, or withdrawal of a partner terminates the partnership, unless a written partnership agreement provides otherwise. Refer to subparagraph D (1) and subparagraph D (2) for policy cancellation guidelines.

## I Person Type: Co-ownerships, Joint Operations, and Joint Ventures

This person type is similar to a short-term partnership in which parties of two or more persons jointly engage in the farming operation. Generally, each person contributes land, labor, or machinery; share in the expenses, and divides profits in terms of their invested interest. Like a partnership, this person type can involve any type of business transaction, and the persons involved can be individuals, groups of individuals, companies or corporations. However, unlike the partnership person type, no person(s) is authorized to bind any other person(s) to any business transaction.

### (1) **Co-Owners/joint Operators/Joint Venture Policies**

For a co-ownership, joint operation, or joint venture to obtain **insurance**, the following is required:

- (a) If an EIN has been established for a joint venture/joint operation, it must be used and reported. If an EIN has not been established for the co-ownership/joint operation/joint venture, an individual member's SSN may be used as the identification number.

**EXAMPLE:** Individual A and Individual B form AB joint venture. No EIN is obtained; therefore, the Application should show AB joint venture with Individual A's or Individual B's SSN; two SBI's reported with Person A's SSN and Person B's SSN.

- (b) All persons with an SBI in the person must be listed and the SSN/EIN/RAN of each SBI provided.
  - 1 If an EIN is provided, at least two SBIs must be listed.
  - 2 If a member's SSN is provided, at least one SBI must be listed.
  - 3 If two or more persons do not have a SBI in the joint venture, documentation must be obtained from the insured verifying **there is no SBIs**.
- (c) The application must be signed by all parties or by the authorized representative.
  - 1 If an authorized representative signs the Application, an agreement must be executed by the members of the co-ownership/joint venture/joint operation giving the representative the authority to sign on behalf of all parties.
  - 2 This agreement is to be maintained by the AIP.

### (2) **Share**

- (a) Crops to be insured under a co-ownership/joint operation/joint venture are those in which the co-ownership/joint operation/joint venture has a share and allows only one policy; however, if the entire share of the co-ownership/joint operation/joint venture is not to be insured:

- 1 A policy to cover the share of an individual/married individual holding an interest in the co-ownership/joint venture may be obtained.
  - 2 The Application also covers any other individual/married individual person type interest the applicant may have.
- (b) The death, judicial declaration of incompetence, or withdrawal of one of the parties terminates co-ownership/joint operation/joint venture.

J Person Type: Corporations

This person type is a legal entity created and governed under the laws of the state in which it was formed whose existence is independent of its shareholders with the intent to provide goods and services for profit. Includes but is not limited to publicly- or privately-held C or S corporations, such as a domestic C corporation, a private cooperative corporation, or a wholly-owned foreign corporation. This business type does not include corporations that can be classified as nonprofit or tax-exempt organizations.

- (1) **Corporation Policy.** For a corporation to obtain insurance, the following is required.
- (a) An EIN must be reported for all persons who are insured as a corporation.
  - (b) All person(s) with a SBI in the corporation must be listed and the SSN/EIN/RAN of each SBI provided.
    - 1 If at least one person does not have a SBI in the corporation, documentation must be obtained from the insured verifying a single SBI.
    - 2 Changing of shareholders does not affect the continuity of the policy.
  - (c) The application must be signed by a person authorized by the corporation to bind the corporation into contracts.
  - (d) The insured must provide to the AIP, in writing, the state in which the articles of incorporation/organization are filed.
- (2) Share. The corporation may insure its share as landlord, owner-operator, operator, or tenant.

K Person Type: Limited Liability Companies (LLCs)

This person is a legal entity created and governed under the laws of the state in which it was formed by filing articles of organization as an LLC. Unlike a partnership, none of the members of a LLC are personally liable for its debts. LLCs can elect to be taxed as a corporation, or choose to be a “pass-through” entity which eliminates being double taxed. Owners are referred to as members, not partners, or shareholders; the number of members is unlimited and may be individuals, corporations, partnerships, joint ventures, other LLC’s, etc.

(1) **LLC Policy.** For a LLC to obtain insurance, the following is required:

- (a) If an EIN has been established for a LLC, it must be used and reported. If an EIN has not been established for the LLC, a SSN must be reported.
- (b) All persons with a SBI in the LLC must be listed on the Application and the SSN/EIN for each SBI provided.
  - 1 If at least one person does not have a SBI in the LLC, documentation must be obtained from the insured verifying there is not a SBI.
  - 2 Changing members does not affect continuity of the policy **unless specified by the LLC's operating agreement**. Refer to the LLC's operating agreement to determine if changing members would affect the continuity of the LLC and, therefore, the continuity of the policy. If **so**, then the procedures in subparagraphs D (2) and D (2) (c) above apply.

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L Person Type: Estates

This person type is a legal entity created and governed under the laws of the state in which it was formed as a result of an individual's death. The decedent's estate is a separate legal entity for federal tax purposes. The estate pays any debts owed by the decedent and then distributes the balance of the estate's assets to the beneficiaries of the estate. The estate exists until the final distribution of the assets is made to the heirs and other beneficiaries.

(1) **Estate Application.** For an estate to obtain insurance the following is required:

- (a) An EIN. Effective for 2012, an estate which previously reported a SSN must provide an EIN to continue to be insured as an estate for the 2012 crop year.
  - 1 The AIP must use the applicable form to obtain an EIN and revise existing policies
    - a The change in identification number does not constitute a new insured.
    - b Any multi-year WA must be revised to reflect the new identification number reported.
  - 2 If the estate does not possess an EIN, then the AIP must contact the executor or personal representative and determine the appropriate person type and revise the policy, as applicable.
- (b) The Application covers the share owned by an estate and must be signed by the **personal representative** or executor of the estate.

(2) **Discharge and Settlement.**

- (a) Upon settlement of the estate and the discharge of the **personal representative or executor**, the policy is canceled and a new Application is required to maintain insurance protection.
- (b) Removal or discharge of a **personal representative or executor** and the appointment of another does not terminate the insurance contract.

M Person Type: Trusts

The **person type** is an arrangement through which trustees take title to property for the purpose of protecting or conserving it for the beneficiaries under the ordinary rules applied in chancery or probate courts. A trust is a legal entity created during an individual's lifetime (inter vivo) or at the time of his or her death under will (testamentary). The person who creates the trust is called the grantor or **settlor**.

- (1) **Trust Types.** For crop insurance purposes, the commonly recognized trusts include irrevocable, revocable, and BIA allotment trusts. State law and the trust instrument establish whether a trust is revocable or irrevocable.
  - (a) **Irrevocable Trusts.** This person type is a legal entity created and governed under the laws of the state in which it was formed where legal title/interest is transferred from the settlor or grantor to the trustee for the benefit of the designated beneficiary(ies). This trust cannot be modified, amended, canceled, or revoked at any time by the settlor without the permission of the beneficiary.
  - (b) **Revocable Trusts.** This person type is a legal entity created and governed under the laws of the state in which it was formed where legal title/interest is transferred from the settlor or grantor to the trustee for the benefit of the designated beneficiary(ies). This trust may not be modified, amended, canceled, or revoked at any time by the grantor. The grantor of a revocable trust has a SBI in the trust.
  - (c) The Bureau of Indian Affairs and Indian Tribal Ventures (BIA Trusts).
    - 1** Native American land is frequently held in trust by the Bureau of Indian Affairs or a Tribal governing body and leased to operators. Often BIA trusts are referred to as allotments, identified by an allotment number. A separate policy is required for each allotment with different individual owners.
    - 2** 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. If the trust agreement provides that operators of leased land purchase crop insurance, a POA will be executed by the BIA granting the operator the authority to purchase crop insurance on behalf of the trust.
    - 3** Linkage to other USDA farm program benefits for individual Native Americans who own parcels of an allotment are established by that trust.

- 4 All other Native American persons will be insured as applicable (i.e., individuals, partnerships, joint operators, etc.) with the exception of those tribal ventures that do not meet the requirements for joint ventures, which will be treated as a BIA trust for crop insurance policy processing purposes.

(2) **Trust Application.**

(a) **Identification Number Required**

- 1 For an irrevocable trust, an EIN must be reported. Effective for 2012, an irrevocable trust which previously reported a SSN must provide an EIN to continue to be insured as an irrevocable trust for the 2012 CY.

a The AIP must use the applicable form to obtain an EIN and revise existing policies.

(i) The change in identification number does not constitute a new insured.

(ii) Any multi-year WA must be revised to reflect the new identification number reported.

b If the irrevocable trust does not possess an EIN, then the AIP must contact the trustee and determine the appropriate person type to revise the policy, if applicable.

- 2 For a revocable trust, an EIN must be reported if it has been established for the revocable trust. If an EIN has not been established, then a SSN/RAN must be reported.

(b) The Application must be signed by the administrator or fiduciary/trustee appointed to administer the business affairs of the trust.

(c) The Application extends to only the trust's interest. This extension does not include the interest of the beneficiaries to the trust.

(d) If the individual/married individual operates both as an individual/married individual and as a revocable trust, both operations must be reported under the individual/married individual policy.

- 1 If operating as an individual and a revocable trust, the revocable trust's interest would be covered by the individual policy.

2 If both spouses each have a revocable trust, each trust must be covered under the individual/married policy, unless the criteria for separate policies have been met.

- 3 The revocable trust must be listed as a SBI to the individual/married individual policy.

(e) If the individual/married individual operates both as an individual/married individual and as an irrevocable trust, both operations must be reported under separate and distinct policies (e.g., 1 individual/spousal policy and 1



irrevocable trust policy, but not 1 individual/spousal policy with 1 irrevocable trust reported as SBI).

## N Person Types: Other Persons

The following person types must report an EIN.

- (1) **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.
- (2) **State/Local Government.** This person type is the government at state-level or lower, such as the government of a state of the United States, a state agency, county government, or city government.
  - (a) This person type may insure their share.
  - (b) The Application must be signed by the person having authority to enter into a binding contract for the State/Local Government.
  - (c) Effective for 2012, policies reported by the AIP to RMA as a public agency (city, county, or state) person type must be revised to State/Local Government. The AIP must notify carryover insured's of the change in person type.
- (3) **Public Schools.** This person type includes primary, elementary, or secondary, open and free to all children of a particular district where the school is located. Also, includes colleges and universities which are directly administered under the authority of a governmental body or which receives a predominant amount of its financing from public funds.
  - (a) This person type may insure their share.
  - (b) The Application must be signed by the person having authority to enter into a binding contract for the public school.
- (4) **Non-Profit or Tax Exempt Organizations.** This person type is a legal entity created and governed under the laws of the state in which it was formed that is a tax-exempt or non-profit organization, generally a corporation that does not distribute earnings to its members. Includes, but is not limited to, churches, charities, private schools, and clubs.
  - (a) Effective for 2012, policies reported by the AIP to RMA as the following person types: associations, clubs, private schools, or tax-exempt organizations must be revised to Non-Profit or Tax-Exempt Organization. The AIP must notify carryover insured's of the change in person type.
  - (b) To act as a representative for any principal, a person (individual, etc.) must provide evidence of authority (preferably a POA) 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.
  - (c) The Application must be signed by the person having authority to enter into a binding contract for Non-Profit or Tax-Exempt Organization.

## 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 AIP must assure there is a properly accepted application confirmed by a policy confirmation (defined in Exhibit 1). For further information regarding the application, refer to the CIH.

### 17 POLICY CHANGE

Prior to assignment of the loss inspection, the AIP is responsible for verifying that all timely completed and submitted policy changes for the crop and crop year that would affect the loss inspection and indemnity payment have been processed. If it is discovered during the loss inspection that a timely completed and submitted policy change has not been processed, contact your AIP for further instructions. Refer to the CIH for more information regarding changes in **plan of insurance**, **percentage of projected price** or price election, and **coverage** level. For information on the Policy Cancellation, refer to the CIH.

### 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., a practice that is not otherwise insurable is insurable via this agreement, etc.

### 19 APH FORM (PRODUCTION AND YIELD REPORT)

A Review Approved APH Yields. An APH **database** with the current approved APH yield for the crop/**practice/type** must **be in place** in order to complete a claim. Unless subparagraph B applies, the AIP will verify the approved APH during the loss adjustment inspection, as follows:

- (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).

B Required Mandatory Reviews Requiring APH Field Reviews. Refer to Appendix IV of the SRA for information and instructions.

## 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. (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. 126.

### 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 or is allowed to be separated by meeting the criteria in PAR 126. If it has not, refer to the commingled production procedure in PAR. 126.

## 21 ACREAGE REPORT

### A General Information

- (1) The acreage report must include, if applicable, the following information:
  - (a) Amount of acreage of the crop in the county in which the insured has a share and the date the insured crop **acreage** was planted on the unit as follows:
    - 1 **Timely planted acres.** The last date any timely planted acreage was planted and the number of acres planted by such date; and
    - 2 **LP acres.** The date of planting and the number of acres planted per day for acreage planted during the LP period. (If the insured fails to report the number of acres planted on a daily basis, all acreage planted in the LP period will be presumed to have been planted on the last day planting took place in the late planting period for the purposes of section 6 of the BP.);
  - (b) The insured's share at the time coverage begins;

- (c) The practice;
  - (d) The type; and
  - (e) The land identifier for the crop acreage (e.g., legal description, FSA FN, or CLU number, if provided to the insured by FSA, etc.) as required on the acreage report, or as specified on the CP or SP, if applicable.
- (2) If it is after the ARD, there must be an acreage report on file with the AIP before a claim can be filed.
- (3) Separate line entries are required on the acreage report, as follows:
- (a) Basic, enterprise, and optional units, and within each unit, separate line entries for differing practices, types, varieties, shares, APH yields, and risk classifications;
  - (b) For whole farm units, a separate line for each crop and for each crop with differing practices, types, varieties, shares, APH yield, and risk classifications;
  - (c) Timely planted acres (full production guarantee);
  - (d) LP acres, with a separate line entry for each day of planting during the LP period (with a reduced production guarantee based upon the number of days planted late), or a separate line entry for acres of a crop prevented from planting after the LP period or a separate line entry after the FPD for crops that do not have a LP period;
  - (e) Planted acres of the first insured crop for which 100 percent of the premium is due and a separate line of first insured crop acreage for which 65% reduction of the premium is applicable;
  - (f) Eligible PP acres that are eligible for 100 percent of the PP payment; and for which 100 percent of the premium is due will be a separate line from eligible PP acres that will have a 65 percent reduction of the PP payment and which will result in a 65 percent reduction in premium;
  - (g) Uninsurable acreage, designated as such, as specified in section 6 of the CIH. Also, see PAR. 44 (2) of the LAM;
  - (h) Uninsured acreage of an insured crop, designated as such as specified in Section 6 of the CIH;
  - (i) Unreported acreage (within the same unit) is insurable acreage not reported timely and that did not meet the criteria for the AIP to accept the liability for such acreage and designated as such as specified in Section 6 of the CIH. Refer to PAR.s 32 and 74 herein for the criteria for accepting such acreage; and
  - (j) Unreported units are units which were not reported timely, or did not meet the criteria for the AIP to accept the unit acreage designated as such, as specified in Section 6 of the CIH. Refer to PAR.s 32 and 74 herein for the criteria for accepting such acreage.

## B 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 AIP may determine the acreage (tonnage for raisins) and establish premium and liability or the liability may be denied in accordance with procedures in PAR. 74. Late-filed acreage reports are not allowed for PP acreage.

## C 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 (insurable and uninsurable) has been reported (refer to PARs 44 and PAR. 45). Also, refer to PAR. 127 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. 80.

- (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: (Refer to 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 policy. 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. Refer to PARs 44 and 45 for more details on insurable (insured), uninsured, and uninsurable crop acreage.

- 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.

#### (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 AIP 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 FPD or if any of the reported LP dates are incorrect, revise the acreage report accordingly. Refer to the late-planted acreage procedures in Part 5.

(c) Acres reported

- 1 Verify that all insurable and uninsurable acreage for the crop has been reported. If any of the acreage reported as insurable is uninsurable, revise the acreage report to designate such acreage as uninsurable. Refer to PAR. 44 for information about uninsurable acreage.

- 2 For annually planted crops: If it is past the FPD, verify that all acreage planted has been reported for all fields.

(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 and designate such acreage as uninsurable acreage, and verify that the production from this uninsurable acreage and insured acreage has been kept separate. If production was not kept separate, follow the procedures in PAR. 126 for commingled production. Use the actual planting practice on the claim form except as explained in PAR. 42.

(e) Land identifier for the crop acreage (e.g., legal description, FSA FN, or CLU number, if provided to the insured by FSA, etc.)

Verify the physical location against the land identifier on the acreage report by using FSA documents or other verifiable documents as references during inspection of the fields.

(f) 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.

(g) 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. Refer to PAR. 13.

(h) Risk classification

The AIP 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) or (2) FSA documents if FSA FNs are applicable.

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(i) Unit Number

- 1 AIPs must verify that the legal description and FSA FN 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 CP or endorsement or, if applicable, the unit division provisions in the actuarial documents or Unit Division Option.

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

(3) Uninsured or Uninsurable Acreage

Verify that any harvested production from the uninsured or uninsurable acreage was kept separate from the insured acreage. If it was not, refer to the commingled production procedure in PAR. 126.

D Misreported Information (MI) on Acreage Reports

The insured must submit annually all required acreage report information for all insured crops on an annual acreage report(s) to the AIP. The insured is responsible for the accuracy of all information contained in the acreage report. The insured is responsible for verifying the information on all such reports prior to submitting them to the AIP. The following subparagraphs identify when the misreported information (MI) provisions in section 6 (g) (2) of the BP apply and do not apply:

- (1) **Planted Acreage.** MI provisions apply to the acreage information reported as insured acreage. However, the provisions do not apply to any acreage reported as insured acreage that is not insurable acreage in accordance with the policy provisions for insurable acreage, as outlined in PAR. 44.
- (2) **PP Acreage.** MI provisions apply to reported insurable PP acreage anytime the insured misreports any actual information (for example, when there are only 80 acres but the insured reported 100 acres). However, if any of the acreage reported as PP is not eligible for a PP payment, the MI provisions do not apply (for example, when the insured reported PP on 500 actual acres, but due to eligibility requirements, 400 of the 500 acres were determined to be ineligible for prevented planting coverage).
- (3) MI determinations are based on the information for the unit acres reported on the acreage report for each type of claim; i.e., only the information from the reported replanted acres are used for MI determinations for replant payment claims, only the information from the reported PP acres are used for PP payment claims, and only the information for the planted acres (including replanted acres) are used for indemnity claims.



(4) If the insured unintentionally:

- (a) **Under-reports liability** for the unit (reported information results in liability lower than the liability determined by the AIP to exist), the loss liability for the unit will be held to the liability reported by reducing the production guarantee or amount of insurance on the unit by the liability adjustment factor (LAF). In the event the insurable acreage is under-reported for any unit and a claim for indemnity is submitted, all production or value to count from all of the insurable acreage (reported and not reported) will count against the unit guarantee.
- (b) **Over-reports liability** for the unit (reported information results in liability higher than the liability determined by the AIP to exist for the unit, the information contained in the acreage report will be revised to be consistent with the correct information. Any overstated premium resulting from the over-reported liability will be reduced accordingly and refunded to the insured if already paid.

(5) If the AIP discovers the insured has incorrectly reported any information on the acreage report for any crop year, the insured may be required to provide documentation in subsequent crop years substantiating his/her report of acreage for those crop years, including, but not limited to, an acreage measurement service at his/her own expense. If the correction of any misreported information would affect an indemnity, PP payment or replant payment that was paid in a prior crop year, such claim will be adjusted and the insured will be required to repay any overpaid amounts.

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(6) If the AIP has evidence the insured intentionally misreported (misrepresentation) acreage information, the voidance provisions in section 27 of the BP apply. If the AIP does not have evidence that the acreage information was intentionally misreported (misrepresentation), the MI provisions apply.

E Revised Acreage Report. Acreage reports cannot be revised except as outlined in PARs 28 and 29.



## 22 HAIL AND FIRE EXCLUSION

### A Eligible Acreage

- (1) The hail and fire exclusion applies to all acreage of the crop insured at an equivalent to a minimum 65 percent coverage indemnified at the 100 percent price election (also refer to B(2) below). If a whole-farm unit is elected, hail and fire coverage may be excluded if allowed by the SP.
- \*\*\*
- (2) Due to an insured's ability to select different price elections or different coverage level percentages for different types of the same crop, such as dry beans, dry peas or grapes, a single crop policy may have some types with 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 AIP 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) To determine if the minimum required hail and fire liability is in place for a revenue protection plan of insurance policy, or revenue protection with the harvest price exclusion plan of insurance policy, the amount of liability (for this purpose only) will be computed based upon the projected price.
- (3) 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 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 "Uninsured Cause" column.

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

(a) Make an entry in the "Uninsured 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

**(CONTINUED ON THE NEXT PAGE)**

- (5) The original acreage report shows all of unit 0001-0001BU (108.0 acres) was planted by the FPD and there is no LP provision for the crop, but it was determined 20.0 acres of unit 0001-0001BU were planted after the FPD.

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 0001-0001BU was revised to designate the 20 acres planted after the FPD as uninsured acreage. Advise insured to keep harvested production from insured acreage (88.0 acres) separate from harvested production from the uninsured acreage (20.0 acres).

- (6) The original acreage report shows all of unit 0001-0002BU (200.0 acres) was planted by the FPD, but it was determined that 50.0 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 150.0 acres as timely planted and make a separate line entry showing the 50.0 acres with the correct planting date.

- (7) The original acreage report shows 50 percent share for unit 0001-0001BU. 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 0001-0001BU acreage meets the criteria for accepting additional liability, as defined in PAR. 74, the acreage report can be revised to reflect 100 percent share.

- (8) The original acreage report shows 100 percent share for unit 0001-0001BU 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 0001-0002BU 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 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 0001-0002BU 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 0001-0002BU soybeans.

- (12) The insured reported two units of soybeans (unit 0001-0001OU and unit 0001-0002OU) on his/her acreage report. After the ARD, the insured reviewed the Summary of Coverage that was generated from the soybean acreage report and discovered that he/she had failed to report unit 0001-0003OU soybeans. The insured requests that unit 0001-0003OU be added. The crop inspection to accept additional acreage (PAR. 74) reveals that the appraisal for unit 0001-0001OU and the appraisal for 0001-0003OU exceed 90 percent of the yield upon which the per-acre guarantee for each of these units is based. However, unit 0001-0002OU acreage appraises below 90 percent of the yield upon which the per-acre guarantee is based.

ACTION: The AIP must deny the request to add unit 0001-0003OU (additional acreage) since unit 0001-0002OU is considered to be in a potential loss situation as outlined in PAR. 74 D and E.

- (13) The insured reports 100.0 planted acres on the acreage report, but only 75.0 acres are planted and the insured claims that 25.0 of the acres were actually prevented from planting. The insured claims he/she reported the 100.0 acres because he/she was planning to plant 100.0 acres, but then it started raining and the insured was unable to plant the other 25.0 acres, as reported.

ACTION: If it is prior to the ARD, both the planted and PP acres can be revised. If it is after the ARD, the acreage report cannot be revised to add the PP acres. However, the planted acres can be revised downward, if at the time the revision is requested, no insured cause of loss affecting the planted acres has occurred, as stated in PAR. 29 B (8) above. Based on the preceding information: (1) If it is before the ARD, the acreage report can be revised to add the PP acres and reduce the planted acres; and (2) If it is after the ARD, **no** PP acres can be added.

**B Document Distribution and Unit Numbers to be Retained**

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

- (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 Actuarial Documents and in the following paragraphs.
- C A GFP determination is not a determination of insurability. Acreage must meet policy requirement for insured acreage before a GFP determination for the insured crop can be made. Refer to PAR. 136 for more information on GFP determinations.

### 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 for the current crop year, 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. In cases of a previously existing perennial crop (e.g., forage, grass hay, alfalfa, etc.), even if planted on **previous** CRP acreage, such crop must be terminated by mechanical or chemical means a full crop year before planting of the crop qualifying for the SF practice.

- (1) SF practices must be consistent with NRCS soil erosion control measures and recommended SF practice(s) for the area with regard to method(s), frequency, and adequacy of tillage and/or chemical control.
- (2) SF Date. In addition to lying fallow for a full crop year, termination of plant growth is required **on or before** the date designated for the area listed below, followed by a continuous chemical and/or mechanical weed control program. Plant growth termination dates are:
  - (a) May 1 in California;
  - (b) June 15 in North Dakota, Montana, and South Dakota; and
  - (c) June 1 for all other states.

**Example:** Acreage with a crop harvested in 2009 must lay fallow and any growth (i.e., weeds, volunteer crop) must be terminated (i.e., mechanical or chemical means) **on or before** the applicable SF termination date (i.e., May 1, June 1, or June 15, of 2010) to qualify for SF in the 2011 crop year).

## B Exceptions to SF rule

The following are exceptions to the rule that the land must not have been planted to a crop in the preceding crop year. If a crop was planted the preceding crop year (e.g., for the 2011 crop year, a crop planted in either the fall of 2009 or spring of 2010 for harvest during the 2010 crop year) and was not harvested, acreage that:

- (1) Qualified for the SF practice on which the crop failed and/or was destroyed before the date specified in A (2) above of the preceding crop year, and all other SF requirements were carried out, qualifies for the SF practice for the current crop year (e.g., for 2011, a crop planted on such acreage in either the fall of 2010 or spring of 2011 qualifies for the SF practice). Such acreage put to another use with the AIP's consent and planted to a different (second) crop also qualifies for the SF practice if SF is an applicable practice.
- (2) Did not qualify for the SF practice, the crop failed and/or was destroyed before the date specified in A (2) above of the preceding crop year does not qualify for the SF practice. A crop planted in the same crop year that the crop failed and/or was destroyed will NOT qualify for the SF practice. However, a crop planted on such acreage in the spring of the following crop year qualifies for the SF practice.

## C Whether Representative Sample Areas Qualify for SF

Representative sample areas left for loss adjustment purposes that are destroyed within 30 days after the applicable date specified in A (2) above qualifies for the SF practice if the remainder of the field qualifies for the SF practice. However, if the representative sample areas are not destroyed within 30 days after the applicable date specified in A (2) above, the acreage left in the sample areas will be considered sub-fields and will not qualify for the SF practice.

# 40 IRRIGATED PRACTICE

## A General Information

- (1) The crop insurance contract provides that insureds are to report as irrigated, and the AIP 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 PP policy provisions have been met. Refer to the PP LASH for more details regarding eligibility of a PP payment under an irrigated practice.
- (2) 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 PP coverage, see the PP LASH.) It is the insured's responsibility to provide documentation, upon the AIP's

- a what the local weather conditions and sub-soil moisture levels were for the dates in question (also see subparagraph K (6) (a) 1), and
- b with agricultural experts in the area, who are knowledgeable of the irrigated practice method and irrigation equipment used, what the expected results would be utilizing the irrigated practice method and irrigation equipment under the particular conditions and soil types for the dates in question.

(3) When Due to an Unavoidable Insured Cause of Loss, Insureds Are Unable to Prepare the Land for their Established Irrigation Method

- (a) Drought preventing preparation of furrows for furrow irrigation. 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.
- (b) Besides drought preventing establishment of furrows for furrow irrigation as stated above, there may be other unavoidable insured causes of loss that prevent the insured from preparing the land for his/her established irrigation practice.
- (c) The cause of loss code on the claim form would be as stated in Exhibit 3.
- (d) Document in the Narrative of the claim or on a Special Report, at least the following:
  - 1 What the insured's established irrigated practice is;
  - 2 What unavoidable insured cause prevented the insured from being able to prepare the land for the insured's established irrigation practice; and
  - 3 Additional supporting documentation explaining why it has been determined that drought or another insured cause of loss was the sole reason the land could not be prepared for the established irrigation practice.

○ 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, refer to PAR. 55 (Unit Structures).

**41 NON-IRRIGATED PRACTICE**

When the non-irrigated practice is listed as a practice on the county actuarial document, it is 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 (Intertilled Between Rows (IBR), Not Intertilled Between Rows (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.

**43 ORGANIC FARMING PRACTICE**

A Conditions of Insurance

- (1) Insurance Availability. Insurance **coverage** is available for certified organic acreage and transitional acreage; i.e., acreage **transitioning** to certified organic acreage in accordance with an organic system plan, **hereafter referenced as an organic plan if:**

- \*\*\* (a) A premium rate for an organic practice is specified on the actuarial documents;
- (b) The certified organic and transitional acreage is identified as insured (or insurable) on the CP; or
- (c) No premium rate for an organic practice is specified on the actuarial documents, the insured may request insurance coverage by written agreement. If coverage is not requested and provided by written agreement, the acreage designated on the organic plan as certified organic or transitioning to organic is uninsurable and must be reported as uninsured acreage.
- (2) For information regarding “New Producers” and “Added Land” refer to the CIH.
- (3) Organic Practices do not apply when acreage is transitioned to certified organic acreage without an organic plan, or written documentation from a certifying agent indicating an organic plan is in effect, as defined in the BP. In this situation:



- (a) The same policy terms and conditions for conventional and sustainable farming practices will apply.
  - (b) Appraisals for production lost due to uninsured causes may apply for not following weed or disease control measures recommended for conventional and sustainable farming practices.
  - (c) Adjustments to the APH database for the conventional farming practices may be warranted due to the change in practice. Refer to Exhibit 11 of the CIH for additional information.
- (4) Exemption from certification, as specified in the National Organic Program (NOP) standards, applies when an insured grows crops organically and whose annual gross agricultural income from organic sales totals \$5,000 or less. However, in order to receive insurance coverage under an organic practice, the insured must have on the date the acreage is reported:
- (a) An organic plan approved by a certifying agency. The organic practice does not apply when the exempt insured does not provide written documentation from a certifying agent indicating an organic plan is in effect for the acreage.
  - (b) Records from an exempt organic farming operation that list and show all production and handling activities of the farming operation in sufficient detail.

Refer to the NOP standards for additional information pertaining to exemptions from certification.

## B Requirements

### (1) Certified Organic Acreage Requirements

- (a) Insureds using an organic practice to produce or handle crops or other agricultural products that are intended to be sold, labeled, or represented as "100 percent organic," "organic," or "made with organic" (specified ingredients or food group(s)) must be certified according to the OFPA and NOP standards.
- (b) Insureds must have, on the date the acreage is reported, a current organic plan and written certification (certificate) in effect from a certifying agency that specifies the name of the person(s) certified (including business name), address, telephone number, effective date of certification (or certificate), certificate number, types of commodities certified [refer to 1 and 2 below], and name and address of the certifying agency.

1 The NOP standards on "Granting Certification" [7 CFR part 205.404(b)] states "The certifying agency must issue a certificate for the organic operation which specifies the . . . (3) "Categories of organic operation, including crops, wild crops, livestock, or processed products produced by the certified operation."

2 The "types of commodities" certified (as stated in section 37(c)(1) of the BP) are considered to be the "categories" listed in 7 CFR part

205.404(b) quoted in 1 above. To qualify for this portion of the requirements for the certified organic coverage for insured crops as stated in the BP, the certificate must list the name of the crops (not livestock, wild crops, or processed products) on the certificate. It does not have to list every crop the insured might plant. Since the certificate may not be issued every year, it is possible that the certificate may not list every insured crop the insured may plant and insure.

**Example:** A written certificate was issued in 2012 and lists: corn, oats, dry beans, and wheat. The next crop year, the insured plants canola, flax, and dry peas, which are not listed on the certificate, and the organic plan has not been updated for the current crop year to show these crops. In this case, the type of organic operation is still “crops,” and as long as the canola, flax, and dry peas were grown on ground that had previously been identified in the organic plan to be certified organic, the crops would be insured under the organic practice, as “certified organic.” However, if the “Certificate” lists livestock or the type of livestock, such as hogs, sheep, cattle, etc., then the commodity certified would not be “crops”; but “livestock”. Therefore, the crops (e.g., corn, dry beans, wheat, canola, flax, etc.) cannot be considered certified organic under that “Certificate”.

- (c) A certificate issued to an operator/tenant may be used to qualify the same acreage for a landlord or other similar arrangement.
- (d) A written certificate is not required by the ARD when:
  - 1 The certifying agency has yet to inspect the crop for the current crop year to issue an updated written certificate; therefore, the insured must provide (the most recent effective certificate) no later than claim notice;
  - 2 The certifying agency did not reissue a certificate to the certified organic farming operation when the organic plan was updated. However, all crops and legal descriptions and additional updates such as changes in practices, procedures and inputs from previous crop year’s organic plan must be identified on the current crop year’s organic plan.
- (e) Insureds shall immediately notify the AIP of any application of a prohibited substance (non-synthetic or synthetic), including drift, onto any certified organic field, production unit, site, facility or product that is part of the organic farming operation.

(2) Transitional Acreage Requirements

- (a) Although an organic plan and written documentation from a certifying agent indicating an organic plan is in effect is required for crop insurance purposes, the NOP does not consider transitional acreage as certified organic.
- (b) Insured converting their transitional acreage to certified organic acreage must have on the date the acreage is reported, an organic plan or written

documentation from a certifying agent indicating an organic plan is in effect from a certifying agency. The organic plan must specify the acreage that is in transition for organic certification and list the crops grown on the acreage during the 36-month transitioning period. In addition, the organic plan must include all other acreage; such as sustainable and conventional acreage in the farming operation.

- (c) Notification regarding the application of a prohibited substance or drift, as specified in subparagraph B (1) (e) above, also applies to transitional acreage.

## **C Maintaining Organic Records**

### **(1) Recordkeeping Requirements**

- (a) In accordance with the OFPA and the NOP standards, the insured must maintain records that pertain to an organic farming operation for a period of five years.
- (b) An insured with a split farming operation must maintain and provide separate records for conventional, transitional, and certified organic acreage.
- (c) Records of acreage and production are not required if an insured picks up new acreage that initially qualified as certified organic or transitional acreage, or acreage that was farmed previously under an organic practice, and the insured is not using crop history from another person.

### **(2) Record Specifications**

The insured must provide to the AIP:

- (a) Records specific (e.g., organic crop records) to the organic (certified organic or transitional) farming operation as stated in B (1), B (1) (b) 2, the Example, and B (2) above. Examples of organic crop producer records are receipts and invoices of seeds and transplants, material application records, production records, field history records, harvest and storage records, and sales records.
- (b) Records of acreage and production from the organic operation that show the exact location of each field for transitional, certified organic, buffer zone, and conventional acreage not maintained under an organic practice.
- (c) Records of acreage and production applicable to the organic farming operation that:
  - 1 Fully disclose all activities and transactions of the organic farming operation in sufficient detail as to be readily understood and audited [see C (2) (a) above];
  - 2 Contain a current on-site inspection report completed by an inspector as defined in the NOP standards; and

- 3 Contain information pertaining to conventional or organic (certified organic and transitional) acreage not in production.

**D** Organic Certification and Accreditation Issues

\*\*\* A certifying agency can deny, suspend, or revoke certification when the insured is not able to comply with the standards set forth in the NOP standards.

- (1) If certification is:
  - (a) Denied on all or a portion of the certified organic farming operation, the acreage or a portion of the acreage not certified cannot be insured under an organic practice. If the suspension or revocation results in a change of practice, refer to the CIH.
  - (b) Suspended or revoked:
    - 1 Before the ARD, the acreage will be considered uninsurable under the organic practice; however, it will be insured under the applicable conventional practice.
    - 2 After the ARD, the organic acreage will remain insured for the remainder of the crop year under the reported practice for which it qualified at the time the acreage was reported. Any loss due to failure to comply with organic standards will be considered an uninsured cause of loss.
- (2) Suspended Certification. If the certification is suspended, the insured or certified farming operation or person involved with the certified organic farming operation for which the certification has been suspended will be ineligible to receive insurance coverage under an organic practice the following crop year, UNLESS the insured receives his/her eligibility for reinstatement letter. The insured or certified organic farming operation or person involved with the certified organic farming operation **must** provide a copy of the eligibility for reinstatement letter to the AIP. Refer to the NOP regulation for additional information regarding suspended certification.
- (3) Revoked Certification. The insured or certified organic farming operation or person involved with the certified organic farming operation, whose certification has been revoked will be:
  - (a) Ineligible to receive insurance coverage under an organic practice for a period of at least five years following the date of such revocation.
  - (b) Eligible to insure the acreage under a conventional practice the following crop year, if all applicable requirements are met.
- (4) AMS Denial of Accreditation of an Organic Certification Agency (Agent)

When the Program Manager of Agriculture Marketing Service has reason to believe a certifying agency or certifying agent is not able to comply with the requirements of the OFPA and the NOP standards, i.e., compliance issues pertaining to the denial of accreditation, the insured must:

- (a) Within the timeframe allowed **by the NOP**, find another certifying agency (agent), or
- (b) Contact a NOP representative for assistance in finding another certifying agency (agent), if he or she has difficulty in finding another certifying agency **or certifying agent**.

## **E** Additional Policy Elements for Organic Acreage

### **(1)** **Insurance Guarantees, Coverage Levels and Premium Determination.**

The production guarantee or amount of insurance, coverage level, and price (i.e., organic price elections, projected prices, and harvest prices) are available in the actuarial documents.

- (a) If an insured insures conventional, transitional and certified organic practices of a crop, the plan of insurance, level of coverage, and price election percentage chosen for one practice (e.g., conventional soybeans) must be the same percentage chosen for the other practice (e.g., certified organic soybeans) as provided in BP, Sec. 3(b)(1).

**Example:** An insured with certified organic soybeans must use the projected prices, and harvest prices, for the certified organic soybeans shown in the actuarial documents for the applicable P/T and may not select the price available for non-organic soybeans.

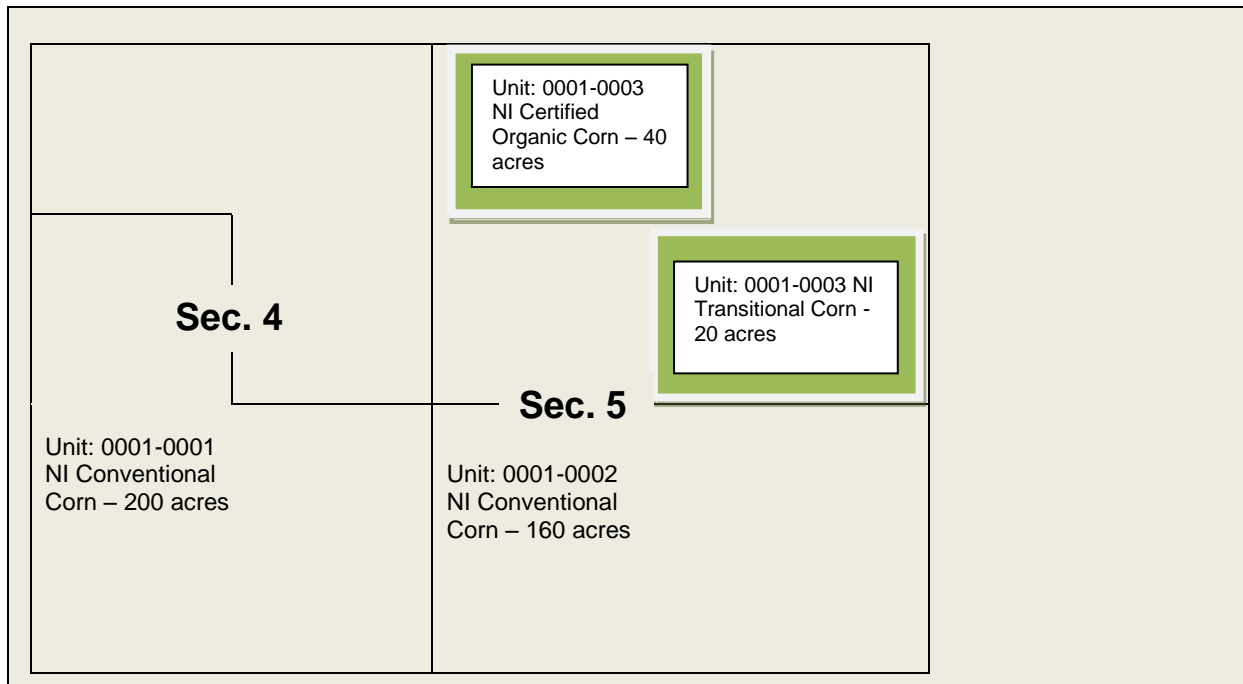
- (b) Crops grown in the buffer zone (or buffer zone acreage) will be insured using the applicable price elections, projected prices, harvest prices, plan of insurance, dollar amount of insurance, and level of coverage shown in the actuarial documents for the acreage it buffers.

\*\*\*

### **(2)** Unit Determination

The BP, Section 1, defines a BU. Section 34(b) (1)-(4) and (c) (3) of these same provisions, provides instructions for establishing separate OUs. In addition to, or instead of, establishing OUs by section, section equivalent or FSA FN, or irrigated and non-irrigated acreage, separate OUs may also be established for acreage of the insured crop grown and insured under an organic farming practice.

**The example below illustrates the certified organic, transitional and buffer zone acreages individually do not qualify as separate units.** There are three OUs, unit 0001-0001 and 0001-0002 (are established for the conventional acreage) and unit 0001-0003 (is established for both the transitional and certified non-irrigated acreage).



**(3) Quality Adjustment**

There is no additional quality adjustment for certified organic or transitional acreage. If quality adjustment is available for a specific crop(s) produced under the conventional farming practices, the same quality adjustment procedures will also apply to the same crop(s) produced under an organic (certified organic or transitional) farming practice. Refer to the BP, CP and SP for information that pertains to quality adjustment.

**(4) Prevented Planting.** Refer to the BP for crops grown under organic practices that may be eligible for PP payments

- (a) PP coverage will be provided for organic acreage if such PP acreage is identified as transitional; i.e., acreage transitioning to organic, certified organic or buffer zone acreage in the organic plan in accordance with the BP and applicable CP.
- (b) PP coverage will not be provided for any acreage grown under an organic farming practice in excess of the number of acres (including prevented planted and planted acres) shown on the acreage report and may not exceed the number of acres specified on the organic plan.

**(5) Acreage Reporting**

- (a) The insured must submit the acreage report, by the ARD, for all acreage, insurable or uninsurable, within the organic farming operation. Separate lines entries must be used for all acreage; i.e., conventional, transitional and certified organic acreage and all other required information for the acreage report. Refer to the CIH for more information.

(b) The buffer zone acreage will be included in the organic acreage of the unit that it buffers either transitional or certified organic acreage and reported on the same basis. For revised acreage reports, see **G** (7) below.

(6) Also, review responses to frequently asked questions in subparagraph **H** below for more information.

#### **F** Causes of Loss When Insured Under an Organic Farming Practice

All loss of production or amount of insurance due to insured causes of loss listed in the CP are applicable to the organic farming practice, unless specified otherwise in the SP, and provided the cause of loss was not due to the insured not following a good organic farming practice. The definition for “Good Farming Practice” in Exhibit 1 is also inclusive of a good organic farming practice. Section 37 (e) and (f) of the BP state the following:

- (1) Any loss due to failure to comply with the organic standards will be considered an uninsured cause of loss.
- (2) Contamination by application or drift of prohibited substances onto land on which crops are grown using organic farming practices will not be an insured peril on any certified organic, transitional, or buffer zone acreage.

#### **G** Loss Adjustment of Organic Farming Practices

(1) In accordance with section 37 (d) of the BP, the insured must provide the AIP with copies of the records required in subparagraph **B (1) for certified organic acreage and B (2) for transitional acreage**. During the loss adjustment inspection, request these records and verify pertinent information from these records to determine insurability, practice, if applicable, whether the insured has been following good organic farming practices from any field inspection report performed by an inspector for the certifying agent, and whether acreages reported agree with the acreage shown on the certifier’s records for certified acres and the organic plan or written documentation issued by a certifier if the insured has only transitional acreage. Items to identify, but not limited to, are as follows:

- (a) Exact field locations of certified organic, transitional, and buffer zone acreage,
- (b) Exact field location of acreage not maintained under organic management (i.e., crops grown under conventional or sustainable farming practices),
- (c) Rotation requirements, etc.

(2) Also, request any of the records described in subparagraph **C** above that are needed for verification purposes during the loss adjustment inspection as required in other areas of the LAM or crop LASH.

(3) If the insured produces the insured crop using both an organic and conventional/sustainable farming practice, verify that separate records of acreage and production for each farming practice have been maintained.

(4) There is no additional quality adjustment for certified organic or transitional acreage as specified in subparagraph **E (3)** above.

- (5) When a cause of loss is questionable for the organic farming practice, such as weed, disease, or insect control for organically grown production, verify with organic agricultural experts for the area," as stated in Exhibit 1. Request any applicable control records (e.g., receipts with names of inputs for disease or insect controls and dates applied and control measures for weeds and dates control measures were taken, etc.).
- (6) Use separate line entries for certified organic, transitional acreage (buffer zone acreage planted to insured crop is included with the certified organic or transitional acreage of which it is a part), and also acreage grown under conventional or sustainable farming practice when insured in the same unit on the claim form.
- (7) Revised acreage reports.
- (a) If acreage was reported as organic, and there was no organic premium rate included in the actuarial documents for the crop and county and no written agreement was in effect to insure an organic farming practice, the acreage designated on the organic plan as certified organic or transitioning to organic is uninsurable and must be revised on the acreage report as uninsurable acreage.
  - (b) If acreage was reported with a conventional/sustainable farming practice, but: (1) such acreage has an organic plan from a certifying agent in effect, and (2) there is an organic premium rate on the actuarial documents for the crop and county, then the acreage report must be revised to show the acreage insured under the organic farming practices.
  - (c) If acreage was reported as organic, but: (1) An organic plan was not in effect from a certifying agent (without a plan the acreage does not meet the policy definition of "organic farming practice"), but there is an organic premium rate on the actuarial, the acreage report must be revised to show the acreage insured under the conventional rates (conventional/sustainable farming practice) and uninsured causes may apply.
  - (d) All other rules for revised acreage reports apply. Refer to PART 2, Section 3 herein.

## **H** Frequent Questions and Answers

**Question 1:** If an insured grows both conventional/sustainable and organic, are they required to insure both if there are organic premium rates in the county?

**Answer 1:** YES, it is not an option; all insurable acreage must be insured.

**Question 2:** Could insureds choose to insure everything under the conventional premium rates even though there are organic premium rates in the county? (Uninsured cause appraisals applied if appropriate.)

**Answer 2:** NO, if the acreage is grown using "organic farming practices" and under an organic plan in effect from a certifying agent, it must be insured as organic.

**Question 3:** Could insureds choose to insure the conventional crop under the conventional rate and decline coverage for the organic?



**Answer 3:** NO, it is not an option; all insurable acreage of the crop must be insured.

**Question 4:** Could insureds choose to decline coverage for the organic acreage if there weren't any organic premium rates in the county?

**Answer 4:** If organic premium rates are not on the actuarial table, and:

- (1) Acreage is under an organic plan in effect from a certifying agent; such acreage would only be insured by an approved written agreement, which would provide for the organic premium rate. If a written agreement was NOT approved, the crop acreage would NOT be insured; or
- (2) An organic plan was not in effect from a certifying agent for the acreage, such acreage does not meet the policy definition of "organic farming practice" and would, therefore, be insured under the conventional rates and uninsured causes may apply.

**Question 5:** Could insureds choose to insure everything under the conventional rate if there were no organic premium rates in the county? (Uninsured cause appraisals applied if appropriate.)

**Answer 5:** See answer 4 above.

## SECTION 7 INSURABLE ACREAGE

### 44 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 SP. 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 BP (unless specified otherwise in the crop provisions or SP), 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 or insured (including insured acreage that was prevented from being planted (NAP coverage is not considered insured acreage)) in at least 1 of the 3 previous crop years, **unless the insured can show that**:
    - (a) Such acreage was not planted:
      - 1 In at least 2 of the previous 3 crop years 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 Because a perennial tree, vine, or bush crop was grown on the acreage; or
    - (b) The CP, SP, or a Written Agreement specifically allow insurance for such acreage;

- (c) Such acreage constitutes five percent or less of the insured planted acreage in the unit;
  - (d) Such acreage was not planted or harvested because it was pasture or rangeland, the crop to be insured is also pasture or rangeland, and the CP, SP, or a written agreement specifically allow insurance for such acreage;
- (2) **Uninsurable acreage includes acreage:**
- (a) On which the only crop that has been planted and harvested in the previous three crop years is a cover crop, hay (except wheat for hay) or a forage crop (except corn or sorghum silage). However, such acreage may be insurable if:
    - 1 The insured crop is a hay or forage crop; and
    - 2 The CP, SP or a WA specifically allow for insurance on such acreage; or
    - 3 The hay, or forage crop is used in a crop rotation.
  - (b) That has been strip-mined, unless otherwise approved by written agreement, or unless an agricultural commodity other than a cover, hay (except wheat harvested as hay), or forage crop (except insurable silage), has been harvested from the acreage for at least 5 crop years after the strip-mined land was reclaimed.
  - (c) For which the actuarial documents do not provide the information necessary to determine the premium rate, unless insurance is allowed by a written agreement;
  - (d) On which the insured crop is damaged and it is practical to replant the insured crop, but the insured crop is not replanted;
  - (e) That is interplanted, unless allowed by the CP;
  - (f) That is otherwise restricted by the crop provisions or SP;
  - (g) 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;
  - (h) Of a 2<sup>nd</sup> crop if the insured elects not to insure such acreage when an indemnity for a 1<sup>st</sup> insured crop may be subject to reduction in accordance with Section 15 of the BP and the insured intends to collect an indemnity payment that is equal to 100 percent of the insurable loss for the 1<sup>st</sup> insured crop acreage. This election must be made on a 1<sup>st</sup> insured crop unit basis. For example, if the 1<sup>st</sup> insured crop unit contains 40 planted acres that may be subject to an indemnity reduction, then no 2<sup>nd</sup> crop can be insured on any of the 40 acres. Refer to Section 9 of this handbook for additional information regarding 1<sup>st</sup> insured crop, 2<sup>nd</sup> and subsequent crops;
  - (i) Of a crop planted following a 2<sup>nd</sup> crop or following an insured crop that is prevented from being planted after a 1<sup>st</sup> insured crop, unless it is a practice that is generally recognized by agricultural experts or the organic

agricultural experts for the area to plant 3 or more crops for harvest on the same acreage in the same crop year, and additional coverage insurance provided under the authority of the FCIC Act is offered for the 3<sup>rd</sup> or subsequent crop in the same crop year. For additional information regarding 3<sup>rd</sup> or subsequent crops, see Section 9; or

(j) Notwithstanding the provisions in subparagraph B(1)-(8) above, if the Governor of a State designated within the Prairie Pothole National Priority Area elects to make section 508(o) of the Act effective for the State, any native sod acreage greater than five acres located in a county contained within the Prairie Pothole National Priority Area that has been tilled after May 22, 2008, is not insurable for the first five crop years of planting following the date the native sod acreage is tilled.

1 If the Governor makes this election after the insured has received an indemnity or other payment for native sod acreage, the insured will be required to repay the amount received and any premium for such acreage will be refunded to the insured.

2 If the AIP determines the insured has tilled less than five acres of native sod a year for more than one crop year, the AIP will add all the native sod acreage tilled after May 22, 2008, and all such acreage will be ineligible for insurance for the first five crop years of planting following the date the cumulative native sod acreage tilled exceeds five acres.

(k) Items (a)-(f) listed in PAR. 45 B (2) are also considered uninsurable acreage.

(l) Initially planted after the final planting date unless late planting coverage is provided by the CP. Refer to Part 5 herein for more information regarding late planting coverage.

C Refer to 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 AIP and in turn the AIP notifies the insured by the sales closing date.

E Acreage Under Contract With a Processor (APH CROPS ONLY)

(1) General Information

Several CP (crop endorsements or options, if applicable) require that a processor contract be in effect for the crop to be eligible for insurance. There are three types of processor contracts, as follows:

(a) Acreage contracts,

An acreage processor contract states the amount of acreage to be planted by the producer and that the processor agrees to purchase all production from this acreage meeting the requirements as stated in the contract.

(b) Production contracts, or

A production processor contract states a specific amount of production to be grown by the producer and that the processor agrees to purchase all production (up to the specified amount) meeting the requirements of the contract.

- (c) A combination of acreage/production contracts.

An acreage/production processor contract specifies a combination of acreage and production requirements.

Most CP require all processor contracts to be executed not later than the ARD for the insured crop. Refer to the individual crop provisions.

## (2) Determining Insurable Acreage Under a Processor Contract

To determine insurable acreage under a processor contract, apply the following:

- (a) For an acreage processor contract, specifying a minimum number of acres, maximum number of acres, or both, the insurable acreage will be:
  - 1 Zero, if the producer plants less than the minimum acreage stated in the contract and the contract contains no provision that makes the processor liable to accept the production and the producer cannot provide documentation confirming that the processor will accept the lesser amount; or
  - 2 The lesser of the planted acres or maximum number of acres specified in the contract.
- (b) For a production processor contract, the insurable acreage will be the planted acres.
- (c) For an acreage/production processor contract, apply E (2) (a) above.

## (3) Total Production Guarantee on Insurable Acreage

To determine the total production guarantee, apply the lesser of the:

- (a) Contracted acres multiplied by the production guarantee (per acre);
- (b) Planted acres multiplied by the production guarantee (per acre);
- (c) Total production stated in the contract; or
- (d) For acreage/production contracts, the contracted acres multiplied by the contracted production per acre.

## (4) Indemnity Payment Calculation

An indemnity payment will be made only if the total production to count for the insurable acreage falls below the Total Production Guarantee for the insurable acreage (as established above) for the respective unit.

F Examples of different situations.

The following provides questions that describe 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  
**(CONTINUED on page 111)**

(RESERVED)

- (4) The amount of acreage the insured is double cropping in the current crop year does not exceed the number of acres for which the insured provides records, as required in (3) above.

**C**     Acceptable Double-Cropping Records

- (1) Acceptable double-cropping records must include, but are not limited to: APH acreage and production records such as settlement sheets, bin measurements, FSA maps, and FSA 578s that identify the acreage, production, and location from which the production came.
- (2) For production from double-cropped acreage that was not kept separate from non-double cropped acreage, the AIP may allocate commingled first/second crop production to that acreage in proportion to the liability for the acreage that was not double cropped, provided the yields are representative as described in (b) below.
- (a) This allocation procedure applies to commingled production from the first crop that is double-cropped (i.e. wheat production from acreage planted to a second crop and wheat production from acreage not planted to a second crop) as well as the second crop that is double-cropped (i.e. soybean production from acreage planted after a first crop and soybean production from acreage not planted after a first crop). Refer to PAR. 53 and 126. In cases where the liability per acre is the same for the crop on the acreage that was and was not double cropped, or in cases where the crop was not insured or was not an insurable crop, AIPs may divide the total production by the total acres to allocate commingled production.
- (b) The amount of allocated production must be representative of the yields per acre, for the particular year and area from both double cropped and non-double cropped acreage (e.g., the amount of allocated production is reasonable compared to the average yields per acre for the area and that all such production would not have reasonably come from only the first crop acreage or the second crop acreage).

**CLARIFICATION:** Potential production from appraised acreage (including acreage bypassed by a processor) of an insured crop would meet the requirement for records of acreage and production that show double-cropping history, provided it also meets the criteria in B above. Short-rated wheat acreage cannot be considered for double-cropping history since such acreage is not appraised and does not meet the criteria in (B) above.

**D**     EXAMPLES OF DOUBLE-CROPPING ELIGIBILITY FOR PLANTED ACREAGE (REFER TO PP LASH FOR PP EXAMPLES)

**EXAMPLE 1:** A producer on Farm A had double cropped 300 acres of wheat and soybeans three years ago. This same producer on Farm B (same county) had double cropped 300 acres of wheat and soybeans the previous year. These are the only double cropping records this producer has for the last four crop years. This insured would be eligible for 300 acres of double cropping wheat and soybeans for the current crop year in this county.

**EXAMPLE 2:** A producer on Farm A had double cropped 200 acres of wheat and soybeans for one year out of the last four crop years and for another year out of the last four crop years, the same producer double cropped 200 acres of wheat and sunflowers on

Farm B (same county). The insured would be eligible for 200 acres of double cropping wheat in this county.

**EXAMPLE 3:**

**Question:** If an insured double-cropped 50 acres somewhere in the county and the insured's unit structure is an Enterprise unit with different fields and different APHs, which 50 acres will be considered the double cropped acreage that the AIP pays 100% on the first insured crop acres on which a second crop is planted?

**Answer:** The insured has the choice of whichever 50 acres in the county he/she desires. If the insured is using someone else's double-cropping records, see Example 4 below.

**EXAMPLE 4:** The insured had no double-cropping history of his/her own in the county in which the claim is being made. However, part of the land the insured is farming this crop year is land he/she acquired from another person.

Out of 10 fields of the 1<sup>st</sup> insured crop (wheat) planted in the county, 3 of those fields (fields A, B, C in tract 1044) of section 20 have a 2<sup>nd</sup> crop (soybeans) planted. Of those 10 fields, two of those fields were farmed by another person in previous crop years. The other person has double-cropping records for 5 fields of wheat followed by soybeans in the county for two of the last four crop years. These records show that two of these fields (fields A and C) are the exact same acreage on which the insured planted the wheat followed by soybeans. Field B is not the same exact acreage.

**QUESTION:** Will the insured be able to receive a 100% wheat indemnity payment on fields, A, B, and C if the 1<sup>st</sup> and 2<sup>nd</sup> crop acreage in all three of these fields suffered a loss and an indemnity is due on both crops?

**ANSWER:** The insured will be able to receive a 100% indemnity payment on the wheat planted in field A and C. However, the insured will only be able to receive a 35% indemnity payment on field B since field B was not one of the fields for which the other person had double-cropping history.



E Limitations of Number of Double-Cropped Acres

The receipt of a full indemnity payment on both crops that are double cropped is limited to the number of acres for which the insured can demonstrate he/she has double cropped or that have been historically double cropped as specified in (B) (3) above. Refer to the PP LASH for information on double cropping limitations as it relates to PP.

**50 SUBSEQUENT PLANTED CROPS**

A General Information

A subsequent crop is a crop following a 2<sup>nd</sup> crop (i.e., 3<sup>rd</sup>, 4<sup>th</sup>, etc.) or following an insured crop that is prevented from being planted after a 1<sup>st</sup> insured crop.

B Insurance is not provided for subsequent crops, unless it is a practice that is generally recognized by agricultural experts or the organic agricultural experts for the area to plant three or more crops for harvest on the same acreage in the same crop year, and additional coverage insurance provided under the authority of the Act is offered for the 3<sup>rd</sup> or subsequent crop in the same crop year. Insurance will only be provided for a subsequent crop if the criteria in both items (1) and (2) below are met.

- (1) The insured must provide records acceptable to the AIP that show:
  - (a) The insured has produced and harvested the insured crop following two other crops that were harvested on the same acreage in the same crop year in at least two of the last four years in which the insured produced the insured crop; or
  - (b) The applicable acreage has had three or more crops produced and harvested on it in at least two of the last four years in which the insured crop was grown on it; and
- (2) The amount of insurable acreage must not exceed 100 percent of the greatest number of acres for which the insured provides the records required in B (1) above.

**51 LOSS ADJUSTMENT**

A Be familiar with and understand the policy provisions for 1<sup>st</sup> insured crop, 2<sup>nd</sup> crop and subsequent crops, as outlined above.

B Inspection of 1<sup>st</sup> Insured Crop

- (1) On an inspection for the 1<sup>st</sup> insured crop, the adjuster must obtain a certification from the insured certifying to the following or ask the insured the following: (1) whether the insured plans to plant a 2<sup>nd</sup> crop on any of the acreage released, **or** (2) whether the insured plans to cash rent the acreage to another person who plans to plant an insured crop on such acreage. Refer to PAR. 48 for more information regarding cash renting 1<sup>st</sup> insured crop acreage and also PAR. 46 B (2) (c) regarding the insured's written notice requirements. The election to not insure the 2<sup>nd</sup> crop must be made as specified in PAR. 46 B (2).

- (2) **The** insured can elect not to insure a 2<sup>nd</sup> crop on a 1<sup>st</sup> insured crop unit, when only a portion of the 1<sup>st</sup> insured planted crop unit is being released for another use and it is unknown whether there will be a loss on the 1<sup>st</sup> insured crop unit. The election applies to all 2<sup>nd</sup> crop acreage on the unit of the 1<sup>st</sup> insured crop.
- (3) If the insured 1<sup>st</sup> crop is insured under the BP, and the insured does not plan to insure the 2<sup>nd</sup> crop acreage, the AIP must obtain a signed written notice (signed certification) from the insured at this time so stating, unless it is for a GRP or GRIP crop. (Refer to PAR. 46 B (2) (b) 2 if a 1<sup>st</sup> or 2<sup>nd</sup> crop or both crops are insured under GRP/GRIP policies.) Follow the individual AIP's instructions regarding the document to use in the completion of the written notice (certification). Refer to PAR. 46 A (8) and 46 B (2) (c) above for information pertaining to written notices.
- (4) If the insured plans to plant and insure a 2<sup>nd</sup> crop, explain the insured's requirements about keeping separate production records and the consequences if the insured cannot provide the required records, as explained in PAR 46 B (3) (e) above. Refer to PAR. 52 below for instructions for recording the separate production on the Production Worksheet.

#### C Appraisal of 1<sup>st</sup> Insured Crop Acreage

When it is known that some acreage of the 1<sup>st</sup> insured crop will be planted to a 2<sup>nd</sup> crop, and this acreage is going to be appraised, it needs to be appraised separately from the acreage that will not be planted to a 2<sup>nd</sup> crop. Refer to PAR. 85 I for information pertaining to when it is known that a specific part of the 1<sup>st</sup> insured crop acreage in a field will be or probably will be planted to a 2<sup>nd</sup> crop.

#### D Inspection of 2<sup>nd</sup> Crop Acreage that is Insured

- (1) If the insured has any other insured crops, there is the potential of having 2<sup>nd</sup> crop acreage that is insured. Verify whether the crop being inspected is insured 2<sup>nd</sup> crop acreage.
- (2) When there is 1<sup>st</sup> and 2<sup>nd</sup> crop acreage within the same unit, obtain the insured's separate records of production of the 2<sup>nd</sup> crop acreage. Refer to PAR. 46 B (3) (e) for the record requirements. If the required records have not been kept, the production to count for the 1<sup>st</sup> and 2<sup>nd</sup> crop must include the allocation of production as stated in subparagraph E below. For PP payments involving 2<sup>nd</sup> crop acreage, refer to the PP LASH.

#### E How to Prorate Production

When separate records of crop production have not been kept for 1<sup>st</sup> insured crop acreage and 2<sup>nd</sup> crop acreage, the production must be prorated. Use the same formula as is used for commingled production in PAR. 126. Also, refer to the example in the first Q&A in PAR. 53.

Q 2. Same scenario as question 1 except this time separate wheat production records were kept for fields A and B. 2,200 bushels were harvested from the 100 acres in field A and 800 bushels were harvested from the 30 acres in field B. What would the initial wheat indemnity be?

A 2. Since there is no loss attributable to the 30 acres (field B) of non-irrigated wheat (800 bushels of production to count exceeds the 750-bushel guarantee for the acreage, the wheat loss would not be limited. The wheat indemnity would be \$9,212.50 and rounded to \$9,213.

**The 2<sup>nd</sup> crop is soybeans.** Unit 0002-0001BU contains 60.0 insured acres of which (field B) 30 acres are NI-FAC 2<sup>nd</sup> insured crop and (field C) 30 acres are NI-NFAC 1<sup>st</sup> insured crop. The NI-FAC guarantee (field B) is 25 bushels per acre and the NI-NFAC guarantee (field C) is 35 bushels per acre. Total guarantee for unit 0002-0001BU soybeans is 1,800 bushels. The share is 100%.

2 <sup>nd</sup> CROP		
Field A	Field B	Field C
100 Wheat acres (1 <sup>st</sup> insured crop)	1 <sup>st</sup> insured crop is 30 acres of Winter Wheat, Unit 0001-0001BU	1 <sup>st</sup> Insured Crop is 30 acres of NI-NFAC Soybeans
Unit 0001-0001BU Wheat		Unit 0002-0001BU Soybeans
No insured 2 <sup>nd</sup> crop	2 <sup>nd</sup> insured Crop NI-FAC Soybeans Unit 0002-0001BU Soybeans	

The entire soybean acreage is harvested and the insured accepts an indemnity based on a claim indicating the harvested production to count from the 60 acres is 1,500 bushels. However, separate production records for fields B and C were not kept. For questions 3-5, assume the 1<sup>st</sup> crop wheat (unit 0001-0001BU – fields A and B) has an indemnity due.

Q 3. Is an indemnity payment for the other 65% of the wheat loss due the insured?

Total soybean guarantee is 1,800 bu. (30 ac. X 25 bu. + 30 ac. X 35 bu.)  
Guarantee for Field B = 750 bu.

750 bu. guarantee for field B ÷ 1,800 bu. = .41666 rounded to .4167 proration factor

A 3. Production to count allocated to 2<sup>nd</sup> crop soybeans in field B would be 625.1 bushels (.4167 proration factor X 1,500 bu. total production from fields B and C). Since a soybean unit indemnity is accepted by the insured and since 625.1 bushels is less than the production guarantee for the 2<sup>nd</sup> crop soybeans acreage (750 bushels), the remaining 65% loss on Field B wheat would not be paid.

Q 4. Same scenario as question 3 except this time assume separate soybean production records were kept for field B and C. 800 bushels were harvested from the 30 acres in Field B and 700 bushels were harvested from the 30 acres in field C. Is an indemnity payment for the other 65% of the wheat loss due the insured?

A 4. Since 800 bushels of soybeans were harvested from field B and this amount exceeds the 750-bushel guarantee for the acreage, the remaining 65% loss on Field B wheat would be paid.

- Q 5. Assume separate soybean production records were kept for fields B and C except this time, the total harvested production from the 60 acres is 2,000 bushels. However, only 500 bushels were harvested from the 30 acres in field B and 1,500 bushels were harvested from the 30 acres in Field C. Is an indemnity payment for the other 65% of the wheat loss due the insured?
- A 5. Since there is no loss for the soybean unit, the wheat loss would not be limited and the remaining 65% loss on field B wheat would be paid.

## SECTION 10 UNIT DETERMINATION

### 54 UNIT VERIFICATION

Unit verification will be made by the adjuster during an on-the-farm inspection; however, no further DIVISION of optional units will be made after the ARD. 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/options (or if applicable, unit division provisions in the SP).
- (2) Use the procedure in PAR. 55 (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 AIP.

- (4) Enterprise units (EU)

\*\*\* (a) Verify the qualifications for an EU as stated in PAR. 55 D.

- (b) If it is determined that the insured does not qualify for an EU during the loss adjustment inspection, follow the instruction in PAR. 55 D (6).

\*\*\*

(5) Whole Farm Units (WFU)

- (a) Verify that the WFU contains all of the insurable acreage of at least two crops; and at least two of the insured crops must each have planted acreage that constitutes 10 percent or more of the total planted acreage liability of all insured crops in the whole-farm unit.
- (b) If it is determined the insured does not qualify for a whole-farm unit, follow the instructions in PAR. 55 E (6).

\*\*\*

(6) Optional units

Determine that all field requirements<sup>1/</sup> are met for qualification of the unit structure (other AIP personnel will verify record (APH) requirements unless delegated to you):

<sup>1/</sup> Field requirement refers to items that can be determined from a field visit or review of aerial photo of the growing crop; e.g., does the planted crop cross section lines, is the irrigated/non-irrigated acreage planted in a manner that meets the requirements to qualify for separate optional units.

(a) Optional units by section, section equivalent, or FSA FN

- 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, FSA FN 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 for acreage insured under an organic farming practice

Verify that the acreage qualifies as organic farming practice acreage and that the acreage specified for the optional unit under the organic farming practice is correct by visiting the fields and verifying against organic records required under the policy provisions for organic farming practices. Refer to PAR. 43 for additional information regarding organic farming practices.

(d) 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 “section.” To verify that such “section” 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.

- (e) Optional Units by Written Unit Agreement (WUA) must be approved by the RMA RO. WUA may be completed for any Category B or C insured crop in the county. Refer to the WAH for more information.

B Incorrect Unit Structure

Basic units will be corrected at loss time (or any other time they are found to be incorrect); however, no further division of optional units will be made after the ARD. Refer to PAR. 29 B (5) (c).

## 55 UNIT STRUCTURES

A General Information.

Each insured crop has its own unit structure defined in the Basic Provisions and/or crop provisions, endorsement or option, or Special Provisions.

B Basic Unit (BU)

BUs are units for which the insured automatically qualifies without exception.

- (1) **Availability.** A BU is all insurable acreage of the insured 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 includes 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) **Less than 100 percent share in the crop** (owned by one person and operated by another person on a share basis). A crop shared with each different landlord, tenant or sharecropper is a separate BU. Reversed roles do qualify for separate BUs. (Example: The insured is a landlord on part of the farming operation and a tenant on another part of the farming operation.) Varying percentages of shares within a BU do not qualify for separate BUs. Refer to PAR. 13 B (2) and C for various examples of crop share arrangements.

**Example:** An insured owns land and rents land from five landlords-three on a crop share basis and two on a cash basis. The insured would be entitled to four BUs, one for each crop share arrangement and one that combines the two cash leases and the land owned by the insured.

- (2) **Premium Discount.** A BU premium discount may be applicable as provided in the actuarial documents for certain crops when BUs are not divided into OUs. Refer to the CIH for additional information.

- (b) Crops for which revenue protection is not available. EUs are available only if allowed by the SP.
- (2) **Election.** EUs must be elected by the insured, in writing on an application or policy change, on or before the earliest SCD for the insured crop(s) in the county insured. EU unit structure must be reported on the acreage report.
  - (a) Fall or winter SCD and Spring SCD. For counties with actuarial documents specifying a fall or winter SCD and a spring SCD, the unit election may be changed on or before the spring SCD if there is not any insured fall planted acreage of the insured crop.
  - (b) EU Election is Continuous. EU election remains in effect from year to year unless written notification requesting cancellation of the EU is provided to the AIP by the earliest cancellation date for the crop year. If the insured has an EU in effect and does not qualify for the current crop year the election will continue to apply in subsequent crop years. Refer to subparagraph C(3) below.
  - (c) Further Division. EUs may not be further divided except as specified in this procedure. However, the unit structure may be changed based on information determined to be correct when adjusting a loss or at any other time.
- (3) **Qualifications.** To qualify for EUs:
  - (a) The EU must contain all of the insurable acreage of the same insured crop in:
    - 1 Two or more sections, if OUs are available by sections;
    - 2 Two or more section equivalents, if OUs are available by section equivalents;
    - 3 Two or more FSA FNs, if OUs are available by FSA FNs;
    - 4 Any combination of two or more sections, section equivalents, or FSA FNs, if more than one of these is the basis for OUs;
    - 5 One section, section equivalent, or FSA FN that contains at least 660 planted acres, based on the type of parcel that is utilized to establish OUs; or
    - 6 Two or more units as established by a WUA or UDO,
  - (b) Each of the above subparagraphs (a)1-(a)6 that are used to qualify for the EU must have planted acreage (unless specified otherwise in the SP) that constitutes at least the lesser of 20 acres or 20 percent of the insured crop acreage in the EU. If there is planted acreage in more than two sections, section equivalents, FSA FNs or units established by written agreement, these can be aggregated to form at least two parcels to meet this requirement. **(See example below.)**

**For example:** If sections are the basis for OUs and the insured has 80 planted acres in section 15, 10 planted acres in section 34, and 10 planted acres in section 35, sections 34 and 35 may be aggregated to meet the 20 acres/20% requirement.

- (c) The crop must be insured under revenue protection or yield protection, unless otherwise specified in the SP; and
- (d) Must be an additional coverage policy.

(4) **Reporting Requirements**

- (a) **Separate Record Requirement.**

Each BU for each crop in the EU must be designated separately on the acreage report. Separate production reports must be provided for APH purposes for each crop by P/T/TMA in the EU. Separate records of acreage and production for BUs/OUs must be maintained if the insured wants to change unit structure from EUs to BUs or OUs in any subsequent crop year. For additional information, refer to section 10 of the CIH.

- (b) **EU Acreage Report Requirement.** Each BU, each section, or other basis used to qualify for an EU (refer to subparagraph (a) above) must be separately designated on the acreage report;
- (c) **EU Claim Requirement.** It is the AIP's choice of whether to have the adjuster enter each BU or OUs (or each section, or other basis used to qualify for an EU) on separate line entries on the claim form; however, it is strongly recommended that the AIP do so.
- (d) **Qualification Determination.** 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 BUs and/or OUs comprising the EU.

- (5) **Discounts.** Only planted acres (unless specified otherwise in the SP) are used when determining the appropriate EU discount factor contained in the actuarial documents. Any applicable EU discount factor applies to planted and PP acres, if applicable, in the EU when determining premium.

- (6) **Assigned Unit Structure.** If it is discovered the insured does not qualify for an EU, the unit structure will be assigned as follows:

- (a) On or before the ARD, the unit division will be based upon BUs or OUs whichever is reported on the acreage report and for which the insured qualifies, if the production reporting requirements are met by the PRD; or
- (b) After the ARD a BU structure will apply any time (including at time of loss adjustment).

- (7) For information regarding assigned yield, cups, new insureds, cups, etc., as they relate to EUs, refer to CIH.



F When It Is Practical to Replant

If the AIP determines it is practical to replant any acreage (subparagraphs A-E above), it cannot be released to go to another crop. If the insured does not replant or plants another crop; the AIP:

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

\*\*\* (2) WILL revise the acreage report to designate such acreage as uninsurable.

G When the AIP Determines It Is (Was) Not PRACTICAL to Replant

(1) **AIPs must be cautious to not prematurely determine that it is not** practical to replant, especially in situations where there is a lighter stand, dry soil conditions, and the possibility that precipitation may occur or there is sufficient time to produce a crop before the calendar date for the EOIP.

(2) **Insured notifies AIP of intent to replant, but the AIP determines it is NOT PRACTICAL TO REPLANT**

(a) During the farm visit, appraise the acreage. Inform the insured that it is not practical to replant the crop (subparagraph B above), but the AIP will release the acreage for ANOTHER USE if the insured desires. **(Replanting to the same crop under any practice is not putting the acreage to another use and is not considered a second crop except as stated in PAR. 65 D or UNLESS the AIP determines it is NOT PRACTICAL TO REPLANT).**

(b) If the entire unit acreage is damaged and the AIP determines it is NOT PRACTICAL TO REPLANT, the claim can be finalized AFTER the insured certifies that the entire unit acreage was put to another use or a second crop. (If the entire unit is released to go to another use or a second crop, a Certification Form must be left with the insured, refer to PAR. 66.) Insurability of the second crop is determined in accordance with the applicable policy provisions and as outlined in PAR. 46, First (1<sup>st</sup>) Insured Crop Planted and Second (2<sup>nd</sup>) Crop.

(c) **Documentation of Determination that It is Not Practical to Replant**

AIPs must document all sources of information used to make the determination that it was not practical to replant. This documentation must be retained in the insured's file folder.

H Insured Replanted Without Notifying AIP of Intent to Replant or Replants without AIP's Consent

(1) Insured's must provide all notices required under the policy provisions. This includes notices when the insured wants to destroy any acreage of an initially planted crop and replant it. Section 14 of the BP require these notices. When the insured crop is destroyed without consent, the crop provisions provide for an amount of production to count that is not less than the production guarantee. When an insured crop is destroyed without consent and then replanted, no

replanting payment can be made (if replant payment provisions are applicable to the crop) and no indemnity payment associated with the **acreage initially planted** can be made.

- (2) Additional policy provisions provide guidance regarding replanting, determination of the first insured crop, the second crop and crops which may be planted subsequent to a second crop. A first insured crop includes acreage that is replanted when replanting is practical.
- (3) For any acreage where notice of damage was not given prior to the insured destroying any portion of the remaining stand and then replanting it, and the AIP determines replanting:
  - (a) **Was NOT practical** (for example, conditions were such that there was not adequate moisture, there was no marketing window, the condition of the field was not appropriate, etc.), no replant payment will be paid (if replant payment provisions applicable to the crop), and not less than the production guarantee per acre will be included as production to count. The subsequent planting will be the appropriate subsequent crop; e.g., second crop. Insurability of the second crop is determined in accordance with applicable policy provisions.
  - (b) **Was practical** and the insured crop was replanted, insurance may be provided for the replanted crop. However, no replant payment can be made (if replant payment provisions applicable to the crop) in this instance, and the AIP will apply uninsured cause of loss appraisals for any reduction in yield that may have occurred due to replanting after the final planting date.

#### I 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.

#### J 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

→ **Applicable only for grain crops**

3 Sold production if sold prior to the end of the 180-day period.

Refer to subparagraph (c) below.

(b) The insured may submit a written request to delay measurement of his or her farm-stored grain production by unit, crop, or county basis. However, if an insured requests the 180-day delayed measurement for all units of a grain crop having farm-stored production or for all units of all grain crops insured in the county that has farm-stored production, then all of the associated claim units must be held open up to 180 days after the EOIP<sup>1/</sup>. When multiple units are stored in a single structure with different EOIPs, the latest EOIP<sup>1/</sup> date that applies to the stored grain will be used to determine the 180-day time period.

(c) If an election to delay measurement of the farm-stored grain production is in effect and the insured:

- 1 Sells all of the grain production prior to the end of the 180-day period, the adjuster will use the settlement sheets from the buyer to settle the claim. However, any applicable quality determinations will be as described in item subparagraph (3) (d) below.
- 2 Delivers the grain production to commercial storage prior to the end of the 180 day period, the adjuster will use the Commercial Storage Records provided to the insured to determine the amount of production in storage. However, any applicable quality determinations will be as described in item subparagraph (3) (d) below.
- 3 Sells only a portion of the grain production prior to the end of the 180-day period and the balance of the grain is still in the structure at the end of the 180-day period, the adjuster will determine the gross production from the settlement sheet for the sold production plus the adjuster's measurements of the grain left in the storage structure at the end of the 180-day period. Any applicable quality determinations will be as described in subparagraph (3) (d) below.
- 4 Feeds some of the grain production that was in the farm storage structure prior to the end of the 180-day period and has acceptable feed records in accordance with PAR. 92, the adjuster will use those records, plus the calculated grain production based on the adjuster's measurements of any remaining stored grain production at the end of the 180-day period. If the total grain production for the unit cannot be established and verified as stated herein, the adjuster will handle in accordance with the procedures in section 4 herein. Any applicable quality determinations will be as described in subparagraph (3) (d) below.

**Applicable only for grain crops ←**

<sup>1/</sup> The BP state the EOIP is the earlier of: (1) The total destruction of the insured crop on the unit; (2) Abandonment; (3) Harvest of the unit; (4) Final adjustment of a loss on a unit; (5) The calendar date for the EOIP; or (6) As otherwise specified in the Crop Provisions.

→**Applicable only for grain crops**

5 Has acceptable weight tickets for the grain production in the on-farm-storage structure, in accordance with PAR. 104, the adjuster will follow the procedures in PAR. 104 to determine at the end of the 180-day period whether the weight tickets or the grain production determined from the adjuster-measured production will be used. Any applicable quality determinations will be as described in subparagraph (3) (d) below.

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(d) All quality deficiencies must be determined no later than 60 days after the EOIP<sup>1/</sup>. Damage that occurs after the EOIP<sup>1/</sup> is not covered; e.g., quality or additional quality damage occurring while in storage).

1 Samples to determine all substances or conditions injurious to human or animal health must be obtained prior to grain production going into storage except for Vomitoxin; otherwise, no quality adjustment will be allowed for such deficiencies – refer to PAR. 102 for more information.

2 The AIP will use the quality deficiencies and levels of quality deficiencies determined on the initial inspection (for example, test weight, kernel damage, or Vomitoxin) to settle the claim, unless prior to the deadline dates specified in (d) above, the production is: (1) delivered to a buyer or (2) put in commercial storage. If the production is delivered to a buyer or put into commercial storage prior to the deadline dates specified in (d) above, the quality deficiencies determined by a licensed grain grader from the samples taken at time of the delivery can be used, EXCEPT for Aflatoxin or other mycotoxin that must be determined prior to storage, as stated in PAR. 102.

**Caution: Only Aflatoxin levels determined from samples taken prior to on-farm-storage can be used to settle a claim. Copies of grade sheets must be retained in the insured's loss file.**

(e) If the insured has a 180-day delayed measurement request in effect, the insured may request that the AIP settle the claim at any time prior to the end of the 180-day period. When the insured makes the request to settle the claim prior to 180 days after the EOIP<sup>1/</sup>, the AIP will settle the claim as soon as possible after the date the insured made this request. The insured's signature on the Production Worksheet (claim form) will indicate the insured's intent to settle prior to the end of the 180-day period.

(f) For APH based policies: If the 180-day measurement delay continues beyond the date the insured is required to submit his/her production report, the insured will be assigned the previous year's approved yield as a temporary yield in accordance with applicable CIH procedures.

**Applicable only for grain crops ←**

<sup>1/</sup> The BP state the EOIP is the earlier of: (1) The total destruction of the insured crop on the unit; (2) Abandonment; (3) Harvest of the unit; (4) Final adjustment of a loss on a unit; (5) The calendar date for the EOIP; or (6) As otherwise specified in the Crop Provisions.

## SECTION 2 VERIFYING THE CAUSE OF LOSS

### 76 GENERAL INFORMATION

- A The causes of loss insured against are clearly identified in the individual crop provisions. Coverage of insured causes of loss must be due to drought, flood, or other natural disasters (as determined by the Secretary of Agriculture). Insured causes of loss, by crop, are listed in Exhibit 3.
- B Adverse Weather. Many individual crop provisions list “Adverse Weather” as a cause of loss. Adverse weather consists of the following causes of loss: “drought”, “heat”, “hail”, “excess moisture/precipitation”, “frost”, “freeze”, “cold winter”, “cold wet weather”, “flood”, “wind/excess wind”, “hot wind”, “cyclone”, “tornado”, “hurricane/tropical depression”, and “other; e.g., snow, lightening”. However, (when adverse weather is the applicable cause of loss) for analysis and statistical purposes, RMA requires that the claim form show what the specific adverse weather event was; e.g., “excess precipitation”, “freeze”, “hail”, etc., would be listed rather than “adverse weather.” Exhibit 3 provides the codes for each of these causes of loss.
- C Flooding caused by water contained by structures that are designed to contain a specific amount of water, such as dams, locks, etc., is not an insurable cause of loss as explained in PAR. 78 A (6). However, if flooding is a named insured peril in the crop provisions and due to excess precipitation, water spills over a containment structure (such as a dam) or there are controlled releases of water from the containment structure in order to mitigate flooding, any flooding downstream **is an insurable cause of loss.** For example, due to excess precipitation, the Army Corps of Engineers implements a controlled release of water from dams to relieve additional flooding.
- D 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.

### 77 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. Refer to verification requirements in PAR. 22.

### 78 UNINSURED CAUSES

A Causes of Loss Not Covered

As specified in the BP, only unavoidable loss directly caused by specific causes of loss contained in the CP are covered. All other causes of loss, except where the crop provisions specifically cover loss of revenue due to a reduced price in the marketplace,

must be due to a naturally occurring event. All other causes of loss, including, but not limited to the following are NOT covered and are considered uninsured causes:

- (1) Any act by any person that affects the yield, quality or price of the insured crop (e.g., chemical drift, fire, terrorism, etc.);
- (2) Failure to follow recognized good farming practices for the insured crop (for additional information, refer to PAR. 121 K);
- (3) Failure or breakdown of the irrigation equipment or facilities, or the inability to prepare the land for irrigation using the insured's established irrigation method (e.g., furrow irrigation), unless the failure, breakdown, or inability is due to a cause of loss specified in the crop provisions. The insured must make all reasonable efforts to restore the equipment or facilities to proper working order within a reasonable amount of time unless the AIP determines it is not practical to do so. Cost will not be considered when determining whether it is practical to restore the equipment or facilities;
- (4) Failure to carry out a good irrigation practice for the insured crop, if applicable;
- (5) Any cause of loss that results in damage that is not evident or would not have been evident during the insurance period, including, but not limited to damage that only becomes evident after the EOIP unless expressly authorized in the crop provisions. Even though the AIP may not inspect the damaged crop until after the EOIP, damage due to insured causes that would have been evident during the insurance period will be covered; and
- (6) Flooding. Flood damage from water that is contained by or within structures that are designed to contain a specific amount of water, such as dams, locks or reservoir projects, etc., on any acreage when such water stays within the designed limits. (For example, a dam is designed to contain water to an elevation of 1,200 feet but the insured plants a crop on acreage at an elevation of 1,100 feet. A storm causes the water behind the dam to rise to an elevation of 1,200 feet. Under such circumstances, the resulting damage would not be caused by an insurable cause of loss. However, if the insured planted on acreage that was above 1,200 feet elevation, any flood damage caused by water that exceeded that elevation would be caused by an insurable cause of loss.)

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(a) Some SP 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) of the insured acreage between the Sales Closing Date and the Final Planting Date shown on the SP for the crop. Refer to the Maps section of the actuarial for additional information affecting the insurability of the land, if applicable.

(b) Verification Documentation

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 SP require measurements be from Corps of Engineers). The adjuster/AIP 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 AIP is responsible for obtaining maps or data containing the elevations for the acreage.

- (c) There are several web sites offering topographical maps that 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.

**B    Verification that cause of loss is uninsurable**

During the on-the farm inspection, verification of whether the cause of loss is insurable or uninsurable must be made. When it has been verified that there is an uninsurable cause of loss it must be documented. Refer to PAR. 121 for additional details about verifying whether there are uninsured causes of loss.

**79    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. 85 (B) (10) below must be assessed when the crop is abandoned.
- (3) 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.
- (4) 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.



- (5) 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 AIP cannot satisfactorily distinguish whether damage is solely from the insured cause or a combination of the insured cause and the abandonment.

- (6) 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 AIP 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 121 K and R for additional information.

## **SECTION 3 ACREAGE DETERMINATION**

### **80 GENERAL INFORMATION AND METHODS**

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Determined acres are required on some preliminary claims and all final claims as specified in the crop handbooks. Determined acres must consist of ONLY insurable crop acres. Non-crop acres must also be measured so that this measurement can be deducted from the total measurement of the field, orchard, etc. Refer to illustrated example in 81 C (6). For producers utilizing precision farming technology, electronic record outputs for planted and harvested acreage may be acceptable provided all requirements in paragraph I, below are met. Acreage measurements must only be made by (1) the AIP (AIP approved precision farming technology system planter monitor records shall be considered to be equivalent to AIP measured acres. Refer to Par. 80 I (2)(b)); (2) FSA; (3) or a disinterested third-party firm engaged in land measurement (i.e., measurement service). Use the following procedures for determining acreage:

**A FSA Measured Acres**

- (1) Acres measured by FSA through or during a spot check of the insured's certified acres for the current crop year, may be used as the determined acres for claim purposes if they are available at the time the claim is worked. If the AIP has reason to believe the FSA measured acres are incorrect, the AIP must re-measure the acres and use the re-measured acres for the claim.



(2) Permanent FSA-Crop Field Measurement Re-measured by FSA

If FSA re-measures a **previously measured** field solely because of obtaining new measurement equipment (or application of new measurement methods) and they are re-measuring all producers' fields, and the insured's field is re-measured after the time the insured reported the previously FSA-measured acres on his/her crop insurance acreage report, then: (1) The previous FSA-crop field measurement the insured reported will remain in effect for that crop year and will be the determined acres used by the adjuster to settle the claim, if any; (2) No corrected claim will be prepared when this situation occurs; and (3) The results of FSA re-measured acres, if different, will not be used until the subsequent crop year, unless PAR. 29 B (8) is applicable.

B Measurement Service

(1) If the insured has requested acreage measurement from FSA or a measurement **service** prior to the ARD and has submitted the documentation of the measurements as described in PAR. 29 E (1), the acres measured by the measurement service will be used as the determined acres, provided the measurement was performed by a person that has no conflict of interest as described in the SRA and provided it is acreage to be used when irreconcilable differences occur, as stated in C below. **If an acreage measurement is only requested for a portion of the acreage within a unit, the insured must separately designate the acreage for which an acreage measurement has been requested.**

(2) **A** measurement service may include those operated by sales agents or firms in which the sales agent is associated. However, for loss adjustment purposes, acreage measurements performed by a measurement service operated by a sales agent or in which the sales agent is associated are not considered "measured acres" to use as the "determined acres" on the PW. Therefore, if the acreage has not been measured by FSA or the AIP and none of the items (reasons acreage must be measured) in subparagraph F apply, follow the procedures in subparagraph E "Acres not Measured." If the criteria in subparagraph E (1) have not been met and the acreage measured by the AIP or FSA is different than the reported acres, **an** LAF will not apply if the insured fulfilled all of their policy requirements for measurement service.

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(3) If the measurement has not been completed by the ARD, the insured must submit estimated acres to the agent for the acreage report. As soon as the insured has received the measurement, the insured must submit it to the agent. The acreage report will then be revised to reflect the measured acres, unless the AIP or FSA has made a measurement of the acreage and there is a discrepancy. Refer to PAR. 29 F (1) for more information on discrepancies.

(4) If the insured fails to provide the measurement to the AIP:

(a) By the time a notice of loss has been filed with the AIP, the AIP must determine the acreage and make whatever adjustments are required by the BP if the estimated acres reported are incorrect, **UNLESS** the insured and the AIP agree in writing to wait for the Measurement Service's measurement. No LAF will apply.

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(b) By the premium billing date and there was no notice of loss filed (AIP made no acreage determinations), the AIP will base the premium on the estimated

acreage reported by the insured. If the acreage measurement is later provided, the premium must be adjusted to reflect the actual acreage.

- (c) For the crop(s) that was/were to be measured, then in subsequent crop years, acreage measurements for **ANY** crop CANNOT be accepted after the ARD from this insured. For example, in **2011**, this insured requested acreage measurements for corn and soybeans but never provided the measurements to the AIP, then in **2012** the insured requests measurements for grain sorghum and dry beans. Even though the request was for different crops, the measurements CANNOT be accepted after the ARD because the insured failed to provide acreage measurements for a crop(s) in prior years. It also does not matter whether it is the same or a different AIP.

C Differences In Acreage Measurements Between the AIP, FSA, or a Measurement Service

Regardless of whether a measurement service is requested (e.g., difference is discovered during reconciliation process), the following applies:

- (1) If there is a difference in measurements between or among the AIP, **FSA**, or a **measurement service**, an effort shall be made to reconcile these differences.
- (2) If there is an irreconcilable difference between:
  - (a) The acreage measured by **the AIP, FSA, or a measurement service**, the AIP's measurement will be used.
  - (b) The acreage measured by **FSA or measurement service**, the FSA measurement will be used.

D Previously Measured Acreage

- (1) Use acres that have been previously measured for the current crop year by:
  - (a) FSA as described in A or B above unless the AIP chooses to measure the acres for the current crop year or believes the measurement is incorrect, or by other measurement service as described in B above.
  - (b) Another AIP (measurement of a companion contract) unless it is felt that measurement is incorrect.
  - (c) Because discrepancies between FSA's and AIP's acreage measurements may have to be reconciled at a later date, it is recommended that AIPs 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 AIP 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 AIP should try to resolve the difference with FSA.

- (2) Prior year(s) measurements of a field that was measured by an AIP, local FSA office, or a **measurement service**, 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 F below.

#### **E Acres Not Measured**

If measured acres as described in subparagraphs A or D are not available, acreage has been measured by a **measurement service** owned or operated by the sales agent or in which the agent is affiliated, or no measurement service has been requested as stated in subparagraph B, then the following applies:

- (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 and with 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) If the adjuster measures the acres because the adjuster does not believe the reported acres would be within the 5 percent tolerance, the measured acres must be used even when the measured acres are within the 5 percent tolerance.

**EXAMPLE 1:** The insured reports and certifies 100 acres planted. The adjuster believes the acreage would measure more than 105 acres. The adjuster measures the acreage to be 104 acres. The 104 acres must be used as the determined acres even though it is within the 5 % tolerance. Therefore, the insured has under-reported acres and all production from the 104 acres will be applied to the liability for the 100 acres the insured reported.

**EXAMPLE 2:** 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).

F When AIP Must Measure Acreage

Acreage must be measured (or re-measured, as applicable) IF it fails to meet the criteria described in subparagraphs A, B, C, D or I 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) unless the AIP has approved the precision farming system records;
- (2) Part of a field has been harvested and the rest of the field has not. In this case, the acres of the harvested and unharvested portions of the field must be determined by the adjuster's actual measurement<sup>1/</sup> unless the AIP has approved the precision farming system records;
- (3) Precision farming system records have not been approved. Part of the fields in the unit has been harvested, and part of the fields in the unit has not been harvested. Measurements of each field are not available for the crop year. In this case, the acres of the harvested and unharvested fields must be determined by the adjuster's actual measurement<sup>1/</sup>;
- (4) Part of the field is planted and part of the field is claimed as PP acres. The acreage available for planting (total field acres minus non-cropland acres) in the field is not known and must be determined. If there are non-cropland acres within the field boundaries, the non-cropland acres and the planted or PP acres must be measured<sup>1/</sup>;  
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- (5) The AIP or the insured has reason to question the accuracy of the measurement or does not agree with the previously measured acres;
- (6) Field boundaries have changed unless the AIP has approved the precision farming system records;
- (7) Only a portion of a field is planted and measurements for determining the planted portion are unavailable<sup>1/</sup>. The total field acres are unknown and a precision farming system was not used;
- (8) Acreages of varying practices, types, appraisals, etc., (as appropriate to separate on the claim) are not separated; or
- (9) When the field boundaries are not known and there are non-cropland acres, so that this measurement can be deducted from the determined acres in the field, orchard, etc.

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<sup>1</sup> Measuring the entire field and and the non-cropland acres to determine the acres available for planting, then measuring either the harvested or unharvested portion (or planted, unplanted, or PP portion, if applicable) of the field and subtracting that amount from the acres available for planting is acceptable. Additionally, if the field has a permanent measurement, after deducting non-cropland acres, only one of the portions of the field need be measured.

## G Acreage Measurement of Perennial Crops

### (1) **General Information**

- (a) Refer to PAR 80, herein, for information on determining acreage for preliminary and final claims.
- (b) When the adjuster inspects damaged acreage and discovers inspected acreage differs from the acreage report, if necessary, refer to the Producer's Pre-acceptance Worksheet (PAW). Also refer to the SP, CP, and/or LASH, as applicable, for information on added/reduced acreage.
- (c) Measure perennial crop acreage using land acres (i.e., planimetered, wheeled/taped, GPS, etc.) with deductions for non-crop areas. Non-crop acreage must be determined in the same manner as when land-acre measurements are employed.
- (d) Measure perennial crop acreage using tree/vine/bush acreage in limited situations as described below.
- (e) When blocks/groups of trees/vines/bushes are removed, measure acreage using land acres or tree/vine/bush acre method, as applicable, and deduct such removed blocks from the determined acreage.
- (f) For insured cranberry acreage only, bog maps developed by marketing organizations may be used for AIP acreage determination in lieu of the measuring methods listed in subparagraph G (1) (a) and (b).

### (2) **How to Make Land-Acre Measurements**

- (a) When an AIP elects to use this method, measure around the outside of each block/plot of trees/vines/bushes based on the spacing within row and between rows as described below.
- (b) For the length, measurements should extend beyond the end of the rows, by  $\frac{1}{2}$  the within-row spacing, from the center of the outside plants on the end of the rows. However, where a road forms an orchard boundary, the measuring point will be  $\frac{1}{2}$  the spacing between tree rows not to extend past the center of the road.
- (c) For the width, measurements should extend past the outside row of each block/plot by  $\frac{1}{2}$  the distance between rows.

**EXAMPLE:** An orchard has 15' x 25' spacing, or an average of 15 feet between trees (center of tree to center of tree) within row and 25 feet between rows (center of tree to center of tree). Measurements would begin  $\frac{1}{2}$  of 15' (7.5') from the middle of the trunk of the end tree in the outside row extend  $\frac{1}{2}$  of 25' (12.5') from the outside row, using the same spacing and around the entire block (7.5 feet beyond the ends of the rows and 12.5 feet beyond the outside rows, referred to as the drip line).

### (3) **Use of Tree/vine/bush Acreage Determination Rather Than Land-Acre Measurements**

- (a) An AIP may elect to use the tree/vine/bush measurement method instead of land acre measurement method for the specific situations listed below.
- 1 A particular tract of measured acreage contains different plant densities, ages, types, varieties, or other characteristics that have different T-Yields, or where crops are interplanted. The sum of the parts must be equal to the measured acreage.
  - 2 Acreage reduction due to stand reduction caused by disease, natural occurring weather-related events, or man-made events that occur prior to insurance attaching (e.g., buckhorning, dehorning, stumping, or grafting, etc.). Such acreage reduction is made WHEN the reduction was NOT made prior to the acreage being reported for the current crop year, and:
    - a It is required by the SP;
    - b When the AIP determines the reduction in stand is significant (refer to CIH for more information), or
    - c For claims purposes, an acreage reduction is not made for the current crop year when the reduction in stand occurred after insurance attached.
  - 3 The acreage is irregularly shaped. Such acreage has not been previously measured, and there is no FSA aerial photograph for such acreage at the local FSA office.
  - 4 The acreage is on irregular terrain. Such acreage is not conducive to accurate wheel/tape measurements, has not been previously measured, and there is no FSA aerial photograph for such acreage at the local FAS office.
- (b) When the AIP elects to measure tree/vine/bush acreage using one of the methods in subparagraphs (c) 1 through 4 above, any such measured acreage must not exceed the total measured acreage (i.e., unit acreage).
- (c) Refer to Exhibit 19 for instructions and calculation formulas for making tree/vine/bush acreage determinations on acreage with various planting patterns, acreage interplanted with more than one perennial crop, and acreage with missing or various size/age trees.

#### H Measurement Methods

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

- (1) The measuring wheel, surveying devices, or global positioning systems (GPS), remote sensing devices used in conjunction with aerial photos or satellite imagery;
- (2) FSA-accepted measuring methods or devices used with aerial photos that are to scale (such as: polar planimeter, digitizer, or scale rule);
- (3) A measurement service; or

(4) AIP approved precision farming technology system planter monitor records. I

I Acceptable Farm Management Records from Producers Using Precision Farming Technology Systems

- (1) Acceptable Precision Farming Technology Systems must include at least the following components:
  - (a) GPS technology integrated with planter monitors, combine monitors, yield mapping software;
  - (b) Planting and harvesting summary reporting; and
  - (c) Calibrations performed per manufacturer's requirements.
- (2) Planted acreage records from precision farming technology systems used as determined acres:
  - (a) The AIP must annually inform the insured in writing of the automated planter monitoring system record requirements prior to planting.
  - (b) For planted acreage records from automated planter monitoring systems to be acceptable as determined acres, the insured must provide the following information in conjunction with production data as stated in Par. 90 C:
    - 1 Insured's name;
    - 2 Unit number;
    - 3 FSA farm/tract/field ID number (optional);
    - 4 Legal description of acreage; and
    - 5 A print out from the precision farming technology system with the following information:
      - a Crop name;
      - b Acres planted; and
      - c Electronically produced maps of planted acreage and acreage summary records. These records must show required discernable breaks between units or practices except as stated in (3) below.
    - 6 If the insured planted overlapping rows within the planted acreage, the AIP must determine if the automated planter monitor records adjusted for overlapping planted rows. If the system did not adjust for the overlapping planted rows, the AIP must determine the acreage in accordance with Par 80 A-F, H and J, as applicable.
- (3) AIP approved precision farming technology system automated planter records may be used to separate optional units on center pivots irrigation systems for



irrigated **circles** and non-irrigated corners (refer to PAR. 55 C (5) (b) 3 b) without discernable breaks in the planting pattern provided the insured can:

- (a) provide records showing the variable rate planting populations;
  - (b) document the automated planter monitoring system used;
  - (c) provide the acres planted and practice for each optional unit;
  - (d) provide production records by optional unit and practice; and
  - (e) provide the required information in (1) above.
- (4) If the automated planter monitor acreage records provided by the insured are not reasonable, or the AIP has reason to question the records, the insured must provide the precision farming technology **system's** yield monitor raw data, and any additional records requested by the AIP. If the AIP determines the planted acreage records are not acceptable, the AIP must determine planted acreage in accordance with Par 80 A-F, H and J, as applicable. The production records from the **precision farming technology system's** yield **monitor** may still be used.

**J** When Measurement Estimates Are Allowed

Acreage breakdowns WITHIN a UNIT or field may be estimated if a determination is impractical. (Some situations where acreage might be considered impractical to measure (but not limited to) are the following: flooded portion of a field; numerous potholes within a field; a levy breaking and resulting in removal/destruction of border(s) of the field or delineation of portion of the field planted and portion prevented from planting.) Document why acreages could not be measured, and also explain how the estimated acres were determined in the Narrative of the claim form or on a Special Report. Total acreage for the field or unit however, must be determined in accordance with the procedures in subparagraph A-H above.

- K** 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; "Determined acres using MPCl acreage report-would measure within 5 percent."

## **81 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. Refer to subparagraph **C** 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."



## 82 DETERMINING INSURED ACRES FROM SKIP-ROW PLANTING PATTERNS

### A Skip-Row Planted Crops.

- (1) Skip-row planted crops are not insurable unless:
  - (a) Authorized by the CP;
  - (b) Authorized by the actuarial documents; or
  - (c) Insured under an Unrated Practice, Type or Variety (TP) WA. Refer to the WAH for additional information.
- (2) Skip-row Planted Corn

The SP for NI corn for grain in certain counties provide specific criteria, including specific skip-row planting patterns, that must be met to insure skip-row planted NI corn for grain without a TP WA. A TP WA is required to insure skip-row planted corn for any specific types, practices or planting patterns not addressed in the SP, and any counties that do not identify skip-row planted corn as insurable.

- (a) Determining Planted Acreage. The following table provides instructions for determining the number of acres considered planted to corn when acreage is planted on a skip-row basis.

IF the skip-row planted corn is insured ...	THEN the number of acres considered planted to corn is ...
Without a TP WA  <b>Note:</b> To be insured without a WA, skip-row planted corn must meet all the requirements of the SP.	Based on the number of physical land acres planted to the crop. A FSA percent planted factor is <b>not</b> used to determine the number of acres considered planted.
under a TP WA	Determined by the terms of the TP WA, which may include the use of a FSA percent planted factor.

**Example 1:** A 100-acre field in Phillips County, Colorado is planted to NI corn for grain in a two rows planted one row skipped planting pattern with a 30-inch row width. All the requirements contained in the SP are met; therefore, a FSA percent planted factor is **not** used to determine the number of acres planted. Accordingly, the total number of acres planted to the crop is 100 acres.

**Example 2:** A 100-acre field in Jefferson County, Kansas is planted to NI corn for grain in a two rows planted one row skipped planting pattern with a 30-inch row width. Skip-row planted corn is not insurable in Jefferson County, Kansas unless insured under a TP

WA. The terms of the TP WA will determine whether a FSA percent planted factor will be used to determine the number of acres planted the crop.

(3) Skip-Row Planted Grain Sorghum

Skip-row planted grain sorghum is uninsurable unless authorized by the SP or insured under a TP WA.

- (a) Determining Planted Acreage. AIPs shall use the applicable FSA percent planted factor to determine the number of planted acres of grain sorghum planted on a skip-row basis. To determine the number of planted acres, multiply the number of physical land acres planted to the crop times the applicable FSA percent planted factor. Refer to Exhibit 12 of the CIH for FSA percent planted factors.]
- (b) The number of planted acres determined using the applicable FSA percent planted factor is number of acres to be recorded on the insured's acreage report and claim form.
- (c) The skip-row planting pattern and row width established on the FPD is the planting pattern and row width that will be used to determine the number of planted acres.

(4) Skip-row planted cotton and ELS cotton is insurable in accordance with the applicable CP.

Determining Planted Acreage. For cotton planted in skip-row planting patterns, refer to the Cotton Loss Adjustment Standards Handbook and Exhibit 12 of the CIH for the procedures.

## SECTION 4 ESTABLISHING PRODUCTION

### 83 GENERAL INFORMATION

- A Insured's Requirements. The insured is required, by the policy, to keep complete records of planting, replanting, inputs, production, harvesting, and disposition of the insured crop on each unit for three years after the end of the crop year (This requirement also applies to all such records for acreage that is not insured). The insured must make these records available to the AIP, any employee of USDA authorized to investigate or review any matter relating to crop insurance. Production records from precision farming technology systems are acceptable provided they meet ALL of the requirements in PAR. 90 C. Records of production from combine monitors that are not part of a precision farming technology system are not acceptable for production records for loss purposes except as stated in PAR. 105.

B Establishing Total Production on Damaged Units

The adjuster establishes total production for each damaged unit from appraisals of unharvested production, appraisals for uninsured causes, prorated production from unreported units, measuring farm-stored production, and from verifying harvested production from the insured's records, as described in the following subparagraphs for

## 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 by agricultural experts in the area for the crop or as otherwise specified in the individual crop handbook. If agricultural experts in the area specify less days are needed to determine damage to the particular crop, written documentation of this must be retained in the insured's loss file; i.e., name of agricultural expert, date, written statement from the agricultural expert specifying the number of days to defer appraisal, etc. Refer to Exhibit 1 for definition of agricultural expert.
  - (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 by agricultural experts in the area for the crop or as otherwise specified in the individual crop handbook. If agricultural experts in the area specify less days are needed to determine damage to the particular crop, written documentation of this must be retained in the insured's loss file; i.e., name of agricultural expert, date, written statement from the agricultural expert specifying the number of days to defer appraisal, etc. Refer to Exhibit 1 for definition of agricultural expert.
  - (c) A crop is in dormancy. Defer appraisal until at least the time the crop is out of dormancy. Refer to (3) below.
  - (d) For spring-seeded crops where insufficient soil moisture has affected seed emergence and the insured requests acreage to go to another use, 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. Refer to (3) below.
- (3) Utilize agricultural experts for the crop 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 AIP's actions. Refer to Exhibit 1 for the definition of agricultural expert.
- (4) Unless specified elsewhere (as in (1) (d) above), the deferred appraisal may be made from RSAs (as specified in PAR. 88) when (a) or (b) below are applicable

and provided the insured agrees to leave and maintain the representative sample areas as described in PAR. 88.

- (a) The insured needs immediate release of the crop acreage in order to be able to put it to the other use the insured intends to put it, or to replant it; or
  - (b) Due to heavy workload the AIP has no adjusters available to make a field inspection to release the acreage within the timeframe needed to replant it or put the acreage to another use (such as planting to another crop).
- (5) In widespread deferral situations, all AIPs should maintain coordination through Insurance Services so that uniform guidance can be provided to all AIPs 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 AIP 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 AIP,
  - (b) further damaged by an insured cause and is reappraised by the AIP, or
  - (c) harvested.

**For this reason, DO NOT finalize a claim until you are satisfied with all determinations. Refer to PAR. 67 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

Refer to the individual crop loss adjustment handbooks for exceptions to the following procedure.

- (1) Appraise mature production by arranging with the insured to harvest representative areas, if possible. The representative areas are selected by the adjuster, harvested, and appraised at the same time rather than being appraised at a later date, as discussed in PAR. 88. Adjusters can use PAR. 88 D (1) (a) as a guide for the number and location of representative areas. Adjusters must be present when the representative areas are harvested, and the harvested

- (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.
- (6) Harvested production from other entities when stored with the insured's production within one storage facility, and acceptable records (bin markings are not considered acceptable records) are provided that identifies the production not to count for the other entities.

**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 AIP'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. Refer to (2) in subparagraph C below.

**C**    Accounting for Production Not to Count on the Claim Form

- (1) There are two ways to account for production not to count on the claim form. Either method outlined below can be used unless your AIP specifies that only one of the particular methods listed below will be used.
  - (a) 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. Refer to PAR. 113 E for detailed example; OR
  - (b) Calculate all production not to count to net production, and enter in the "Production not to Count" column as instructed in the crop handbook.
- (2) AIPs CANNOT accept insured's weight records/tickets for current year's production stored in a structure (refer to PAR. 104) with prior year's production to separate the current and prior year's production, and CANNOT authorize insured's to make structure markings to separate production from the current and prior year(s) stored in the same storage structure, as described in PAR. 105, UNLESS the AIP 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).

## 94 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. AIPs are encouraged to allow gleaning in situations where a crop or portion of a crop may otherwise go unused or be destroyed. Refer to the definition of "Gleaner" In Exhibit 1.

### B Gleaning Allowed Only If Done By a Charitable Organization

- (1) FCIC will allow gleaning only when the crop will be gleaned by a charitable organization defined as a 501 c 3 (nonprofit organization) and the insured has not received compensation from such organization (refer to D below).

<sup>1/</sup> A 501(c)(3) organization is a charity or public service entity that qualifies for tax exemption under Internal Revenue Code Section 501(c)(3).

- (2) Pertinent information to protect the insured (the donor) for liability issues can be found in:

The Bill Emerson Good Samaritan Food Donation Act  
(<http://www.gpo.gov/fdsys/pkg/PLAW-104publ210/pdf/PLAW-104publ210.pdf>)

The Volunteer Protection Act of 1997  
([http://www.doi.ne.gov/shiip/volunteer/pl\\_105.19.pdf](http://www.doi.ne.gov/shiip/volunteer/pl_105.19.pdf))

- (3) Documentation of Charitable Organization

The charitable organization's name and address will be shown on the claim form in the "Narrative" 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

unsold production, the AIP may settle the claim for any sold and/or unsold production on the date of final inspection for the unit using the applicable DFs. If the time to harvest has been extended, the option to delay settlement of the claim will not apply beyond 60 days after the calendar date for the EOIP.

- (2) If it is determined that an insured was prevented from harvesting by the calendar date for the EOIP due to an insurable cause of damage that occurred during the insurance period, and an extension of time to harvest was allowed, the time to determine insurable quality deficiencies will also be extended. If the crop was harvested prior to 60 days after the calendar date for the EOIP, the claim will be settled in accordance with sections A, B, or C of the SP, as applicable, unless the insured elected to delay settlement of the claim, in which case, refer to (1) above. If the insured was unable to harvest the crop until AFTER 60 days after the calendar date for the EOIP, and the production qualifies for quality adjustment under sections B1, C1a or C2ai, the insured will be allowed 30 days after harvest to market the grain and receive an RIV. If the production qualifies solely under section A of the SP, only the DF(s) in section A will be used. If the production is not sold within this 30-day period, the claim will be settled using the applicable pre-established DFs. The insured must complete and submit a claim for indemnity not later than the earlier of 60 days after harvest, or 60 days after the date the AIP determines the crop could have been harvested and the insured did not harvest. If the production qualifies under section C3 of the SP, the claim will be settled as specified in section C3.
- (3) If the insured elected to delay measurement of farm stored production as provided in the Basic Provisions, all samples of farm stored production used to determine insurable quality deficiencies must be obtained in accordance with the Quality Adjustment Statements of the SP, but not later than 60 days after the EOIP, otherwise such production will not be adjusted for quality. All samples obtained to test for substances or conditions injurious to human or animal health (other than Vomitoxin) must be taken prior to production entering storage. The gross amount of production will be determined by the AIP not later than 180 days after the EOIP. The claim will be completed and submitted no later than 30 days after the 180<sup>th</sup> day.
- \*\*\*
- (4) **For barley<sup>1/</sup>, 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 DFs expressed as three-place decimals. DFs are either: (1) pre-established DFs shown in the SP, or (2) when there are no pre-established DFs for the types/levels of damage on a chart in the SP, the DFs are derived from reasonable Reduction in Values (RIVs) applied by the buyers of the sold production only if the production is sold prior to 60 days after the calendar date for the EOIP, except production with the type/level of damage shown in Section C3 of the SP and as stated in PAR. 102 P (4) (b) herein, and production described in subparagraph H (2) above. The QAF (not less than 0.000) is multiplied by the number of applicable bushels or pounds remaining AFTER any reduction due to excessive moisture (in accordance with the crop provisions).

<sup>1/</sup>Not applicable to Malting Barley. For quality adjustment provisions, refer to the applicable Malting Barley Price and Quality Endorsement.

(5) RIVs

- (a) If the reasonable RIV applied by the buyer can be decreased by conditioning the production, the RIV after conditioning may be increased by the cost of such conditioning provided the resulting RIV does not exceed the RIV before conditioning.
- (b) The RIV and local market price are determined on the date such quality adjusted production is sold to a disinterested third party.

(6) Zero Market Value (ZMV.)

**Zero market value** - occurs when no buyers in the local area are willing to purchase the production and fair consideration<sup>1/</sup> to deliver production to a market outside the local marketing area (distant market) is equal to or greater than the production's value at the distant market.

- (a) If on the date of final inspection for the unit, any production, which due to insurable causes, has ZMV will not be considered production to count if the production is destroyed in a manner acceptable to the AIP. **Refer to subparagraph J regarding steps for making final inspection determinations of ZMV.**
  - (b) In lieu of destruction of ZMV production, the ZMV production may be gleaned provided the criteria stated in PAR. 94 are met. The method of destruction must result in the production having no possibility of being marketed or fed or any possibility of a salvage use that could result in any type of compensation to the insured. Refer to subparagraph J for exceptions to the requirement to destroy the ZMV crop.
- (7) Fair consideration to deliver sold production to a distant market is allowed only for the types and levels of damaged production included in Sections B1, C1a, C2a, C3a, and C3b of the SP and is not allowed for production fed or used in a manner other than feed. Applicable fair consideration is added to the RIV.
- (8) Section A of the SP and other applicable SP Sections

Section A contains pre-established DFs. Additional DFs due to substances or conditions identified as injurious to human or animal health as stated in Section C of the SP may apply if applicable. Refer to PAR. 102 for procedures pertaining to Section C of the SP.

- (a) Other than to consider whether the damaged production is ZMV, as described in (6) above, fair consideration to deliver the production to a market outside the insured's local marketing area (distant market) is not considered, regardless of the market value of the grain; (i.e., the pre-established DF cannot be adjusted for the amount of fair consideration to deliver the production to a distant market). 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 DFs on Section A charts.

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<sup>1/</sup> **Fair Consideration** – is the additional transportation costs to deliver the grain to a market outside the insured's local marketing area (distant market). Additional transportation costs means: Cost 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.



- (b) ZMV and Fair Consideration. When due to insured deficiencies, there are no buyers in the insured's local market area but there are buyers in distant markets and after fair consideration, the AIP determines by using the steps in subparagraph H that the production is:

1 ZMV (Section D of SP) and the insured:

- a Destroys the production in a manner acceptable to the AIP, the DF will be 1.000, resulting in zero production to count.
- b Destroys the production in a manner NOT acceptable to the AIP or makes no attempt (or refuses) to destroy the production, then such production is no longer considered ZMV and the applicable pre-established DFs on the charts in Section A for the level or type of damage (without adjustments for fair consideration) will be used to determine the QAF to adjust the production to count.

2 Greater than ZMV, the applicable pre-established DFs for the level or type of damage in Section A of the SP (without adjustments for fair consideration) will be used to determine the QAF to adjust the production to count.

(9) Pre-established DFs from the Chart in Section A of the SP

- (a) When there is a pre-established DF for the individual type/level of damage (such as, test weight, kernel damage, etc., or grade (refer to (b) below)) shown on the chart in Section A of the SP, the pre-established DF must be used to establish the QAF, unless ZMV applies.

(b) Pre-established DFs for Grade in Section A of the SP

1 General Information

- a Besides DFs 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 DFs 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 RIVs.

b **DFs for Grade Designations**

(i) **DFs for U.S. NO. 5 Grade**

The DF for the U.S. NO. 5 grade DF is applicable to wheat and barley only. Use this DF, plus any applicable pre-established DFs for wheat Falling Numbers and wheat and barley Special Grade Discounts contained in the SP. The DFs for US No. 5 and U.S. Sample grade cannot be added together.

(ii) **DFs for U.S. Sample Grade**

The DF for Sample Grade is applicable to barley, canola, corn, flax, grain sorghum, oats, rye, soybeans, sunflowers (oil-type only), and wheat. Safflowers do not have a DF for Sample Grade. Use the DF for Sample Grade plus any applicable pre-established DFs for other quality deficiencies. The DFs for U.S. No 5 and U. S. Sample grade cannot be added together.

(iii) **DFs for Allowable Special Grades or Specific Allowable Sample Grade Defects**

- i Special grade (as shown on the grade certificate) of light smutty (wheat), smutty (wheat, oats) or garlicky (barley, oats, wheat) DFs may be used separately or in addition to U.S. NO. 5 or Sample Grade DF.
- ii DFs for specific allowable Sample Grade defects such as musty, sour, or commercially objectionable foreign odors (barley, canola, corn, flax, grain sorghum, oats, rye, soybean, sunflower, safflower, and wheat) will be used in addition to the Sample Grade DF.

- 2 DFs for grade can be used in combination with DFs for mycotoxins or other substances or conditions that are injurious to animal or human health (Refer to Section C of the SP and PAR. 102 below).

When there are types/levels of damage or grade for which there are pre-established DFs, a type/level of damage for which there is NO pre-established DFs, or a combination of a pre-established DFs from Section A with a DF from Section C of the SP, refer to subparagraph H (14) below for various examples determining the total DF.

- (c) If there is a type/level of damage or grade for which there are pre-established DFs shown in Section A of the SP AND at least one type/level of damage for which Section B of the SP would be applicable, do not use the pre-established DF(s) on the chart in Section A of the SP. In this case, the QA factor is established as stated in Section B.

- \*\*\* (10) Section B of the SP and other applicable SP Sections:

**For a type or level of deficiency not shown in Section A, DFs will be determined from Section B, or Section C if the production contains mycotoxins or other substances or conditions injurious to human or animal health as follows:**

- (a) For production that is sold (**bids cannot be used**) to a disinterested third party (as verified by the AIP), the DF will be the reasonable RIV applied by

the buyer due to all insurable quality deficiencies and that value divided by the local market price. If the RIV is determined to not be reasonable, the

- 3 drying,
- 4 handling,
- 5 processing, or
- 6 any other costs associated with normal harvesting, handling, and marketing of the production.

(g) Contracted Production

Contracted production as used in the context of this procedure refers to speculative-type contracts not processor contracts, except for specialty use barley and soybean types. These procedures relating to specialty use barley or soybean types apply to either speculative or a processor contracts (A processor contract for specialty barley and soybean types must be in place in order to insure production **using the contract price**). For specialty use barley or soybean types, quality adjustment will be provided as specified in the crop provisions and SP. No additional quality adjustment will be made for any specialty type.

- 1 If the contracted production has been sold (contract fulfilled) prior to 60 days after the calendar date for the EOIP and the buyer was a disinterested third party:
  - a The RIV will be the RIV applied by the buyer (who had the contract with the insured) unless the RIV is not usual, reasonable, and customary. If the RIV is not usual, reasonable, and customary, the RIV will be determined from the LMP <sup>1/</sup> as shown below.

<sup>1/</sup>The applicable crop provisions defines local market price as the cash grain price offered by buyers in the area in which the insured normally markets the insured crops.

**Example:** Assume the base price for the contracted wheat is \$4.50, and the LMP in the local market area is \$3.00. The \$3.00 will be used to determine the QAF.

**Contracted wheat - RIV:** Production delivered October 1, and the buyer applied a RIV of \$2.00 to the contracted wheat due to the 43-pound (low) test weight. There were no other RIVs applied by the buyer.

**Non-contracted wheat RIV -** Production is delivered October 1 and the same buyer applied an RIV of \$1.00 to non-contracted wheat due to the 43-pound (low) test weight. There were no other RIVs applied by the buyer.

In this case, the \$2.00 RIV for the low test weight wheat was applied by the buyer for the contracted and delivered grain. The \$2.00 RIV for contracted grain was not comparable to the \$1.00 RIV in the local market area for non-contracted wheat with the same test weight. The crop provisions defines local market price

as the cash grain price offered by buyers in the area in which the insured normally markets the insured crops. The \$1.00 RIV will be used to compute the QA factor since it is usual, reasonable, and customary.  $\$1.00 \text{ (RIV)} \div \$3.00 \text{ (LMP)} = .334 \text{ (DF)}$ .  $1.000 - .334 = .666 \text{ QAF}$ .

**b For contracted crops with production that has been sold prior to 60 days after the calendar date for the EOIP:**

In accordance with the definition of Sold in the SP for crops, production is considered sold on the date that final settlement between the buyer and seller has occurred and title of the grain has passed from the seller to the buyer. Use the RIV applied by the buyer at the time of final compensation.

- 2 No RIV can be used for any portion of the contracted production that was sold 60 days after the calendar date for the EOIP or that remains unsold. The pre-established DF of .500 must be used, as stated in section B (Refer to PAR. 102 for production covered under Section C of the SP.)

- (13) **Refer to PAR. 102 for claims involving mycotoxin infected production or production containing other substances or conditions injurious to animal or human health** that exceed the maximum amounts allowed by the FDA or other public health organization of the United States or agency of the applicable State (Also, refer to Section C of the SP).
- (14) Examples of determining QAFs with Pre-established DFs for types/levels of damage on the chart in the SP and established DFs derived from RIVs. (QAFs cannot be less than zero.)

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**Example 1:** Crop only qualifies for the pre-established DF for grade on the chart **(Section A of the SP)**

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 DFs begin for test weight), and there is no pre-established DF for 15% defects (15% defects exceed the point at which pre-established DFs 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 .330.

- (a) .330 (DF for U.S. No. 5 Soft Red Wheat)
- (b)  $1.000 - .330 = .670 \text{ QAF}$

in the insured's loss file folder and note this in the Narrative of the claim or on a Special Report attached to the claim.

**THERE IS NO EXCEPTION TO DESTRUCTION WHEN PRODUCTION IS INFECTED BY A TYPE AND LEVEL OF MYCOTOXIN (OR OTHER SUBSTANCES OR CONDITIONS INJURIOUS TO HUMAN OR ANIMAL HEALTH) FOR WHICH STATE AND/OR FEDERAL REGULATIONS OR GUIDELINES REQUIRE DESTRUCTION OF THE INFECTED PRODUCTION. REFER TO PAR. 66 C (3).**

(c) **Acceptable Destruction Method**

An acceptable destruction method is a method that will 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. Grazing and haying (even for the insured's own use) is still considered a salvage use because it results in compensation (value) to the insured; therefore, it is not an acceptable destruction method except as stated in subparagraph J (2) (b) above. Destruction of such production should be done in accordance with any applicable method prescribed by State or Federal regulations.

(3) **Use of Certification Form for Destruction of Production**

- (a) When the adjuster has not witnessed destruction, a Certification Form shall be used to record the insured's certification that the production has been destroyed.
  - 1 In lieu of or in addition to the instructions for completing a Certification Form, refer to the required completion instructions in Exhibit 11:
  - 2 Before leaving the Certification Form, the adjuster and insured must agree on an acceptable method of destruction as described in (2).
  - 3 The adjuster must:
    - a Instruct the insured to enter the date the production was destroyed and document the destruction method in the "Remarks" section of the Certification Form.
    - b Advise the insured that when the AIP has received the Certification Form back from the insured certifying destruction of the production that another inspection will be made to verify destruction of the production.
- (b) Before the claim can be finalized, an adjuster must make an on-the-farm inspection after the Certification Form has been received by the AIP to verify destruction and the destruction method of the ZMV production, unless one of the exceptions in subparagraph J (2) (b) above apply.
- (c) The adjuster must document on the claim form or on a Special Report, the following:
  - 1 The date and method of destruction,

- 2 The documentation method, and whether the destruction method was acceptable,
- 3 The date the verification and on-the-farm visit took place, and
- 4 Any other pertinent information.

K Consolidating QAF Entries

If there are multiple loads of production with the same QAFs, these loads can be consolidated on one line in the part II of the Production Worksheet only if the other information (such as, FM and/or dockage, and moisture) is the same.

L Waiving Quality Adjustment

- (a) There may be times when the insured wants to waive the quality adjustment portion of the claim because of an expected delay in the determination of values or RIV's for the damaged production. Except for the situation stated in (b) below, AIPs may allow an insured to choose to waive the quality portion of the claim for indemnity to facilitate earlier payment of indemnities, PROVIDED:
  - (1) The AIP obtains a signed waiver from insureds who choose to waive quality.
  - (2) All units of the crop are waived. The insured will not have the choice of waiving quality by unit. It must be done on an eligible crop insurance contract basis; i.e., crop/state/county.
  - (3) Insureds who waive quality on a crop, shall not be allowed to reconsider at a later date and request his/her claim be re-opened and adjusted for quality. **The production to count on the claim will be used for the APH report.**
  - (4) The documentation of the election to waive quality must be completed and made a part of the loss file. A statement regarding the waving of quality adjustment should be entered on each Production Worksheet for each unit and this statement signed by the insured in addition to the insured's regular signature on the claim form.
- (b) **A QUALITY WAIVER WILL NOT APPLY:**
  - (1) For Crops that contain quality provisions in the SP that are determined to contain Aflatoxin exceeding 300 ppb or Vomitoxin in excess of 10 ppm or contains substances or conditions that are injurious to human or animal health because the SP require that the claim will not be completed until such crop production is sold, fed, or destroyed.
  - (2) If any Federal or State agency requires destruction of the crop or crop production, as applicable, because it contains levels of a substance, or has a condition that is injurious to human or animal health in excess of the maximum amounts allowed by the FDA or an agency of the applicable State in accordance with section 15 (j) of the BP.

- (3) Documentation Requirements. Document on a Special Report and attach: (a) The copy of the Federal or State agency-issuance which specifically states the crops prohibited from being marketed due to level/type substance/condition, and the specific geographical areas that are prohibited from marketing the crop for human or animal use; and (b) The copy of the test results from an approved lab, ONLY IF the Federal or State agency-issuance states a type and level of substance/condition that would be in excess of the levels considered safe for animal usage. If the issuance does not state a level of substance/condition considered to be in excess of what is safe for animal usage, only (a) is required.

**E     Coded Cause of Loss for Substance/Condition injurious to human/animal health**

When the level of substance/condition qualifies the production for QA, the insured cause of loss is considered due to disease or adverse weather; e.g., mycotoxins are considered due to disease and production covered in flood waters that is contaminated with sewage, pathogens, pesticides, etc., contained in the flood water as described in D above is due to adverse weather; however, the cause of loss recorded on the claim form will be "Mycotoxins or "other condition/substance" (cause of loss code 82) in both cases.

**F     Requirements for Samples Required Prior to Storage**

Except for Vomitoxin-contaminated crop production, any production contaminated with any other mycotoxin, substance, or condition injurious to human or animal health, must have samples obtained prior to the production going into storage. (For farm-stored production that is contaminated with Vomitoxin, subparagraph H below will apply.)

- (1) When production will be harvested and farm-stored:
  - (a) AIPs can allow insureds to leave the number of RSAs as stated in 88 D (1) (a) and the location described in PAR. 88 E (1) in their fields from which the adjuster can take representative samples. The size of the representative sample areas must be at least the size needed in order to obtain the size of sample to forward to the approved testing facility; or
  - (b) The adjuster or a trained disinterested third party approved by the AIP can obtain samples from harvested production before it goes into farm-storage.

Samples pulled by anyone other than the adjuster or a trained disinterested third party approved by the AIP cannot be used for quality adjustment.

- (2) When the insured is not going to harvest, is uncertain of whether to harvest, or has discontinued harvest due to mycotoxin levels (or other condition or substance) levels in the harvested production, the adjuster must obtain samples for mycotoxins (or other condition or substance) from samples taken from representative sample areas of the standing crop in the field if the standing crop is representative of the acreage. ONLY the adjuster is authorized to obtain samples from the standing crop.
- (3) Adjuster-selected representative samples from unharvested RSAs of the field:
  - (a) Select at least the minimum number of representative samples required by the applicable crop LASH for appraisals (e.g., minimum number of samples shown in Table A of "Reference Material" section of the crop LASH) from the minimum number of RSAs specified in PAR. 88). If the minimum

number of representative samples does not result in the needed sample size (e.g., 10 pound sample) required by the approved testing facility, select enough additional samples to meet the required sample size (e.g., 10 pounds).

- (b) The representative samples of production from the representative areas of the field are to be used for determining the appraised production as well as the samples needed for the mycotoxin (or other substance or condition) testing and any other quality considerations.
- (c) Refer to (4) and (5) below for instructions regarding samples for testing.
- (4) Adjusters are to obtain samples for mycotoxin testing (or testing for other substance or conditions injurious to human and animal health) 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 (Refer to **G** below).
- (5) For mycotoxin (or other substance or conditions injurious to human and animal health) testing:
  - (a) For the crops listed in PAR. 96 D, one blended sample of all the hand harvested or harvested samples obtained from the appraised representative areas of all fields or subfields for the unit appraised is permitted if the damage appears similar and the insured agrees with using one blended sample. However, since mycotoxin (or other substance or condition) levels can vary from field to field (or subfield to subfield), the insured and AIP can agree to obtain a sample for testing for each field or each subfield (e.g., three fields in a unit (no subfields used) would equal three separate samples for testing for the unit). Also, if the AIP and insured agree to take and submit multiple samples for testing from a field or subfield, then the test results from the multiple samples from the field or subfield must be averaged to represent the mycotoxin (or other substance or condition) level of the entire acreage in the field, subfield, or unit.
  - (b) Do not blend samples suspected of containing levels of mycotoxins (or other substance or condition) with less than the minimum action or advisory levels from FDA, State, or other Federal agency for the particular mycotoxin (or condition or substance) with samples exceeding the minimum levels. Refer to the table in subparagraph P (6) or Q (5) below.
- (6) Refer to subparagraph J for requirements for sample size for testing, maintenance of sample until shipment, and the required timeframe for transporting or shipping the sample to the approved testing facility.
- (7) **MYCOTOXIN CAUTION:** 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.
- (8) Testing must be done by a testing facility that meets the criteria for an AIP-approved testing facility as outlined in subparagraph I.



- (d) When the elevator, processor, or other facility is willing to pull the samples and the AIP agrees to use the samples pulled by the elevator for quality adjustment:
  - 1 The AIP can agree to allow the elevator to submit the samples directly to an approved testing facility. When the elevator receives the test results for the insured's samples and notifies the insured, the insured must notify the AIP that the test results have been received.
  - 2 If the elevator is NOT going to submit samples to approved testing facilities, the adjuster or other authorized AIP representative must pick the samples up from the elevator in time to mail or transport the sample to the approved testing facility within 4 days of the time the elevator obtained the sample. **NO ONE OTHER THAN THE ADJUSTER OR OTHER AIP-AUTHORIZED REPRESENTATIVE IS ALLOWED TO PICK THE SAMPLE UP FROM THE ELEVATOR AND MAINTAIN THE SAMPLE UNTIL IT CAN BE MAILED OR TRANSPORTED TO THE APPROVED TESTING FACILITY.**
- (3) If the elevator has a testing facility that meets the criteria for an approved testing facility (refer to PAR. 102 I (3)) for the mycotoxin (or other substance or condition), and there is a 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 RIVs for quality adjustment purposes).
- (4) Loads having the same quality adjustment factors can be combined and entered on one line on the claim form as stated in the crop handbooks.

**L    Discrepancy Between Test Results**

AIPs shall only use test results from approved testing facilities to determine if the production is eligible for quality adjustment under Section D. When there is a discrepancy between the test result of a sample from an approved lab used by the AIP and the one used by the disinterested third party buyer or commercial storage facility:

- (1) **For crops having QA provisions in the SP (not applicable to Malting Barley – refer to applicable Malting Barley Price and Quality Endorsement:**
  - (a) **For sold production** for which RIVs are applicable, the test results of the approved lab used by the disinterested third party who bought the production will be used, unless there is substantial reason to believe that the samples taken by the buyer were not done in accordance with approved industry standards for obtaining samples for the particular substance or condition. If the samples taken by the buyer were not done in accordance with approved industry standards, the AIP test result will be used.
  - (b) **For unharvested production or for farm-stored production** containing mycotoxins other than Vomitoxin (e.g., Aflatoxin), the only test results used will be those from samples obtained by the adjuster prior to entering storage and submitted to the approved lab.

- (c) **For unharvested production or for farm-stored production containing Vomitoxin only** if there is a discrepancy between the test results of the sample taken on the farm by the adjuster and the test results from a commercial facility where the production has been delivered and sold or stored, the test results from the buyer or commercial storage facility test will be used.
- (2) **For crops using Actual Value to Determine QA (QA provisions only in the Policy Provisions – does not apply to Malting Barley – refer to Malting Barley Price and Quality Endorsement):**
  - (a) **For harvested SOLD production**, the test results of the approved lab used by the buyer will be used if the production is sold at the time of final settlement of the claim.
  - (b) **For unharvested production or farm-stored production**, only the test results from samples obtained by the adjuster and sent to the approved lab will be used.

**M Documentation of Mycotoxins or Other Substances or Conditions Injurious to Animal or Human Health**

Document in the narrative of the claim form or on a Special Report, the following:

- (1) Test name and type of condition or substance (e.g., mycotoxins) for which the production 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 or other substances or conditions established from the test.
- (7) **Attach a copy of the test results from the testing facility to the claim.**

**N Potential Markets for Infected Production**

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 (when allowed), and commercial (alcohol fuel plant or other product) uses. Likewise, document and take these same things into account for other substance or conditions that FDA or other State or Federal Health Agency has identified. Take steps to safeguard against any vulnerability involving claims of insureds who are directly involved in the buying or testing of damaged production.

O Verification of ZMV Production

(1) **For crops having QA provisions in the SP:**

(a) **If production is eligible for QA provisions in the SP, and:**

The insured is claiming that his/her production has no value, the AIP, using the steps in PAR. 96 J, must determine if there are buyers in the insured's local marketing area and distant markets (if there are **no** buyers in the insured's local marketing area) with a value greater than ZMV buying grain of the same types/levels of damage before the AIP can authorize the insured to destroy the production in a manner acceptable to the AIP and settle the claim on zero production to count. Refer to additional procedures in PAR. 96 J regarding steps for making final inspection determinations of ZMV.

(b) **If production is eligible for QA under (Section C3 of the SP) the QA section in the SP that exceeds the maximum levels of mycotoxins allowed:**

The AIP does not need to determine whether the production has ZMV before the AIP:

- 1 Authorizes the insured to destroy the production,
- 2 Verifies destruction was done in a manner acceptable to the AIP, and
- 3 Settles the claim based on zero production to count.

(2) **For crops not having QA provisions in the SP**, refer to the procedures in PAR. 96 J.

P Settlement of Claims for Crops Having QA Provisions in Section C of the SP (Not applicable to Malting Barley – See Malting Barley Price and Quality Endorsement)

(1) General Information

(a) The QAF is 1.000 minus the sum of the applicable DFs, expressed as three-place decimals. The production to count remaining after any reduction due to excessive moisture (in accordance with the applicable crop provisions) is multiplied by the QAF (not less than zero) to determine net production to count.

(b) Zero Market Value (Section D of the SP)

When no buyers in the insured's local area are willing to purchase the production AND AFTER fair consideration to deliver production to a market outside the insured's local marketing area ZMV occurs AND the insured:

- 1 Destroys the production in a manner acceptable to the AIP, the DF will be 1.000 for such production, resulting in zero production to count. The method of destruction must result in the production having no

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possibility of being marketed or possibility of any salvage use that could result in any type of compensation to the insured. Refer to PAR. 96 J (2) (b) for exceptions to the requirement to destroy the ZMV crop.

- 2 Does not destroy the production in a manner acceptable to the AIP, makes no attempt to destroy the production, or refuses to destroy the production, such production cannot be quality adjusted for any deficiencies listed in Section C of the SP. However, if such production also qualifies for DF's under Section A or B2 of the SP, such production will be quality adjusted with ONLY those DFs.
- (c) In accordance with the General Statements of the QA Statement(s) in the SP, fair consideration is allowed for sold production that falls under (Section C1a, C2ai, C3ai, and C3bi of the SP) but it is not allowed for production fed or used in a manner other than feed.
- (2) **QA will be allowed for substances or conditions injurious to human or animal health WHEN levels of substances or conditions are IN EXCESS OF THE LOWER OF the following amount allowed by:**
- (a) FDA's action or advisory level for the crop;
- (b) Another public health organization of the United States; or
- (c) A public health agency of the applicable State in which the insured crop is grown.
- (3) QA for Sold Production containing:
- (a) Vomitoxin that has been sold prior to 60 days after the calendar date for the EOIP, the DF will be the **RIV** applied by a disinterested third party buyer (as verified by the AIP) due to all insurable QA deficiencies described in the SP divided by the local market price in effect on the date the production was sold. **Because the RIV is for all insurable QA factors, do not add additional DFs from Sections A or B of the SP.**
- (b) Mycotoxins (other than Vomitoxin), that has been sold prior to 60 days after the calendar date for the EOIP and was **transported directly from the field to the buyer or transported directly from the field and put into commercial storage without going into farm-storage**, the DF will be the RIV applied by a disinterested third party buyer (as verified by the AIP) due to all insurable QA deficiencies described in the SP divided by the local market price in effect on the date the production was sold. **Because the RIV is for all insurable QA factors, do not add additional DFs from Sections A or B of the SP.**

If the level of Aflatoxin or Vomitoxin is at the level shown in (4) (f) below, the 60 day time limit does not apply. **The claim cannot be completed** until such production is sold and the RIV applied by the buyer is known. The claim will be completed in accordance with Section C3 of the SP.

- 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

- (1) Working with the insured, ensure that all storage structures containing production for the units being inspected have been accounted for and measured. AIPs must include storage-structure location charts and measurement calculations for all farm-stored measured and calculated production in the insured's claim folder. 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). Refer to PAR. 83 for information about establishing total production for the crop.
- (2) **Current FSA measurements of storage structures, depth of production for each unit, crop year, etc., in each structure are acceptable if all the criteria shown in PAR. 70 have been met.**

## 104 PRODUCTION WEIGHED AND FARM-STORED

If the insured meets the requirements for acceptable harvested production from a precision farming technology system as outlined in PAR. 90 C, the following procedures do not apply. Conversely, if the insured does not meet the requirement for acceptable harvested production from a precision farming technology **system**, but the insured has weight tickets that can be used in accordance with the following procedures, then these procedures are applicable.

- A **Use this procedure** if there is a possibility that the insured may weigh and farm-store his/her production to keep records of separate production for optional units, basic units, and separate production from insured and uninsured acreage. AIPs must annually (prior to harvest) provide insureds (**in writing**) with the criteria for acceptable scales and acceptable scale weight/records outlined in subparagraphs C and D below. **Non-**

compliance with these instructions may result in the production being considered commingled as stated in PAR. 126.

**B Insured's Weighed Production for the Current Crop Year**

Adjusters must measure and calculate all farm-stored production for the unit and current crop year unless as discussed in subparagraph G below, production to count is determined from pre-harvest appraisals as required or permitted. If the insured provides acceptable weight records for the current crop year adjusters may:

- (1) Use the insured's weighed production<sup>1/</sup> for the current crop year PROVIDED the:
    - (a) Insured's weighed production<sup>1/</sup> is within 3% of the adjuster-measured and calculated production, (adjusted for any excess moisture and pack factor (if applicable)).
- <sup>1/</sup> Convert the weight (refer to E below) to the applicable unit of measure, if needed, and adjusted for any excess moisture based on the insured's recorded moisture determination for EACH load at the time production was weighed. Refer to crop provisions for what is considered excess moisture. **Any conveyance load for which there is not excess moisture or the insured has no records of moisture determinations for the conveyance load cannot be adjusted for excess moisture.**
- (b) Insured has met the criteria for acceptable scale types, as stated in **C** below and provides the verifiable location of the scales used to weigh the production;
  - (c) Insured has met the criteria for acceptable weight tickets/records as stated in C below);
- (2) If the insured's weighed production (adjusted as stated in (1) (a) footnote) for the current crop year is NOT within 3% of the adjuster-measured production and calculated production (with adjustments for moisture (if applicable) and pack factor (if applicable), the AIP will use the GREATER of the:
    - (a) Insured's weighed and adjusted production (as stated above) for the current crop year, OR
    - (b) Adjuster-measured and calculated production (adjusted as stated above) for the current crop year.

- (3) Prorating production when there are multiple units in the storage structure

When the insured's weighed production is NOT within 3% of the adjuster measured and calculated production:

- (a) If the insured's weighed production (adjusted as stated in (1) (a) footnote above) for these units is greater than the adjuster's measured and calculated production, no proration is needed.
- (b) If the adjuster's measured and calculated production (adjusted as stated in (2) above) is greater than the insured's weighed production (adjusted as stated in (1) (a) footnote above), then the adjuster measured and calculated production must be prorated to each unit, as follows:

- (d) Date weighed;
- (e) Load Number (if the scale used does not print a number, the insured must apply a number);
- (f) Identification and location of farm-storage structure in which the load(s) from each field 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
- (g) Unit and/or field identification from which the production was harvested that can be correlated to the unit numbers for the crop stored. To be acceptable, the adjuster must verify that the field identification can be correlated with the unit numbers for the crop for the current crop year. If a field identification cannot be correlated to a unit number for the crop, the production must be considered commingled, and the procedures in PAR. 126 apply.

**E 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. (Refer to **Exhibit 21** for standard bushel weights). Example: The standard weight for a bushel of wheat is 60 lbs. (10,256 lbs. ÷ 60 lbs. = 170.9 bushels). This bushel amount would be entered in the column for gross production on the claim form. Refer to Exhibit 4, Unit of Measure of Production, by Crop.

**F Quality Adjustment**

For farm-stored production, samples for quality adjustment **can only be taken by the adjuster**, UNLESS the:

- (1) Load(s) were weighed at a commercial facility and at the same time load samples were extracted by authorized personnel (not **the** insured) at the commercial facility;
- (2) Samples were analyzed by a grain grader licensed as stated in PAR. 96 E (for mycotoxin damage, refer to paragraph 102 I for acceptable testing facility); AND
- (3) 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.

**G Pre-harvest Appraisal are required or permitted in lieu of the adjuster measuring and accepting the insured's weight tickets, WHEN:**

- (1) Production will be stored (or used (processed) and stored) in such a manner that the production cannot be measured (refer to PAR.'s 85 B (3) and (4) to determine whether the weighed production was within the 3% tolerance as stated in B (1) (a) above (e.g., high-moisture corn stored in airtight structures). If a pre-harvest appraisal is not done to determine the production-to-count, the claim must be denied because the insured does not have verifiable records of the stored production in the absence of the AIP being able to verify the actual harvested production in the structure by measuring the production in the structure.



- (2) As stated in PAR. 85 B (9), when the insured intends to farm-store production in commercial-sized storage structures (size larger than is used in normal farming operations) and when the insured agrees, pre-harvest appraisals may be done to determine the insured's production to count. HOWEVER, if a pre-harvest appraisal is NOT done, the AIP MUST measure the stored production or have the stored production measured at their expense. When loss adjustment inspections are required for such units, the insured CANNOT be charged or told by the AIP that they have to pay for such measurements.

H Adjuster-Determined Weight of Harvested Farm-stored Forage Production

\*\*\* Adjusters are also allowed to use portable suspended scales to determine the average weight <sup>1/</sup> of representative bales of forage production to determine harvested production. The scales must be calibrated for accuracy and verified by the AIP. The adjuster can accept the insured's record of the average weight <sup>1/</sup> of the farm-stored bales the insured has weighed on commercial elevator scales or the insured has weighed on his/her own portable suspended scales but ONLY if the adjuster can verify the accuracy of the scale and determine if the weights appear to be representative of the farm-stored bales.

<sup>1/</sup> average the weight of at least 2 large bales and/or 3-4 small bales.

I Verification and Documentation of the Weighed Production

Verify and document that the insured's scales and weight tickets/records met the criteria stated in subparagraphs C and D above. The following must be retained in the insured's claim folder: Insured's weight tickets/records and insured's moisture records (if applicable), location of scales used to weigh the production, storage-structure location charts, adjuster's bin measurement production calculations, moisture determination, if applicable, tolerance comparison of production as stated in subparagraph B (1) above, fed production records, proration calculations if adjuster had to prorate production among multiple units in a bin, and any other pertinent information.

**105 AUTHORIZATION TO ACCEPT INSUREDS' STRUCTURE MARKINGS, LOAD RECORDS, AND COMBINE MONITOR RECORDS**

**If the insured meets the requirements for acceptable harvested production from a precision farming technology system as outlined in PAR. 90 C, the following procedures do not apply. Conversely, if the insured does not meet the requirement for acceptable harvested production from a precision farming technology system, but the insured has load records, combine monitor records, or bin markings that meet the criteria for the following procedures, then these procedures are applicable.**

A Measurements Prior to Insured Commingling Production

- (1) For purpose of indemnities, AIPs 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. 126), unless one of the exceptions in (2) below applies. When a loss situation is probable and the insured plans to store production from multiple units, (or production from uninsured and /insured acreage or multiple crop years) within the same storage structure, PRIOR TO doing so, the insured should request the AIP measure the production. Refer to PRODUCTION PRE-MEASUREMENT SERVICE, PAR. 70.



(2) **POSSIBLE EXCEPTIONS to AIP Production Pre-Measurement When AIP Cannot Timely Perform Production Pre-measurement Service:**

- (a) **Weighed production, as stated in PAR. 104.** Insured's weight records (adjusted with insured's moisture determination records, if applicable and acceptable to the AIP) for production from each unit, from uninsured/insured acreage, etc. **The AIP may accept such records provided the AIP is satisfied that all the criteria in PAR. 104 is met; refer to PAR. 104 for more detailed information.**
- (b) **Authorization of insureds load records, structure markings, or combine monitor records as stated in PAR. 105 B.** If A (2) (a) above does not apply, but the conditions and requirements in subparagraph B do apply, the AIP may allow the insured to use one of the preceding methods (e.g., load records) to keep the unit production (or production from insured/uninsured acreage, if applicable) separate. **The AIP may accept such records, provided the AIP is satisfied the insured's records or structure markings, etc., meets the criteria set forth in PAR. 105.**

B Authorization of Insureds' Load Records, Structure Markings, or Combine Monitor Records **Used** in Lieu of AIP Pre-Measurement of Production that is to be Kept Separate

- (1) Sometimes the AIP may not be able to timely perform Pre-Measurement Services due to the large number of requests. Also, insureds do not believe they need a measurement of the commingled production because they do not have a production loss (inclusive of quality adjustment) but they have revenue protection plan of insurance coverage and later have a revenue loss due to the announcement of a harvest price lower than the base price (projected harvest price). In these cases, in lieu of AIP pre-measurements of the separated production within a storage structure, the AIP may authorize (orally or in writing) insureds to use their bin (or other structure) markings, contemporaneous load records from conveyances (definition on next page), or combine monitor (printed) records to keep the production separate, **provided:**
  - (a) **\*\*\*** The AIP must annually provide insureds with the criteria and instructions in subparagraphs C and D below **(in writing)**. **Non-compliance** with these instructions will result in the production being considered commingled as stated in PAR. 126;
  - (b) There is no reason to suspect that the grain is infected with a mycotoxin, other than Vomitoxin;
  - (c) The AIP does not suspect the insured will fail to follow the instructions or will misrepresent the production from each unit or from uninsured and insured acreage;
  - (d) AIPs document the names and contract numbers of any insured for which this procedure is not allowed; and
  - (e) All of the conditions in C below are met.

- (2) Also, AIPs may allow insureds to follow this same procedure when they may have the need to add multiple units of production or production from insured and uninsured acreage within the same conveyance (definition in D below). If the production within the conveyance is not farm-stored, it must be conveyed to a buying point and all applicable records must be acceptable to the AIP.
- (3) Adjusters must document in the Narrative section of the PW or on an attached Special Report whether the:
  - (a) Insured's records or structure markings were used to keep production from multiple units separate or to keep production from insured and uninsured acreage separate; or
  - (b) Adjuster measured the production in the storage structure prior to another unit of production being added, or production from insured acreage added to production from uninsured acreage or vice versa. If the adjuster measured such production, the adjuster must document his/her name and the dates that such production was measured.

C Criteria Needed to Accept Insured's Production Records or Storage-structure Markings Used in Lieu of AIP Pre-measurement of Production that is to be Kept Separate

- (1) If load records or combine monitor records are used to keep production separate, the loads are recorded as outlined in D below.
- (2) If structure markings are used, the structure is marked and identified as outlined in subparagraph D below.
- (3) There is no production from prior years in the structure, unless the production has been measured by the AIP 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.
- (4) 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.

D Insured's Instructions for Load Records, Storage Structure Markings, Printed Records from Combine Monitors Used in Lieu of AIP Pre-Measurement of Production that is to be Kept Separate

Contemporaneous and Conveyance, as used in the following paragraphs, are defined as follows:

- **Contemporaneous** - Occurring or originating during the same time.
- **Conveyance** - Anything in which agricultural commodities are transported. This may include combine hoppers, commodity bins, grain carts, grain wagons, farm truck, semi-trailer, railcar, or barge. The term "transported" does not include all forms of grain movement; e.g., the following are not conveyances: grain augers, grain dryers, elevator legs, or picking lines.

(1) Loads

Maintain a contemporaneous ledger, by crop, recording loads of production for the crop identified by unit and/or field identification, date of harvest, identity of the conveyance used to transport the grain to the bin and the estimated bushel volume per conveyance. The adjuster must verify that the field identification can be correlated with the unit numbers for the crop for the current crop year. If a field identification cannot be correlated to a unit number for the crop, the production must be considered commingled, and the procedures in PAR. 126 apply. Insured's are permitted to adjust their load records for excess moisture, and if they have done so, this is what will be used to compare against the adjuster measured and calculated production (including adjustments for moisture if the adjuster's moisture test shows excess moisture).

(2) Storage Structure Markings

Identify the depth of such production by marking the storage structure with a permanent marker. Write the unit number(s) and/or field identification 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 will contain both. The adjuster must verify that the field identification numbers can be correlated with the unit numbers for the crop for the current crop year. If a field identification cannot be correlated to a unit number for the crop, the production must be considered commingled, and the procedures in PAR. 126 apply.

(3) Records from **Non-Precision Farming Technology System** Combine Monitors

(a) For combines equipped with precision farming technology systems, refer to Par. 90 C.

(b) **Combine monitor records used to separate comingled production:**

Printed records from combine monitors must show the location of field (field identification), name of crop, date, and number of pounds or bushels of the crop. Insureds must also, identify the unit number that correlates with the field identification on the records. The adjuster must verify that the field identification can be correlated with the unit numbers for the crop for the current crop year. If a field identification cannot be correlated to a unit number for the crop, the production must be considered commingled, and the procedures in PAR. 126 apply. If production from the combine monitor records has been adjusted for moisture by the insured or automatically by the combine monitor, this recorded amount will be the amount compared against the adjuster's measured and calculated production, (including adjustments for moisture if the adjuster's moisture test shows excess moisture).

E Adjuster Verification of Insured's Records or Storage-Structure Markings and Production Determination From These Records

(1) Load Records or Combine Monitor Records

(a) Verification

- 1 Verify whether the load records from the conveyance appear to be recorded contemporaneously.
- 2 Verify whether the insured meets the criteria to accept records as stated in subparagraph C.
- 3 Measure empty conveyance to verify reasonableness of the recorded loads, unless conveyance is not available; e.g., custom harvester's conveyances. If conveyance is not available try to determine from the insured (or other reliable source) the capacity of the conveyance used.
- 4 If the insured has not met the criteria in subparagraph C and/or followed the instructions in subparagraph D, or the recorded loads are not reasonable, the production must be considered commingled and the procedures for commingled production in PAR. 126 will apply.

(b) Production Determination from Records

Follow the steps below to determine the production to be recorded **on the claim form for the unit if there are multiple units in the same structure:**

- Step 1 **Adjuster-determined Production.** The adjuster must measure the total production in the structure and determine the gross amount of production in the storage structure in the appropriate unit of measure for the crop (e.g., bushels or pounds) and add any production fed to obtain the total adjuster-determined production.
- Step 2 **Insured-recorded Production.** Sum the bushels/pounds from the insured's load records (inclusive of any production fed) or combine monitor records for each unit (and/or production from uninsured acreage). Sum the totals of all unit(s) (including the total sum of production from uninsured acreage, if applicable) in the storage structure. If necessary, convert the insured's recorded production to the appropriate unit of measure for the crop; e.g., bushels or pounds.
- Step 3 **Comparison.** Compare the results of Step 1 (Adjuster-determined Production) against Step 2 (Insured-recorded Production). If Step 1 and Step 2 results are exactly the same, then no further calculation is required. If they do not match proceed to Step 4.
- Step 4 **Proration.** If the results of Step 1 (Adjuster-determined Production) and Step 2 (Insured-recorded Production) are not exactly the same the production must be prorated by using the load records of a conveyance or combine monitor records to prorate the commingled production contained in adjuster-measured structure (i.e., grain bin, semi-hopper, etc.) on a percentage basis. (Refer to example below.).

**PRORATION EXAMPLE:** Insured's load records for a conveyance (or combine monitor records) indicate six 250.0 bu. loads in bin "A" from unit 0001-0001OU and four 250.0 bu. loads also in bin "A" from unit 0001-0002OU. The adjuster measures bin "A" and determines a total of 2,618.0 bu. in bin "A."

F Quality Adjustment Determinations

Quality adjustment is allowed if the production qualifies as provided in the policy and/or SP and if the samples are extracted from the storage structure by the AIP's representative (samples cannot be taken by the insured). Samples for any mycotoxin other than Vomitoxin must be taken by the adjuster prior to the production entering storage.

- (1) Quality will be determined from the samples extracted from the bin by the adjuster.
- (2) 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, one Vomitoxin sample, etc.
- (3) Document in the narrative of the claim or on a Special Report any significant differences in grain quality.

G Non-quality Adjustment Determinations

Moisture percentages, FM/dockage percentages, and non-quality levels of test weight would be handled the same way as stated in F above.

H 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 (Refer to subparagraph E above).

I Additional Information

Authorization to accept insureds' structure markings, load records, and combine monitor records is to be used prudently 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 AIP that production from the unit needs to be measured so that the AIP has the opportunity to do so, rather than rely upon the insured's structure markings, load records, or combine monitor records.

J Adjuster Determination

The adjuster must be satisfied that the insured has met all the requirements of this procedure and the structure markings, load records, or combine monitor records are reasonable between units, uninsured acreage production, or crop years. Follow the procedures in subparagraph E above and PAR. 84 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, load records, or combine monitor records such production will be considered commingled. Production for such units will be determined based on the procedure in PAR. 126.

## 106 WHEN GRAIN IS STORED IN GRAIN BAGS

- A AIPs may determine grain stored in grain bags using the unusual-shaped-structure procedures in PAR. 113 to determine the gross cubic feet of grain in the bags; i.e., measuring the component parts as stated in PAR. 110 (3) (e). A Combined Test Weight and Pack Factor are applicable to the crops listed in PAR. 110 C (1). Gross cubic feet and Combined Test Weight and Pack Factor are part of the farm-stored Production-to count-formula, as stated in PAR. 111. When making measurements, the adjuster must:
- (1) Determine the Combined Test Weight and Pack Factor as stated in Steps 1-3 of PAR. 110 C (7). In lieu of PAR. 110 C (8), for this structure, calculate the square feet needed to determine the Combined Test Weight Pack Factor, as follows:
    - (a) Determine the circumference of the grain bag;
    - (b) Divide the circumference of the grain bag by 3.14 to determine the diameter;
    - (c) Square the diameter (diameter<sup>2</sup>); and
    - (d) Multiply this result by .7854 = square feet.
  - (2) Obtain the required test weight sample (plus applicable samples for quality, etc.). If the required test weight samples cannot be obtained, the production determination cannot be completed. AIPs should caution adjusters to not cut or otherwise attempt to open the bag to obtain the samples. Only the insured should open or authorize the opening of the bag so the adjuster can obtain samples for test weight and quality purposes. Samples for quality must be taken no later than 60 days after the EOIP. If the adjuster cannot obtain samples prior to this date for the purpose of determining grain quality, including samples to determine Vomitoxin, no quality adjustment will be allowed.
- CAUTION: Except for Vomitoxin, samples to determine Aflatoxin or other mycotoxins, substances, or conditions injurious to human or animal health must be obtained by the adjuster prior to the grain entering the bag.** Refer PAR. 102 for additional information.
- B The insured is allowed to request, in writing, to delay measurement of farm-stored grain and settlement of any potentially associated claim for indemnity up to 180 days after the end of the insured period. Refer to subparagraph A (2) above for when samples for quality must be obtained, and also refer to PAR. 69 A (4) (d). This request can also be used when the insured does not agree with AIPs determination of the volume of grain in the bag(s) to allow the insured additional time to remove the grain from the bags to deliver to a buyer or move to permanent farm-storage structure for the AIP's redetermination of the amount of production prior to completion of the claim.
- C If prior to the inspection of final settlement of the claim the insured delays measurement of the grain up to 180 days after the end of the insurance period:
- (1) If ALL of the grain from the bag(s) has been removed and delivered to the buyer, the AIP may determine the amount of production to count from the settlement sheet(s) to settle the claim, provided the production from the units delivered from

the grain bags can be identified. For quality adjustment of grain, refer to subparagraph A (2) above and PAR. 69 A (4) (d).

- (2) The AIP may determine the production in the grain bag, as specified in item A (1) above, to settle the claim, provided the amount of production for each separated unit contained in the grain bag can be identified when:
  - (a) A single unit or multiple units have been weighed prior to being placed in a grain bag, the weight tickets may be used if all of the criteria in PAR. 104 have been met.
  - (b) Multiple units have been placed in a grain bag and the unit production for each unit has been separated by one of the methods allowed in PAR. 105 (e.g., load records) and all of the criteria in PAR. 105 have been met, such production may be used to settle the claims.
  - (c) Part of the grain stored in the bag(s) has been removed and sold, and part of the grain remains in the grain bag(s), settle the claim based on the settlement sheets for the sold production and measurement of production remaining in the grain bags. For quality adjustment of grain, refer to subparagraph A (2) above.
- (3) The AIP may determine production from acceptable feed records as outlined in PAR. 92 to settle the claim when all or part of the grain in the grain bags has been fed. However, if there are no acceptable feed records, the full per-acre guarantee must be applied to the applicable acres.
- (4) If by the time the adjuster makes the farm visit to determine the amount of production in the grain bags, the grain in the bags has been moved to a permanent farm storage structure (e.g., bin), the AIP may determine the production in the permanent farm storage structure, provided the unit(s) from which the production was harvested can be identified and the AIP is satisfied that all production for the unit has been established. For quality adjustment of grain, refer to subparagraph A (2) above and PAR. 69 A (4) (d) if the insured requested to delay measurement of the grain for up to 180 days after the EOIP.

## 107 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. (Refer to 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

ITEM	FORM	ROUNDING RULES			
ACRES**	Production Report, APH Database, Acreage Report, All Loss Forms.	Tobacco Round to (0.01) Other Crops Round to (0.10)			
		UNIT OF MEASURE			
		Bushels, Boxes, Cartons, Lugs, Hundredweight (cwt.)	Tons	Barrels	Dollars, Pounds
APH YIELDS (PER ACRE)	Production Report, APH Database, Acreage Report.	Round To: 1.00	0.10	0.10	1.00
TOTAL PRODUCTION	Production Report, APH Database, Acreage Report	Round To: 1.00	0.10	0.10	1.00
PRODUCTION TO COUNT	All Loss Forms	Round To: .10	0.10	0.10	0.10
INSURED (SHARE)	Acreage Report Notice, Loss Pmt., All Loss Forms	Round To: 0.001 for all crops.			

\*\*[Refer to SRA Appendix III for line/record rounding rules regarding indemnity calculations.]

"Round to (1.00)" Indicates rounding to whole numbers in a 2-position decimal field.  
 "Round to (0.10)" Indicates rounding to tenths in a 2-position decimal field.  
 "Round to (0.01)" Indicates rounding to hundredths in a 2-position decimal field.  
 "Round to (0.001)" Indicates rounding to thousandths in a 3-position decimal field.

For all other Raisin rounding rules, refer to the Raisin LASH.

For all other rounding rules for loss calculations (appraisals, cubic feet, moisture percentage, foreign material or dockage, test weight, etc.) are found in the LAM or individual crop LASHs.



- (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 AIP 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**

### **121 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 Uninsured causes of loss may 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 to complete 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 AIP is aware of the damage by livestock, herbicide drift, etc.

C The named uninsured causes of loss can be found in the BP, individual CP, and actuarial documents. Causes of loss not listed as an insured peril, or that are not due to a naturally occurring event are also considered uninsured causes of loss. For example, theft of a crop is an uninsured cause of loss. Also, refer to PAR. 78 for list of uninsured causes of loss that are specified in the BP.

D 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) or
  - not less than the amount of production that when multiplied by the harvest price equals the revenue protection guarantee per acre for crops under revenue protection, for any acreage:
    - (a) Abandoned,
    - (b) put to another use without the AIP'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 AIP.

See examples below for crops under revenue protection:

## **Examples for determining the amount of production to count (PTC) for crops under revenue protection**

Acres = 50

Production guarantee per acre = 115 bushels

Production to count (PTC) always valued at Harvest Price

### **1 Projected price (\$3) greater than Harvest price (\$2)**

$50 \times 115 \times \$3 = \$17,250$  revenue protection guarantee

$\$17,250 \div \$2 = 8,625$  bushels PTC

### **2 Projected price (\$3) less than Harvest Price (\$4)**

$50 \times 115 \times \$4 = \$23,000$  revenue protection guarantee

$\$23,000 \div \$4 = 5,750$  bushels PTC

### **With Harvest Price Exclusion**

$50 \times 115 \times \$3 = \$17,250$  revenue protection guarantee

$\$17,250 \div \$4 = 4,312.5$  bushels PTC

- (3) Some crop provisions may also require notification to the AIP 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.

## **E Contained Water**

In accordance with the BP, flooding from 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 **(CONTINUED ON page 361)**

**(RESERVED)**

## 122 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 AIP 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.**
- (2) **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.**
- (3) If the inspection is a Growing Season Inspection or Pre-harvest Inspection, record the information as described in the PAR.'s 71 and 72.

- B AIP's Review of Case. The AIP 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 AIP will handle in accordance with the instructions in Appendix IV of the Standard Reinsurance Agreement for reporting suspected misrepresentation, fraud, waste, and abuse.

## SECTION 3 SPECIAL CLAIMS PROCEDURES

### 123 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.

#### B If Part of a Loss is Due to Actions of a Third Party Not Connected with the Insured

Inform the insured that any claim settlement made under this policy will be limited to the insured amount of damage and it is the insured's responsibility to file any claim for the uninsured portion against any third party.

## 124 AIP MEDIATION AND ARBITRATION

No award or settlement determined in the mediation or arbitration process can exceed the amount of liability established or which should have been established under the policy, except for interest awarded.

### A Mediation

If the insured and the AIP fail to agree on any determination made by the AIP (except for good farming practices or any other determination made by FCIC or any claim where FCIC is directly involved in the claim process or directs the AIP in the resolution of the claim), the disagreement may be resolved through mediation with the AIP. All agreements reached through settlement must be in writing and contain at a minimum a statement of the issues in dispute and the amount of the settlement. To resolve any dispute through mediation, the insured and AIP must both:

- (1) Agree to mediate the dispute;
- (2) Agree on a mediator; and
- (3) Be present, or have a designated representative who has authority to settle the case present, at the mediation.

### B Arbitration

- (1) If resolution cannot be reached through mediation, or the insured and the AIP do not agree to mediation, the disagreement must be resolved through arbitration in accordance with the rules of the American Arbitration Association (AAA), except for good farming practices or any other determination made by FCIC or any claim where FCIC is directly involved in the claim process or directs the AIP in the resolution of the claim.
- (2) The arbitrator must provide the insured and the AIP a written statement describing the issues in dispute, the factual findings, the determinations, the amount and basis for any award and breakdown by claim for any award. The statement must also include any amounts awarded for interest. Failure of the arbitrator to provide such written statement will result in the nullification of all determinations of the arbitration. All agreements reached through settlement must be in writing and contain at a minimum a statement of the issues in dispute and the amount of the settlement.
- (3) Any decision rendered in arbitration is binding on the insured and the AIP unless judicial review is sought in accordance with PAR. 143 B. Notwithstanding any provision in the rules of the AAA, the insured and the AIP have the right to judicial review of any decision rendered in arbitration.

### C Mediators or Arbitrators Must Be Disinterested Third Parties

The mediator or arbitrator must not have a familial, financial, or other business relationship to the insured or AIP, or to the agent or adjuster.

eventually become a natural disaster because naturally occurring events, such as excessive wind or drought conditions, may cause the fire to spread much farther than it would without such naturally occurring events. If the fire experts determine that at some geographical point, a fire started by arson can be considered a naturally occurring fire, then those losses in the area where the expert has determined the ignition source of the fire is considered naturally occurring would be covered. However, those losses in the area where the ignition source of the fire remains attributable to arson or other man-made causes cannot be covered." If the fire is a naturally occurring fire, insured crop acres required to be destroyed (e.g., plow to create fire break) by state or local authorities who's responsibility involves fighting fires to prevent the fire from spreading even further will be considered damaged due to insurable causes of loss. Attach to the claim form verifiable documentation for insurable causes and, if applicable, uninsurable causes.

- (7) When the AIP establishes to their satisfaction that the fire damage to the insured crop was from a naturally occurring event that took place within the insurance period, the adjuster must establish whether or not the insured has other fire insurance ON THE CROP IN THE FIELD (on the tobacco in the barn if tobacco is in the barn); and whether fire has been excluded from the FCI policy.
- (8) The following subparagraphs provide instructions on how to handle when there is:
  - (a) other fire coverage and fire coverage from the FCI policy has not been excluded (double fire coverage),
  - (b) other fire coverage but fire coverage has been excluded from the FCI policy, and
  - (c) no other fire coverage.

**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 FCI policy, follow the instructions given in PAR. 22.

**D**    Other Fire Insurance and FCI Policy Fire Coverage (Double-Fire Coverage)

If the insured has other fire insurance and FCI fire coverage:

- (1) The AIP 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. The amount of loss from fire is the difference between the total value of the production of the insured crop on the unit involved BEFORE and AFTER the fire.

- (2) Determining Total Value Before and After the Loss
- (a) For crops for which revenue protection is NOT available and if the insured has an:
- 1 **Approved yield, the total value of the crop:**
    - a **Before the loss** is the insured's approved yield times the highest price election for the crop; and
    - b **After the loss** is the insured's production to count times the highest price election for the crop; or
  - 2 **Amount of insurance, the total value of the crop**
    - a **Before the loss** is the highest amount of insurance available for the crop; and
    - b **After the loss** is the insured's production to count times the price contained in the CP for valuing production to count.
- (b) For crops for which revenue protection IS available and the insured elects:
- 1 **Yield protection, the total value for the crop:**
    - a Before the loss is the insured's approved yield times the applicable projected price (at the 100 percent price level) for the crop; and
    - b After the loss is the insured's production to count times the applicable projected price (at the 100 percent price level) for the crop; or
  - 2 **Revenue protection, the total value for the crop:**
    - a **Before the loss** is the insured's approved yield times the higher of the applicable projected price or harvest price for the crop (If the insured has elected the harvest price exclusion, the applicable projected price for the crop will be used); and
    - b **After the loss** is the insured's production to count times the harvest price for the crop.
- (3) 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).



## 127 UNREPORTED UNITS

### A General Instructions

- (1) If the insured fails to report all units (acreage that 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 (do not include share) on the insured acreage on each reported unit.
- (2) If an insured reports zero acres for a unit and it is determined that there are insurable acres, it will be considered to be an unreported unit. If an insured reports uninsured acreage on the acreage report that is determined to have been a unit of insurable acreage, the unreported unit procedure will apply.
- (3) 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).
- (4) 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.
- (5) 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 the production cannot be established at a later date. The appraised production from the unreported unit will be allocated to the reported unit(s).

### 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) Before calculating production as instructed in (2) or (3) below:

If there is an unreported unit of an insurable type that has a different unit of measure (harvested with that unit of measure) than the reported unit, convert the harvested production from the unreported unit to the unit of measure of the

reported unit types. For example: There is an unreported unit of corn silage type (harvested silage production) and reported units of corn grain type (both types insurable in the county). In this case, follow the calculation instructions in **the CIH** for converting harvested corn silage production unit of measure (tons) to corn grain unit of measure (bushels).

- (2) If only one unit is reported, the insured's share of the net production<sup>1/</sup>, from the unreported unit divided by the insured's share of the reported unit will be the amount allocated to the reported unit.

<sup>1/</sup> Gross production, adjusted for all applicable adjustments; e.g., moisture, test weight (if farm-stored), FM, and quality if applicable.

**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 -  $1500.0 \text{ bu.} \times .500 = 750.0 \text{ bu.}$  share of unreported unit.

Step 2 -  $750.0 \text{ bu. (insured's production share of unreported unit)} \div .750 \text{ (share percent of reported unit)} = 1000.0 \text{ bu.}$  to be allocated to the reported unit.

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).

- (3) 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 (liability as stated in **A** (1) above is called coverage.):

- (a) For each reported unit, calculate the coverage for the insured acreage (insured acres X per-acre guarantee X price <sup>1/</sup> **(P)** = Unit Cov.).

<sup>1/</sup> Price is the applicable harvest price, projected price for revenue protection plan, insured's elected percentage of projected price for yield protection plan, insured's elected percentage of amount of insurance or price election, or price adjusted when the CP specify a reduced price for unharvested production.

- (b) Total the unit coverage for the insured acreage on all reported units to obtain the contract Cov.
- (c) Divide the Unit Cov. by the contract Cov. to obtain the unit Cov. Factor (four-place factor).
- (d) Multiply the insured's share of unreported unit(s) production **(appraised and harvested)** by the Unit Cov. Factor and divide the result by the share on the reported unit to obtain the apportioned unreported production for each reported unit. **See example below**

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**Example:** Unreported acreage of 200.0 acres of wheat 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 with the harvest price. The insured's share of production to be allocated would be 3000.0 bu. Unit 0001-0001OU had 140.0 insured acres; unit 0001-0002OU had 100.0 insured acres; and unit 0001-0002BU had 200.0 insured acres.

Step 1: Unit 0001-0001OU: 140.0 acres X 30.4 bu. guarantee X \$2.00  
harvest price (P) = \$8512 Unit Cov. for unit 0001-0001OU

Unit 0001-0002OU: 100.0 acres X 22.2 bu. guarantee X \$2.00  
harvest price (P) = \$4440 Unit Cov. for unit 0001-0002OU

Unit 0001-0002BU: 200.0 acres X 24.8 bu. guarantee X \$2.00  
harvest price (P) = \$9920 Unit Cov. for unit 0001-0002BU

Step 2: Unit 0001-0001OU Cov. \$8512  
Unit 0001-0002OU Cov. \$4440  
Unit 0001-0002BU Cov. + \$9920  
Contract Cov. \$22872

Step 3:  $\$8512 \div \$22872 = .3722$  unit 0001-0001OU Coverage Factor  
 $\$4440 \div \$22872 = .1941$  unit 0001-0002OU Coverage Factor  
 $\$9920 \div \$22872 = .4337$  unit 0001-0002BU Coverage Factor

Step 4: 3000.0 bu. = insured's share from the unreported unit  
(6000.0 X .500 = 3000.0)

$3000.0 \text{ bu.} \times .3722 = 1116.6 \div 1.000 = 1116.6 \text{ bu.}$  to be allocated to unit 0001-0001OU

$3000.0 \text{ bu.} \times .1941 = 582.3 \div 1.000 = 582.3 \text{ bu.}$  to be allocated to unit 0001-0002OU

$3000.0 \text{ bu.} \times .4337 = 1301.1 \div .500 = 2602.2 \text{ bu.}$  to be allocated to unit 0001-0002BU

The allocated production for unit 0001-0002BU was increased to 2602.2 because it will be reduced to the correct share of production (1301.1) 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 net production<sup>1/</sup> 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. Refer to (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 net production <sup>1/</sup> calculated for the allocated production to the uninsured-cause appraisal. Refer to (5) 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.  $743.7 \text{ (Total Allocated Production)} \div 50.3 \text{ acres} = 14.785 \text{ bushels}$ . This would be entered as 14.7 in the “Uninsured Causes” column) rather than 14.8 since  $14.8 \text{ bushels} \times 50.3 \text{ acres} = 744.4 \text{ bushels}$ , which would exceed 743.7 bushels (the Total Allocated Production).

\*\*\*

(3) Enter the allocated net production in item 71 of the Production Worksheet as instructed in the Claim Form Entries and Completion Procedures for the applicable crop LASH.

(4) 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.

\*\*\*

- (f) The individual crop LASH specifies a corrected claim may be done for a specific situation;
  - (g) The value received for damaged production has been increased after the claim was settled (e.g., after claim was settled, the buyer decreased the discounts for the damaged production and reimbursed the insured producers the difference) and this would result in an overpayment of at least \$250 for the policyholder's indemnity as described in subparagraph B (2) below; or
  - (h) A basic unit structure is determined to be incorrect.
- (2) Corrected claims cannot be made solely because the insured subsequently sells more or less production than was determined from measurements of production in a storage structure(s) at the time of final settlement of the claim, unless the dimensions of the structure or obstacle deductions (studs, vents, etc.) or other details or circumstances can be verified to be in error.
  - (3) Reprocessing claim information along with the proper codes to reduce or restore an indemnity or prevented planting payment due to first and second crop acreage is not considered a corrected claim for the purpose of this paragraph. This type of administrative action does not require a (claim) Production Worksheet to be completed. However, the claim information is processed through PASS with the proper codes to reduce or restore the indemnity or prevented planting payment, as applicable. Documentation of why the indemnity or preventing planting payment was required must be kept in the insured's loss file.

**B    When to Prepare a Corrected Claim**

Prepare a corrected claim **only when you are authorized by your AIP** to do so, and in accordance with the following tolerances below. (For types of corrected claims for which dollar tolerance apply, AIPs are not required to correct claims that are below the dollar tolerances but they may if they wish to do so.) There is no time limit for when a corrected claim can be prepared. Even though the reason for the corrected claim is not discovered until the subsequent crop year(s), the corrected claim will be prepared if it is to be corrected in accordance with the procedures in PAR. 131.

- (1) There are no dollar tolerances for preparing corrected claims due to items A (1) (c) (d) and (h) above.

- (2) When errors as stated in subparagraph A (1) (a), (b), and (g) are discovered, a corrected claim will be prepared if the underpayment or overpayment is in excess of the FCIC-approved tolerance (\$250). This tolerance applies on a policyholder basis (refer to the applicable RI or VI Insurance Standards Handbook for dollar-tolerance procedures for RI and VI products). 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.

C Labeling Claim as "Corrected Claim." Write "CORRECTED CLAIM" in the heading on all copies of the claim and prepare it in accordance to the applicable crop handbook.

D 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 AIP. 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; and
- (5) All other pertinent information.

## 132 DOCUMENTING INSURED'S DEATH AFTER INSURANCE ATTACHED AND THERE IS A CLAIM

If the insured is deceased after insurance attached (i.e., for annual crops, planted by the final planting date or within the late planting period (if applicable); or for perennial crops, the calendar date insurance attaches) for any insured crop, transmit the claim form to the next level of supervision with an attached Special Report showing the following:

- (a) Date of death.
- (b) Beneficiary. If an indemnity is due, the beneficiary entitled to the indemnity must be determined and documented in the contract file folder. The documentation must include the name, mailing address, capacity of person entitled to indemnities, policy number, crop, crop year, unit, and circumstances requiring the naming of the beneficiary.

- (c) The contract will remain in force for the crop year for those crops. A crop inspection is not required if the acreage report is filed by the ARD.

### 133 **BANKRUPTCY**

#### A General Information

It is important that the AIP 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 AIP.

- (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.

### 134 **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 disking, plowing, etc., in order to deter wind erosion, the AIP 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 <b>any pertinent information</b> .   |
| (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 Rejected                  | Mark "Accepted" or "Rejected," as appropriate.   |
| (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.) |
- (3) If this authority is utilized, the AIP 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.
- (4) 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.
- (5) Documentation: Include in the insured's loss file folder the following (but not limited to): the written recommendation from the NRCS, soil specialist from CES, or other acceptable entity to not disturb the soil surface, crop, or crop residue, pictures documenting this condition, the Certification Form signed by the insured and adjuster, and paperwork from any random review of this unit.

## 135 CHEMICAL DAMAGE DUE TO ADVERSE WEATHER CONDITION

### A Damage From Chemical Carryover Due to An Extended Adverse Weather Condition

- (1) Although chemical carryover is NOT a named insured peril under the insurance contract, any loss of production caused by chemical-carryover damage resulting from a named peril is covered, provided the insured followed good farming practices.



(c) Not reduce or adversely affect the yield; and

(d) Be generally recognized for the area or is contained in the organic plan, as applicable.

**D**    GFP Decision

(1) For the AIP to render a decision, all information required in subsection C (1)-(4) above must be provided by the producer to the AIP upon request.

(2) If the agricultural expert is not qualified to render an objective, unbiased opinion of the production methods, crop, or areas at issue, the opinion cannot be considered in the GFP decision or determination.

\*\*\* (3) GFP decisions apply to all the shareholders on the acreage.

(4) For more information, refer to MGR. 05-010 and MGR. 05-012.

**E**    Refer to PAR. 140 for information about GFP Administrative Reviews conducted by FCIC/RMA.

**137    SIMPLIFIED CLAIM PROCESS (SCP)**

AIP and producer participation in SCP is voluntary.

**A**    The crops and criteria for claims to qualify for SCP are as follows:

(1) Eligible crops are:

Almonds, buckwheat, barley, canning and processing sweet corn, canola, corn, cotton, dry beans, dry peas, flax, grain sorghum, green peas, oats, peanuts, popcorn, rapeseed, rice, rye, soybeans, sugar beets, sunflowers, and wheat.

(2) Eligible crop policies may be designated in any risk-sharing fund of the Standard Reinsurance Agreement.

(3) Crop policies with basic, optional, whole farm, or enterprise units are eligible, provided all other SCP criteria are met.

(4) SCP can be used on a unit containing both planted and prevented planted acreage provided a prevented planting claim has been finalized prior to submission of the SCP claim on the planted portion of the unit. However, SCP cannot be used on a unit containing only PP acreage.

(5) Dollar Tolerances for SCP

(a) The gross indemnity (insured's share prior to any dollar amount due the insurance provider) must not be greater than \$5,000 for any optional unit. The gross indemnity must not be greater than \$10,000 for any basic, whole farm, or enterprise crop unit. When calculating the gross indemnity, replanting payments and PP payments shall be excluded. PP Payments are not considered in the SCP dollar tolerance because they are a separate payment from the payment for the planted acres.

- (b) SCP dollar tolerances are based on dollar amount of the production loss; therefore, if the insured crop is insured under the revenue protection plan and the harvest price causes the dollar indemnity to exceed the SCP limit, the claim is still eligible for SCP.
- (6) All planted acreage in the unit must be harvested **and the production must be sold or in commercial storage**. EXCEPTION: Claims with an on-site preliminary inspection where acreage was determined, appraised, and an acreage release executed for the unit may be finalized under SCP, provided none of the appraised acres have been harvested.
- (a) Third-party, written verification<sup>1/</sup> must be available and the insured must submit these with the completed SCP form that accounts for all production from all indemnified units. The insured must write beside each load on the settlement sheet **or warehouse receipt**, the unit numbers and or field identification from which this production came. If only a field identification is shown, the adjuster must be able to verify that the field identification can be correlated with the unit numbers for the crop/county for the current crop year. If the field identification cannot be correlated to a unit number for the crop/county, the settlement sheet or storage records are not considered acceptable.
- <sup>1/</sup> Settlement sheets or summary sheets **for sold production or warehouse receipts for production in commercial storage** are acceptable; however, individual load weight tickets are not acceptable.
- (b) No portion of the crop may be left in the field except appraisals made on preliminary inspections as outlined in the "Exception" in (6) above.
  - (c) Copies of either Farm Service Agency (FSA) acreage measurements or third-party measurements as allowed by PAR. 80, must also be provided by the insured, if available. Otherwise, copies of aerial photos identifying each field, crop planted in each field, and number of acres in each field must be provided with the completed SCP form. In all cases, the applicable indemnified unit acreage must be identified. If the insured does not have acceptable acreage measurements available, but acceptable previous measurements (as defined in paragraph 80 of the LAM) are available to the AIP, the AIP must use these measurements.

(7) Crops eligible for SCP if quality adjustment is involved

Not all crops listed in A (1) above are eligible for SCP if quality adjustment is involved. Only the following crops involving quality adjustment are eligible for SCP and only if they meet the criteria listed below:

- (a) Any crops listed in A (1) having quality provisions in the SP and that have claims involving quality adjustment other than for a substance or condition injurious to human and animal health, may qualify for SCP when the pre-established DF (to determine the QAF) for the level and type of damage (except DFs for substances or conditions injurious to human and animal health) are contained in the actuarial documents.
- (b) Cotton claims with quality adjustment may also qualify for SCP as cotton quality adjustment factors are **developed** from the **loan rates** published by **FSA**.

- (c) Factors that affect quality must be determined by a licensed grain grader as specified in PAR. 96 E. A verifiable document (e.g., grade certificate) from a licensed grader must be included with the SCP form. The grade slip must include insured's name, the applicable crop, and crop year.
- (8) Claims involving any of the following conditions are not eligible.
  - (a) Farm-stored production, even if weighed and returned to farm.
  - (b) Claims with only prevented planting, and prevented planting claims that have not been finalized prior to the submission of the SCP claim for the planted portion of the unit.
  - (c) Corrected claims.
  - (d) Claims with delayed notices or delayed claims.
  - (e) Claims requiring a revised acreage report unless it is a downward revision in liability, that results from third-party verified documentation agreed to, and supplied by the insured.
  - (f) AIP employees, loss adjusters, agents, or FCIC/RMA employees or any spouse or family member residing in the same household as any such person.
  - (g) Zero production is reported.
  - (h) Production fed to livestock.
  - (i) Crops covered under a pilot program that has been in effect for 2 or fewer crop years.
  - (j) Claims for crops other than cotton involving quality adjustment if:
    - 1 One of the qualifying quality deficiencies is due to a substance or condition injurious to human or animal health; e.g., Aflatoxin.
    - 2 There are no pre-established discount factors (to determine quality adjustment factors) contained in the actuarial documents for the level or type of damage.
- (9) AIPs must not allow their agents to complete or become involved in SCP claims other than the following:

Agents are allowed to mail, e-mail scanned documents, or fax the SCP claim form and supporting documents to the designated AIP representative/office but cannot in anyway, help the insured complete the SCP form paperwork.
- (10) The AIP must instruct the insured to submit the SCP claim form within the time frame specified in the crop provisions or timeframe specified in the quality provisions section of the SP, if applicable. (Also refer to PAR. 68 if the AIP has extended the time the insured has to harvest the crop due to adverse weather

preventing harvest by the calendar date for the EOIP). SCP claim forms and required documentation (e.g., maps, settlement sheets, etc.) received after this timeframe (SP, if applicable), must be denied in accordance with section 14 of the BP.

- (11) If FCIC determines that an AIP or managing general agent does not have a satisfactory performance record as defined in the Standard Reinsurance Agreement, use of this procedure by such AIP or managing general agent shall be suspended until such time that a satisfactory performance record has been restored.

B The AIP shall not use SCP for a policyholder if the AIP suspects misrepresentation of any material fact.

C SCP Data Through PASS

- (1) SCP claims data must be processed through PASS in accordance with Appendix III requirements.
- (2) The AIP is responsible for administering the SCP in a manner that assures accurate information is collected and submitted through PASS.

D SCP Forms and Completion Instructions

All SCP claims must be completed on a form developed by the AIP that captures all the required loss information from the insured **as contained in the DSSH**. The AIP is also responsible **for providing the insured the** comprehensive completion instructions **as shown in Exhibit 22 of the LAM** to complete the SCP form. **If the item numbers are not the same for a required form item, the AIP may change to the correct item number for the AIP's SCP Form.**

## PART 6 FCIC REVIEWS, DETERMINATIONS, AND INTERPRETATIONS AND APPEALS

No award or settlement determined in appeal, administrative review, or reconsideration process can exceed the amount of liability established or which should have been established under the policy, except for interest awarded.

### 140 GOOD FARMING PRACTICE (GFP) ADMINISTRATIVE REVIEW

#### A General Information

A GFP Review is a type of administrative review to determine whether the insured followed a GFP.

- (1) If the insured does not agree with a decision regarding whether the insured followed a GFP made by the AIP, the insured **must** request, in writing, a GFP determination from the RO **before taking any further action**. If the insured disagrees with the RO GFP, the insured may submit a written request for reconsideration to the Deputy Administrator of Insurance Services according to 7 C.F.R. §400.98. Refer to MGR-05-010 for more information.
  - (a) The insured must request a GFP determination from the RO before requesting reconsideration from the Deputy Administrator for Insurance Services.
  - (b) If the insured disagrees with an AIP GFP decision or RMA determination, the insured may **either request reconsideration from Insurance Services or** file suit against FCIC in United States district court where the insured farm is located.
  - (c) Any suit must be filed against FCIC, not later than one year after the date of the reconsideration decision or RO GFP determination.
- (2) The insured cannot sue the AIP for GFP decisions.
- (3) Disputes regarding the AIP determination of the amount assigned for uninsured causes of loss for failure to follow a GFP must be resolved through mediation or **through arbitration in accordance with** the rules of the American Arbitration Association.
- (4) If an agricultural expert is not qualified to render an objective, unbiased opinion of the production methods, crop, or areas at issue, the opinion cannot be considered in the GFP reconsideration decision or RO determination.
- (5) GFP decisions apply to all the shareholders on the acreage for which a decision is made.

B Additional Information. Refer to MGR. 05-010 and MGR. 05-012.

### 141 LARGE CLAIM REVIEWS AND FCIC PARTICIPATION

#### A General Information

**In accordance with Section IV, Large Claims of Appendix I of the SRA, it states:**

**As a condition of reinsurance and prior to commencing any loss adjustment activity, the Company agrees to comply with all provisions of FCIC's Large Claims Procedures, as applicable.**

- B Refer to the Large Claims Handbook, FCIC-14040 for detailed procedures for RMA participation in Large Claim Reviews.

## 142 FCIC POLICY AND PROCEDURAL INTERPRETATIONS

If a dispute in any way involves a policy or procedure interpretation, regarding whether a specific policy provision or procedure interpretation is applicable to the situation, how it is applicable or the meaning of any policy provision or procedure, either the AIP or the insured must obtain an interpretation from FCIC in accordance with 7 CFR part 400, subpart X or such other procedures as established by FCIC.

### A Where to Find How to Request Interpretations

For information on how to request procedural interpretations, refer to Manager's Bulletin 05-018.

### B FCIC Interpretation

- (1) Any interpretation by FCIC will be binding in any mediation or arbitration.
- (2) Failure to obtain any required interpretation from FCIC will result in the nullification of any agreement or award.
- (3) An interpretation by FCIC of a policy provision is considered a rule of general applicability and is not appealable. If the insured disagrees with an interpretation of a policy provision by FCIC, the insured must obtain a Director's review from the National Appeals Division in accordance with 7 CFR 11.6 before obtaining judicial review.

### C Appeal of FCIC Procedural Interpretation

An interpretation by FCIC of a procedure may be appealed to the National Appeals Division in accordance with 7 CFR part 11.

## 143 ADMINISTRATIVE REVIEWS OR APPEALS

### A Administrative Reviews or Appeals of FCIC Determinations

- (1) Except as provided in sections 18(n) or (o), or 20(d) or (k) of the BP, if the insured disagrees with any other determination made by FCIC or any claim where FCIC is directly involved in the claims process or directs the AIP in the

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Abandonment	Refer to PAR. 79.
Acceptable Determined Acres	Refer to PAR. 80.
Acreage Report ***	A report required by the BP that contains, in addition to other required information, the insured's share of all acreage of an insured crop in the county whether insurable, not insurable, or uninsured.
Acreage Reporting Date	The date contained in the SP or as provided in the BP by which insureds are required to submit acreage reports.
Actual Production History (APH)	A process used to determine production guarantees in accordance with 7 CFR part 400, subpart G.
Actual Yield ***	The yield per acre for a crop year calculated from the producer's production records and/or claims for indemnities. The actual yield is determined by dividing total production (which includes harvested and appraised potential production) by planted (insurable) acres, (unless production from uninsurable acreage is commingled with production from insurable acreage).
Actuarial	The statistical computation of probable risks and rates according to recorded facts. Includes all related documents.
Actuarial Documents	The information for the crop year which is available for public and published on RMA's website, and which shows available crop insurance plans, coverage levels, information needed to determine amounts of insurance, prices, premium rates, premium adjustment percentages, practices, particular types or varieties of the insurable crop, insurable acreage, and other related information regarding crop insurance in the county.
Additional Coverage	A level of coverage greater than catastrophic risk protection.
Additional Price Election	A price election released subsequent to the release of the price election and at least 15 days prior to the SCD that is based on additional data or information that has become available after the initial price election release and allows a more accurate price projection to be made. The additional price election must be higher than the price election.
Adjuster	See Loss Adjuster. Also known as Claims Adjuster.
Administrative Fee	The amount an insured must pay for each catastrophic risk protection and additional coverage for each crop year as specified in the BP and Catastrophic Risk Protection Endorsement.
Agent	The individual licensed by the State in which an eligible crop insurance contract is sold and serviced for the reinsurance year, and who is under contract with the AIP, or its designee, to sell and service such eligible crop insurance contracts.

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Agreement in Writing	An agreement between two or more parties as would be permitted by the Crop Provisions or SP. 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 AIP. Written Agreements are different from agreements in writing. Refer to Written Agreement definition.
Agricultural Commodity	Any crop or other commodity produced, regardless of whether or not it is insurable.
Agricultural Experts	<p>Person(s) who are employed by the Cooperative Extension System, or the agricultural departments of universities, or other persons approved by FCIC, whose research or occupation is related to the specific crop or practice for which such expertise is sought. Also, refer to Organic Agricultural Experts.</p> <p><b>NOTE:</b> Agricultural experts currently approved by RMA include persons employed by the Cooperative Extension System, the agricultural departments of States and universities, and persons certified by the American Society of Agronomy (ASA) as Certified Crop Advisers and Certified Professional Agronomists, persons certified by the National Alliance of Independent Crop Consultants (NAICC) as Certified Professional Crop Consultants and persons certified by the American Society for Horticultural Sciences as Certified Professional Horticulturists. Persons certified by other certification programs may be recognized as agricultural experts by RMA if their participant's research or occupation is related to the specific crop or practice for which such expertise is sought.</p>
AIP (Approved Insurance Provider)	A legal entity, including the Company, which has entered into a Standard Reinsurance Agreement with FCIC for the applicable reinsurance year.
AIP Inspection	An inspection initiated by the AIP. These inspections may be initiated where misrepresentation is suspected or where routine spot checks are being performed.
Annual Crop	An agricultural commodity that normally must be planted each year.
Another Use, notice of *** Application	<p>The written notice required when the insured wishes to put acreage to another use (refer to definition of other use).</p> <p>The form required to be completed by the applicant/insured and accepted by the AIP before insurance coverage will commence. This form must be completed and filed with the AIP (e.g. in the agent's office) not later than the SCD of the initial crop year for each crop for which insurance coverage is requested. If cancellation or termination of insurance coverage occurs for any reason, including but not limited to indebtedness, suspension, debarment, disqualification, cancellation by the insured or AIP or violation of the controlled substance provisions of the Food Security Act of 1985, a new Application must be filed for the crop. Insurance coverage will not be provided if applicant/insured is ineligible under the contract or under any Federal statute of regulation.</p>



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Appraised Production	Production from unharvested acreage determined by the AIP 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 Appraised 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 (Approved Yield)	The yield, calculated and approved by the verifier, used to determine the production guarantee by summing the yearly actual, assigned, adjusted or unadjusted transitional yields and dividing the sum by the number of yields contained in the database, which will always contain at least four yields. The database may contain up to 10 consecutive crop years of actual or assigned yields. The approved yield may have yield adjustments elected under applicable policy provisions, yield revisions/reductions, or other limitations according to FCIC-approved procedures applied when calculating the approved yield.
Area	Land surrounding the insured acreage with geographic characteristics, topography, soil types and climatic conditions similar to the insured acreage.
Area Yield Plan	Refer to GRP.
Assignment of Indemnity	A transfer of policy rights, made on the AIP's form, and effective when approved in writing by the AIP. It is the arrangement whereby the insured assigns his/her right to an indemnity payment for the crop year only to creditors or other persons to whom the insured has a financial debt or other pecuniary obligation.
Assuming Agent	An AIP agent who assumes the contracts that were previously serviced by another AIP.
Assuming Company	An AIP that assumes the contracts that were previously serviced by another AIP.
Authorized Representative (Insured's)	Any person authorized by the insured to conduct crop insurance business on behalf of the insured (e.g., Power of attorney, or authorized representative of a corporation, etc.). The authorization must be a legally executed agreement in writing which indicates the representative's name and details the authority granted.
Basic Provisions	Common Crop Insurance Policy Basic Provisions codified at 7 C.F.R. 457.8.

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Basic Unit	All insurable acreage of the insured crop in the county on the date coverage begins for the crop year: (1) In which the insured has 100 percent crop share; or (2) Which is owned by one person and operated by another person on a share basis. (e.g. If, in addition to the land owned by the insured, the insured rents land from five landlords, three on a crop share basis and two on a cash basis, the insured would be entitled to four <b>basic</b> units; one for each crop share lease and one that combines the two cash leases and the land owned.) Land which would otherwise be one unit may, in certain instances, be divided according to guidelines contained in the BP and in the applicable CP.
Beneficiary	The entity determined by the AIP to receive indemnity payments, in the event of the death of the original policyholder.
Block	Trees, vines, or bushes in an orchard, vineyard, or bog of a single or mixed age and density, separated by applicable practice, type, variety, different T-Yield Map Areas, or other characteristics shown in the actuarial documents (e.g., early, mid, late peaches).
Buffer Zone	<b>An area or</b> a parcel of land, as designated in the insured's organic plan, that separates agricultural commodities grown under organic farming practices from agricultural commodities grown under non-organic farming practices. <b>A buffer zone must be sufficient in size or other features, as stated in the NOP regulations to prevent or minimize the possibility of unintended contact by prohibited substances or organisms applied to adjacent land areas with an area that is part of the certified organic farming operation.</b>
Bypassed Acreage	Refer to PAR. 89.
Cancellation Date	The calendar date specified in the <b>CP</b> on which coverage for the crop will automatically renew unless canceled in writing by either the insured or the AIP, or terminated in accordance with the policy terms.
Carryover Insured	A person who was insured the previous year without respect to the AIP or plan of insurance for a crop policy (by county) basis.
CAT	Acronym for Catastrophic Risk Protection. It is the minimum level of Federal crop insurance coverage a producer can obtain.
Catastrophic Risk Protection (CAT)	The minimum level of coverage offered by <b>RMA</b> . CAT is not available with revenue protection.
Ceding Agent	An AIP agent who cedes or transfers a contract (that the agent previously serviced) to another AIP agent.
Ceding Company	The AIP that cedes or transfers a contract (that the AIP previously serviced) to another AIP.
Certificate (Organic)	A written document issued annually that identifies the name of the person certified, effective date of certification, certificate number, types of products certified, and name and address of the certifying agency.

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Contract Provisions	All the provisions that make up the contract. See insurance contract.
Controlled Substance Violation	Refer to PAR. 56.
Conventional Farming Practice	A system or process that is necessary to produce the crop an agricultural commodity, excluding organic farming practices.
Cooperative Extension System	A nationwide network consisting of a state office located at each state's land-grant university, and local or regional offices. These offices are staffed by one or more agricultural experts, who work in cooperation with the Cooperative State Research, Education and Extension Service, and who provide information to agricultural producers and others.
Conveyance	Anything in which agricultural commodities are transported. This may include combine harvesters, commodity bins, grain carts, grain wagons, farm truck, semi-trailer, railcar, or barge. The term "transported" does not include all forms of grain movement; e.g., the following are not conveyances, grain augers, grain dryers, elevator legs, or picking lines.
Conviction	<p>An individual or entity is considered to have been "convicted" of a criminal offense when:</p> <ol style="list-style-type: none"><li>(1) A judgment of conviction has been entered against the individual or entity by a Federal, State, or local court, regardless of whether there is an appeal pending or whether the judgment of conviction or other record relating to criminal conduct has been expunged;</li><li>(2) There has been a finding of guilt against the individual or entity by a Federal, State, or local court;</li><li>(3) A plea of guilty or nolo contendere by the individual or entity has been accepted by a Federal, State, or local court; or</li><li>(4) The individual or entity has entered into participation in a first offender, deferred adjudication, or other arrangement or program where judgment of conviction has been withheld.</li></ol>
County	Any county, parish, or other political subdivision of a state listed in the actuarial documents 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 tobacco, "county" includes any land identified by a FSA farm serial number for the county of record but 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.

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Cover crop	A crop generally recognized by agricultural experts as agronomically sound for the area for erosion control or other purposes related to conservation or soil improvement. A cover crop may be considered to be a second crop (refer to the definition of “second crop”).
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 (SP, if applicable), or the date planting begins on the unit.
Crop Endorsement	An adjunct to the BP that contains crop-specific provisions.
Crop Handbooks	The FCIC-issued 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 AIP must comply with these standards when performing loss adjustment.
Crop of Economic Significance	A crop or a type or variety of a crop (if the applicable policy allows the option to separately insure individual crop types or varieties) 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 (\$300 per crop per county).
Crop Provisions	An adjunct to the BP that contains crop-specific provisions (appraisal of production, production to count, indemnity calculations, definitions, etc.)
Crop Year (Policy)	The period within 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, unless otherwise specified in the CP.
Damage	Injury, deterioration, or loss of production of the insured crop due to insured and/or uninsured causes.
Days	Calendar days.
Deductible	The amount determined by subtracting the coverage level percentage the insured chooses from 100 percent. For example, if the insured elected a 65 percent coverage level, the insured's deductible would be 35 percent (100% - 65% = 35%).
Delayed Claim	A claim for indemnity form signed by the insured later than the time required in the applicable policy.

## **EXHIBIT 1**

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Quality Assurance	An established review process maintained by the AIP 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	Refer to Acreage Report.
RMA Assigned Number	A term used by RMA to refer to a number issued by RMA to an individual who is considered a qualified alien as determined by the Personal Responsibility and Work Opportunity Reconciliation Act of 1996, 8 U.S.C. §1611; or, to a trust administered by the Bureau of Indian Affairs, and Indian Tribal Ventures that does not have an EIN.
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	Refer to Good Farming Practice
Reduction in Value (RIV)	The dollar and cents RIV (discount) that the buyer applies for each quality defect of the crop allowed by the policy provisions. The RIV applies only when there is at least one type or level of defect for which there is not a pre-established discount factor listed in the quality section of the SP.
Regional Office (RO)	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 AIP.
Relative	An individual who: (1) is immediate family; (2) resides in the household of; or (3) engages in business with respect to, a farming operation with the person in question, regardless of whether or not the individual is immediate family.
Releasing Agent	Refer to 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.
Replanted Crop	The same agricultural commodity replanted on the same acreage as the first insured crop for harvest in the same crop year if the replanting is specifically made optional by the policy and the insured elects to replant the crop and insure it under the policy covering the first insured crop, or replanting is required by the policy.

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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 same insured acreage. The same crop does not necessarily mean the same type or variety of the crop unless different types or varieties constitute separate crops or it is otherwise specified in the policy.
Replant Payment	The payment received when acreage qualifies for a replanting payment in accordance with the BP and applicable CP.
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 AIP to work in the field or in an office to carry out in whole or in part the Federal crop insurance marketing, or contract servicing for new applicants or present policyholders. See Agent.
Representative Sample	Portions of the insured crop that must remain in the field for examination and review by the AIP's loss adjuster when making a crop appraisal, as specified in the CP. In certain instances, the AIP may allow the insured to harvest the crop and require only that samples of the crop residue be left in the field. (This is not the same thing as Representative Sample Areas, as specified below.)
Representative Samples of crop (RSC)	Refer to "Representative Sample."
Representative Sample Areas	Refer to PAR. 88.
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 AIP before they are processed.
Revenue Protection	A plan of insurance that provides protection against loss of revenue due to a production loss, price decline or increase, or a combination of both. If the harvest price exclusion is elected, the insurance coverage provides protection only against loss of revenue due to a production loss, price decline, or a combination of both.
Revenue <b>P</b> rotection <b>G</b> uarantee (per acre)	For revenue protection only, the amount determined by multiplying the production guarantee (per acre) by the greater of the insured's projected price or the insured's harvest price. If the harvest price exclusion is elected, the production guarantee (per acre) is only multiplied by the <b>projected price</b> .

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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)	<p>An interest held by any person of at least 10 percent in the insured. The spouse of any individual applicant or individual insured will be considered to have a SBI in the applicant or insured unless the spouses can prove they are legally separated or otherwise legally separate under the applicable State dissolution of marriage laws. Any child of an individual applicant or individual insured will not be considered to have a SBI in the applicant or insured unless the child has a separate legal interest in such person. For example, there are two partnerships that each have a 50 percent interest in the insured and each partnership is made up of two individuals, each with a 50 percent share in the partnership. In this case, each individual would be considered to have a 25 percent interest in the insured, and both the partnerships and the individuals would have a SBI in the insured (The spouses of the individuals would not be considered to have a SBI unless the spouse was one of the individuals that made up the partnership). However, if each partnership is made up of six individuals with equal interests, then each would only have an 8.33 percent interest in the insured and although the partnership would still have a SBI in the insured, the individuals would not for the purposes of reporting SBIs.</p>
Summary of Coverage	Our statement to the insured, based upon the insured's acreage report, specifying the insured crop and the guarantee or amount of insurance coverage provided by unit.
Suspended Certification	An organic operation that was originally certified; however, certification for the operation or portion of the operation is subsequently suspended by the certifying agency.
Synthetic	A substance originated from a manufactured chemical process or by a process that chemically changes a substance extracted from naturally occurring plant, animal, or mineral sources, except that such term shall not apply to substances created by naturally occurring biological processes.
Sustainable Farming Practice	A system or process for producing an agricultural commodity, excluding organic farming practices, that is necessary to produce the crop and is generally recognized by agricultural experts for the area to conserve or enhance natural resources and the environment.
Tenant	A person who rents land from another person for a share of the crop or a share of the proceeds of the crop (see the definition of "share" above).
Termination 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.

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Tilled	The termination of existing plants by plowing, disking, burning, application of chemicals, or by other means to prepare acreage for the production of an annual crop.
Timely Planted	Planted on or before the final planting date designated in the SP for the insured crop in the county.
Township	A tract of land approximately 36 miles square containing approximately 36 sections, each 36 miles square.
Transfer of Coverage	Refer to Transfer of Indemnity.
Transfer of Contract/Policy	Transfer of a contract or policy to another AIP.
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.
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.
Transitional Acreage	Acreage on which organic farming practices are being followed that does not yet qualify to be designated as organic acreage.
Uninsured Acres	Uninsurable acreage and insurable acreage that is not insured in accordance with the policy provisions.
Uninsurable Acreage	Acreage of an insured crop that does not meet the policy requirements for insurance.
Unit	The insurable acreage of the insured crop in the county taken into consideration when determining the approved APH yield, production guarantee/amount of insurance, and the amount of any indemnity (loss payment). Each insured crop's unit structure is defined in the policy and/or respective endorsement.
Unrated Land	Land which is not rated on the actuarial map or actuarial listing, requiring a Written Agreement (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 AIP in order to calculate and determine the approved APH yield.



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Verify	Determine by an on-site inspection, whether information submitted is true and accurate through independent means in accordance with procedures. With respect to certifications, asking the provider of the information whether the information is true and accurate does not constitute verification. Information from independent third parties or independent documentation must be obtained.
Void	When the policy is considered not to have existed for a crop.
Whole Farm Unit	All insurable acreage of all the insured crops planted in the county in which the insured has a share on the date coverage begins for each crop for the crop year and for which the whole-farm unit structure <b>is available</b> .
Written Agreement (WA)	A document designed to provide crop insurance for insurable crops when coverage or rates are unavailable or to modify existing terms and conditions in the crop insurance policy when specifically permitted by the policy. ROs are authorized to conduct the underwriting and approve or deny requests for <b>WA</b> on behalf of the FCIC.
Yield protection	A plan of insurance that only provides protection against a production loss and is available only for crops for which revenue protection is available.
Yield <b>P</b> rotection <b>G</b> uarantee (per acre)	When yield protection is selected for a crop that has revenue protection available, the amount determined by multiplying the production guarantee by the insured's projected price.
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**

<b>2012 CY INFORMATION (OR 2013 CY where designated).</b>	<b>Crop Code</b>	<b>FCIC</b>		<b>NCIS</b>		<b>Late Planting Prov.</b>	<b>Prev. Planting Prov.</b>	<b>Replant Payment Prov.<sup>1/</sup></b>	<b>Enterprise (E) Optional (O)<sup>1/</sup> Basic (B) Whole W)<sup>3</sup> Unit</b>	<b>High- Risk Land Ex. Opt.</b>
		<b>*Basic Provisions</b>	<b>*Crop Provisions</b>	<b>*Basic Provisions</b>	<b>*Crop Provisions</b>					
Barley	0091	11-BR	11-0011	2011-700B	714	Yes <sup>3/</sup>	Yes <sup>3/</sup>	Yes <sup>1/</sup>	O/B/E/W	Yes <sup>4/</sup>
Canola/Rapeseed	0015	11-BR	11-0015	2011-700B	795	Yes <sup>3/</sup>	Yes <sup>3/</sup>	Yes <sup>1/</sup>	O/B/E/W	Yes <sup>4/</sup>
Corn	0041	11-BR	11-0041	2011-700B	702	Yes <sup>3/</sup>	Yes <sup>3/</sup>	Yes <sup>1/</sup>	O/B/E/W	Yes <sup>4/</sup>
Grain Sorghum	0051	11-BR	11-0041	2011-700B	702	Yes <sup>3/</sup>	Yes <sup>3/</sup>	Yes <sup>1/</sup>	O/B/E/W	Yes <sup>4/</sup>
Soybeans	0081	11-BR	11-0041	2011-700B	702	Yes <sup>3/</sup>	Yes <sup>3/</sup>	Yes <sup>1/</sup>	O/B/E/W	Yes <sup>4/</sup>
Cotton	0021	11-BR	11-0021	2011-700B	703	Yes <sup>3/</sup>	Yes <sup>3/</sup>	No <sup>1/</sup>	O/B/E/W	Yes <sup>4/</sup>
Malting Barley <sup>2/</sup>	0091	11-BR	11-0011	2011-700B	714	Yes <sup>3/</sup>	Yes <sup>3/</sup>	No <sup>1/</sup>	B	Yes <sup>4/</sup>
Rice	0018	11-BR	11-0018	2011-700B	716	Yes <sup>3/</sup>	Yes <sup>3/</sup>	Yes <sup>1/</sup>	O/B/E/W	Yes <sup>4/</sup>
Sunflower Seed	0078	11-BR	11-0078	2011-700B	708	Yes <sup>3/</sup>	Yes <sup>3/</sup>	Yes <sup>1/</sup>	O/B/E/W	Yes <sup>4/</sup>
Wheat	0011	11-BR	11-0011	2011-700B	714	Yes <sup>3/</sup>	Yes <sup>3/</sup>	Yes <sup>1/</sup>	O/B/E/W	Yes <sup>4/</sup>

<sup>1/</sup> Applies to additional coverage only.

<sup>2/</sup> See Barley (Malting) Price and Quality Endorsement on the Option and Endorsement Table below.

<sup>3/</sup> Refer to Part 5 for additional LP and instructions and the Prevented Planting LASH for additional PP instructions.

<sup>4/</sup> Requires insured's signature; refer to actuarial documents.

**\*Current, up to signature date of this handbook.**

**Unit structures are as identified unless otherwise specified in the SPs.**

## EXHIBIT 2 CROP POLICY INFORMATION

<b>2012 CY INFORMATION (or 2013 CY where designated).</b>	<b>Crop Code</b>	<b>FCIC</b>		<b>NCIS</b>		<b>APH, ARH, or Dollar (\$)</b>	<b>Late Planting Prov.</b>	<b>Prev. Planting Prov.</b>	<b>** Replant Payment Prov.</b>	<b>***Enterprise (E) ** Optional (O) Basic (B) Whole (W) Unit</b>	<b>** High-Risk Land Ex. Opt.</b>
<b>Crop</b>		<b>*Basic Provisions</b>	<b>*Crop Provisions</b>	<b>*Basic Provisions</b>	<b>*Crop Provisions</b>						
Almond	0028	11-BR	08-028	2011-700B	719	APH	No	No	No	B/O	Yes <u>1/</u>
Apple	0054	11-BR	11-0054	2011-700B	2011-721	APH	No	No	No	B/O	Yes <u>1/</u>
Avocado (Pilot - California Only) <u>4/</u>	0019	11-BR	12-0019	2011-700B	807	APH	No	No	No	B/O	Yes <u>1/</u>
Avocado (Florida Only)	0019	11-BR	11-0019A	2011-700B	808	APH	No	No	No	B/O by type	Yes <u>1/</u>
Bean (Processing)	0046	11-BR	98-046	2011-700B	704	APH	Yes <u>2/</u>	Yes <u>2/</u>	No	B/O/O by type	Yes <u>1/</u>
Bean (Fresh Market)	0105	11-BR	11-0105	2011-700B	2011-NCIS-826	APH	No	No	No	E by planting period	No
Blueberry	0012	11-BR	05-012	2011-700B	794	APH	No	No	No	B/O by type <u>3/</u>	Yes <u>1/</u>
Cabbage	0072	11-BR	11-0072	2011-700B	810	APH	No	No	Yes	B/O by type <u>3/</u>	Yes <u>1/</u>
ARH Cherry (Pilot)	0057	11-BR	2011-057	2011-700B	991	ARH	No	No	No	B/O	Yes <u>1/</u>
Chile Pepper, Processing (Pilot)	0045	11-BR	10-045	2011-700B	832	\$	No	No	No	B/O by Type by county	Yes <u>1/</u>
ARH Citrus (Pilot)	0215	11-BR	12-0215 47	2011-700B	992	ARH	No	No	No	B/O	Yes <u>1/</u>
Citrus (AZ & CA) <u>4/</u> Grapefruit Lemons Mandarin Minneola Tangelos Navel Oranges Sweet Oranges Valencia Oranges Orlando Tangelos Kinnow Mandarins	0201 0202 0205 0206 0215 0216 0217 0237 0239	11-BR	00-126	2011-700B	731	APH	No	No	No	B by Crop/O	Yes <u>1/</u>

1/ Requires insured's signature. Refer to the actuarial documents to determine land designated as high risk.

2/ Refer to Part 5 for additional LP and instructions and the Prevented Planting LASH for additional PP instructions.

3/ Optional units allowed by type if on SPs.

4/ 2013 Crop Year Information

**\*Current, up to signature date of this handbook. \*\*Applies to additional coverage ONLY. \*\*\* Enterprise units if provided for in the SPs.**

**Unit structures are as identified unless otherwise specified in the SPs. For pilot crops, only selected states and counties apply.**

## EXHIBIT 2 CROP POLICY INFORMATION

<b>2012 CY INFORMATION (or 2013 CY where designated)</b>	<b>Crop Code</b>	<b>FCIC</b>		<b>NCIS</b>		<b>APH or Dollar (\$)</b>	<b>Late Planting Prov.</b>	<b>Prev. Planting Prov.</b>	<b>** Replant Payment Prov.</b>	<b>***Enterprise (E) Optional (O) Basic (B) Unit</b>	<b>** High-Risk Land Ex. Opt.</b>
<b>Crop</b>		<b>*Basic Provisions</b>	<b>*Crop Provisions</b>	<b>*Basic Provisions</b>	<b>*Crop Provisions</b>						
Citrus Fruit (Florida) Citrus I (Early/Mid Season Orange) Citrus II (Late Oranges – Juice) Citrus III (Grapefruit – Juice) Citrus IV (Tangelos & Tangerines) Citrus V (Murcott Honey Oranges & Temple Oranges) Citrus VI (Lemons & Limes) Citrus VII (Grapefruit & Late Oranges -Fresh) Citrus VIII(Navel Oranges)	0245 0246 0247 0248 0249 0250 0251 0252	11-BR	09-026	2011-700B	724	\$	No	No	No	B by crop/O	Yes <u>1/</u>
Citrus Fruit (Texas) <u>5/</u> Early & Midseason Oranges Late Oranges All Other Grapefruit Ruby Red Grapefruit Rio Red & Star Ruby Grapefruit	0224 0225 0226 0228 0238	11-BR	00-226	2011-700B	733	APH	No	No	No	B/O by crop	Yes <u>1/</u>
Citrus Tree (Texas) Citrus Trees I Citrus Trees II Citrus Trees III Citrus Trees IV Citrus Trees V	0240 0241 0242 0243 0244	11-BR	12-TCT	2011-700B	737	\$	No	No	No	B/O	Yes <u>1/</u>
Cultivated Clams (Pilot)	0116	11-BR	12-0116	2011-700B	882	\$	No	No	Yes	B/O	Yes <u>1/</u>
Cotton (ELS)	0022	11-BR	12-0022	2011-700B	745	APH	No	Yes <u>2/</u>	No	B/O	Yes <u>1/</u>
Cranberry	0058	11-BR	99-058	2011-700B	742	APH	No	No	No	B/O	Yes <u>1/</u>
Dry Bean	0047	11-BR	11-0047	2011-700B	712	APH	Yes <u>2/</u>	Yes <u>2/</u>	Yes	B/O/O by type	Yes <u>1, 3/</u>
Fig	0060	11-BR	01-060	2011-700B	792	APH	No	No	No	B by type/O	Yes <u>1/</u>
Florida Fruit Trees (Pilot) Avocado Trees Orange Trees Grapefruit Trees Lemon Trees Lime Trees All Other Citrus Trees Carambola Trees Mango Trees	0212 0207 0208 0209 0210 0211 0213 0214	11-BR	12-0014	2005-700B	748	\$	No	No	No	B/O by county	Yes <u>1/</u>

1/ Requires Insured's Signature. Refer to the actuarial documents to determine land designated as high risk. 2/ Refer to Part 5 for additional LP instructions, and Prevented Planting LASH 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. 5/ For 2013 crop year information. \*\* Applies to additional Coverage ONLY. \*\*\* Enterprise units if provided for in the SP. Unit structures are as identified unless otherwise specified in the SP. For pilot crops counties, only selected counties apply.

## EXHIBIT 2 CROP POLICY INFORMATION

<b>2012 CY INFORMATION (or 2013 CY where designated)</b>	<b>Crop Code</b>	<b>FCIC</b>		<b>NCIS</b>		<b>APH or Dollar (\$)</b>	<b>Late Planting Prov.</b>	<b>Prev. Planting Prov.</b>	<b>** Replant Payment Prov.</b>	<b>***Enterprise (E) ** Optional (O) Basic (B) Unit</b>	<b>** High-Risk Land Ex. Opt.</b>
<b>Crop</b>		<b>*Basic Provisions</b>	<b>*Crop Provisions</b>	<b>*Basic Provisions</b>	<b>*Crop Provisions</b>						
Forage Production	0033	11-BR	01-033 (Rev. 3/2000)	2011-700B	729	APH	No	No	No	B/O	Yes <u>1/</u>
Forage Seeding	0032	11-BR	04-032	2011-700B	730	\$	No	No	Yes	B/O	Yes <u>1/</u>
Forage Seed (Pilot) Alfalfa Seed	0107	11-BR	12-0107	2011-700B	886	\$	No	No	No	B/O/O by contract or by variety <u>4/</u>	Yes <u>1/</u>
Grape	0053	11-BR	10-0053	2011-700B	717	APH	No	No	No	B/O Type <u>3/</u>	Yes <u>1/</u>
Grape, Table	0052	11-BR	10-0052	2011-700B	741	APH	No	No	No	B/O Type <u>3/</u>	Yes <u>1/</u>
Grass Seed (Pilot)	0102	11-BR	11-0102	2011-700B	887	APH	No	No	No	B/O 5	Yes <u>1/</u>
Hawaii Tropical Fruit (Pilot) Bananas Coffee Papaya	0255 0256 0257	11-BR	11-0255	2011-700B	892	APH	No	No	No	B/O <u>6/</u>	Yes <u>1/</u>
Hawaii Tropical Trees (Pilot) Banana trees Coffee trees Papaya trees	0265 0266 0267	11-BR	11-0265	2011-700B	894	Tree based/ \$ plan	No	No	No	B/O <u>7/</u>	Yes <u>1/</u>
Hybrid Seed Corn	0062	11-BR	98-062	2011-700B	738	\$	Yes <u>2/</u>	Yes <u>2/</u>	No	B/O	Yes <u>1/</u>
Hybrid Sorghum Seed	0050	11-BR	98-050	2011-700B	797	\$	Yes <u>2/</u>	Yes <u>2/</u>	No	B/O	Yes <u>1/</u>
Macadamia Nuts <u>8/</u>	0023	11-BR	12-0023	2011-700B	2012-790	APH	No	No	No	B/O	Yes <u>1/</u>
Macadamia Trees	0024	11-BR	11-0024	2011-700B	2011-791	\$	No	No	No	B/O	Yes <u>1/</u>
Millet	0017	11-BR	08-017	2011-700B	789	APH	Yes <u>2/</u>	Yes <u>2/</u>	No	B/O	Yes <u>1/</u>
Mint	0074	11-BR	08-074	2011-700B	828	APH	No	No	No	B/O by county	Yes <u>1/</u>
Mustard	0069	11-BR	09-0069	2011-700B	816	APH	Yes <u>2/</u>	Yes <u>2/</u>	Yes	B/O by county <u>5/</u>	Yes <u>1/</u>
Nursery (Container/Field Grown)	0073	11-BR	08-073 (Rev. 10-06)	2011-700B	782	\$	No	No	No	Share/plant/type	Yes <u>1/</u>
Onion	0013	11-BR	11-0013 (rev. 4/2010)	2011-700B	709	APH	Yes <u>2/</u>	Yes <u>2/</u>	Yes	B/O/O by type	Yes <u>1/</u>

1/ Requires Insured's Signature. Refer to the actuarial documents to determine land designated as high risk.

2/ Refer to Part 5 for additional LP instructions, and the Prevented Planting LASH for additional PP instructions.

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 SP

5/ BY type if allowed by SP. 6/ Optional units (unless limited by the SP) for noncontiguous land (except papaya), type, if types specified in the SP), and harvest period, for bananas.

7/ Optional units (unless limited by the SP for: Noncontiguous land (except papaya) and Type (if types specified on the SP).

8/ For 2013 crop year information.

\*Current, up to signature date of this handbook. \*\* Applies to additional Coverage ONLY. \*\*\*Enterprise units if provided by SP.

Unit structures are as identified unless otherwise specified in the SP. For pilot crops, only selected states and counties apply.

## EXHIBIT 2 CROP POLICY INFORMATION

<b>2012 CY INFORMATION (or 2013 CY where designated)</b>	<b>Crop Code</b>	<b>FCIC</b>		<b>NCIS</b>		<b>APH, ARH or Dollar (\$)</b>	<b>Late Planting Prov.</b>	<b>Prev. Planting Prov.</b>	<b>** Replant Payment Prov.</b>	<b>***Enterprise (E) ** Optional (O) Basic (B) Unit</b>	<b>** High-Risk Land Ex. Opt.</b>
<b>Crop</b>		<b>*Basic Provisions</b>	<b>*Crop Provisions</b>	<b>*Basic Provisions</b>	<b>*Crop Provisions</b>						
Peach	0034	11-BR	01-034	2011-700B	720	APH	No	No	No	B/O	Yes <u>1/</u>
Peanut	0075	11-BR	07-075	2011-700B	718	APH	Yes <u>2/</u>	Yes <u>2/</u>	Yes	B/O	Yes <u>1/</u>
Pear	0089	11-BR	11-0089	2011-700B	715	APH	No	No	No	B/O	Yes <u>1/</u>
Pea Dry Green	0067 0064	11-BR 11-BR	11-0067 98-064	2011-700B 2011-700B	713-D 713-G	APH APH	Yes <u>2/</u> Yes <u>2/</u>	Yes <u>2/</u> Yes <u>2/</u>	Yes No	B/O/O by Type	Yes <u>1/</u>
Pecan	0020	11-BR	05-020	2011-700B	2005-802	\$	No	No	No	B/E	Yes <u>1/</u>
Pepper, (Fresh Market)	0083	11-BR	99-083	2011-700B	740	\$	No	No	Yes	B/O	Yes <u>1/</u>
Popcorn	0043	11-BR	99-043	2011-700B	744	APH	Yes <u>2/</u>	Yes <u>2/</u>	Yes	B/O	Yes <u>1/</u>
Potato (Central/Southern)	0084	11-BR	09-0284	2011-700B	734 CS	APH	Yes <u>2/</u>	Yes <u>2/</u>	No	B/O	Yes <u>1/</u>
Potato (Northern)	0084	11-BR	08-0184	2011-700B	734N	APH	Yes <u>2/</u>	Yes <u>2/</u>	No	B/O	Yes <u>1/</u>
Prune	0036	11-BR	01-036	2011-700B	747	APH	No	No	No	B/O <u>3/</u>	Yes <u>1/</u>
Processing Pumpkin (Pilot)	0147	11-BR	09-0147	2011-700B	821	APH	No	No	No	B by contract	Yes <u>1/</u>
Raisin	0037	11-BR	98-037	2011-700B	723	\$	No	No	No	B by variety /O <u>6/</u>	Yes <u>1/</u>
Sesame (Pilot)	0396	11-BR	2011-0396	2011-700B	2011-NCIS 817	APH	No	No	No	B/O	No
Safflower	0049	11-BR	11-0049	2011-700B	749	APH	Yes <u>2/</u>	Yes <u>2/</u>	Yes	B/O	Yes <u>1/</u>
Silage Sorghum Pilot	0059	11-BR	11-0059	2011-700B	702	APH	Yes <u>2/</u>	Yes <u>2/</u>	Yes	B/O/E	Yes <u>1/</u>
Small Grains Buckwheat Flax Oats Rye	114 0031 0016 0094	11-BR	11-0011	2011-700B	714	APH/\$	Yes <u>2/</u>	Yes <u>2/</u>	Yes <u>5/</u>	B/O/E/	Yes <u>1/</u>
ARH Strawberries	154	11-BR	2012-154	2011-700B	2012-NCIS 993	ARH	No	No	No	B/O	Yes <u>1/</u>

1/ Requires Insured's Signature Refer to the actuarial documents to determine land designated as high risk

2/ Refer to Part 5 for additional LP instructions, and Prevented Planting LASH for additional PP instructions.

3/ Unless limited by CP or SP.

4/ Not available in Utah or Idaho.

5/ Not available when SP for the crop/county has only a fall planting date for the small grain crop.

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 SP. Unit structures are as identified unless otherwise specified in the SP.

## EXHIBIT 2 CROP POLICY INFORMATION

<b>2012 CY INFORMATION (or 2013 CY where designated)</b>	<b>Crop Code</b>	<b>FCIC</b>		<b>NCIS</b>		<b>APH or Dollar (\$)</b>	<b>Late Planting Prov.</b>	<b>Prev. Planting Prov.</b>	<b>** Replant Payment Prov.</b>	<b>*** Enterprise (E) **Optional (O) Basic (B) Unit</b>	<b>** High-Risk Land Ex. Opt.</b>
<b>Crop</b>		<b>*Basic Provisions</b>	<b>*Crop Provisions</b>	<b>*Basic Provisions</b>	<b>*Crop Provisions</b>						
Stonefruit <u>5/</u> Fresh Apricots Processing Apricots Fresh Nectarine Processing Cling Peaches Processing Freestone Peaches Fresh Freestone Peaches Fresh Plums	0218 0219 0220 0221 0222 0223 0092	11-BR	11-077	2011-700B	796	APH	No	No	No	B/O by type/variety	Yes <u>1/</u>
Sugar Beet <u>6/</u>	0039	11-BR	98-039	2011-700B	707	APH	Yes <u>2/</u> , <u>3/</u>	Yes <u>2/</u> , <u>3/</u>	Yes	B/O	Yes <u>1/</u> , <u>4/</u>
Sugarcane	0038	11-BR	11-0038	2011-700B	732	APH	No	No	No	B/O	Yes <u>1/</u>
Sweet Corn (Processing)	0042	11-BR	98-042	2011-700B	728	APH	Yes <u>2/</u>	Yes <u>2/</u>	No	B/O	Yes <u>1/</u>
Sweet Corn (Fresh Market)	0044	11-BR	08-044	2011-700B	746	\$	No	No	Yes	B/O	Yes <u>1/</u>
Sweet Potato (Louisiana) Pilot	0156	11-BR	11-0156			APH	No	No	No	E/B	Yes <u>1/</u>
Tobacco Flue Cured Fire Cured Burley Maryland Dark Air Cigar Filler Cigar Binder Cigar Wrapper	0229 0230 0231 0232 0233 0234 0235 0236	11-BR	10-0071	2011-700B	736	APH	Yes <u>2/</u>	Yes	No	B by type/FN O/E if allowed by the SP	Yes <u>1/</u>
Tomato (Fresh Market Guar. Prod.)	0086	11-BR	99-186	2011-700B	722	APH	No	No	Yes	B/O	Yes <u>1/</u>
Tomato (Fresh Market Dollar Plan)	0086	11-BR	99-086	2011-700B	739	\$	No	No	Yes	B/O	Yes <u>1/</u>
Tomato (Processing)	0087	11-BR	05- <u>0</u> 87	2011-700B	727	APH	No	No	Yes	B/O	Yes <u>1/</u>
Walnut	0029	11-BR	08-029	2011-700B	743	APH	No	No	No	B/O	Yes <u>1/</u>

1/ Requires insured's signature. Refer to the actuarial documents to determine land designated as high risk.

2/ Refer to Part 5 for additional LP instructions, and the Prevented Planting LASH for additional PP instructions.

3/ Late and Prevented Planted is not applicable in California Counties with a July 15<sup>th</sup> Cancellation Date. 4/ Not available in Colorado. 5 Optional Units by contiguous land (unless limited by SP).

6/ Late and prevented planting provisions not applicable in California counties with a July 15<sup>th</sup> Cancellation Date. \* **Current, up to signature date of this handbook**

**\*\*Applies to additional Coverage ONLY. \*\*\* Enterprise units, if provided for in the SP. Unit structures are as identified unless otherwise specified in the SP.**

## EXHIBIT 2 CROP POLICY INFORMATION

<i>2011 CY INFORMATION (or 2012 CY where designated)</i>	<i>Crop Code</i>	<i>FCIC</i>		<i>NCIS</i>		<i>APH or Dollar (\$)</i>	<i>Late Planting Prov.</i>	<i>Prev. Planting Prov.</i>	<i>** Replant Payment Prov.</i>	<i>*** Enterprise (E) **Optional (O) Basic (B) Unit</i>	<i>** High-Risk Land Ex. Opt.</i>
<i>Crop</i>		<i>*Basic Provisions</i>	<i>*Crop Provisions</i>	<i>*Basic Provisions</i>	<i>*Crop Provisions</i>						
(Cultivated) Wild Rice	0055	11-BR	09-0055	2011-700B	820	APH	No	No	No	B/O <u>2/</u>	Yes <u>1/</u>
Catastrophic Risk Protection Endorsement		<u>1/</u>	09-CAT	<u>1/</u>	2009-777 <u>1/</u>	N/A	N/A	N/A	N/A	N/A	No

1/ Endorsement attaches to BP and specific crop policies when CAT coverage is selected by the insured.

2/ Basic only in MN – Basic/Optional in CA.

3/ Requires insured's signature. Refer to the actuarial documents to determine land designated as high risk.

**Current, up to signature date of this handbook. Unit structures are as identified unless otherwise specified in the SP.**



**EXHIBIT 2  
CROP POLICY INFORMATION**

<b>2012 CY INFORMATION (or 2013 CY where designated)</b>		<b>FCIC</b>		<b>NCIS</b>		<b>Expected County Yield</b>	<b>Late Planting Prov.</b>	<b>Prev. Planting Prov.</b>	<b>Replant Payment Prov.</b>	<b>Unit of Measure</b>	<b>Unit by County/ (C) Basic (B)/ Optional (O) Enterprise (E) Whole Farm (WF)</b>	<b>High- Risk Land Ex. Option</b>
<b>INSURANCE PLANS</b>	<b>Crop Code</b>	<b>*Basic Provisions</b>	<b>*Crop Provisions</b>	<b>*Basic Provisions</b>	<b>*Crop Provisions</b>							
<b>Crop</b>												
<b>Group Risk Protection (GRP)</b>												
Corn	0041	09-102	00-141	2009-950	2000-954	Yes	No	No	No	bu.	C	No
Cotton	0021	09-102	00-121	2009-950	2000-956	Yes	No	No	No	lbs.	C	No
Forage Production	0033	09-102	00-133	2009-950	2000-942	Yes	No	No	No	tons	C	No
Oysters	0115	09-GRP- Oysters	N/A	2009 969	N/A	Yes	No	No	No	lbs.	C	No
Peanuts	0075	09-102	00-175	2009-950	2000-960	Yes	No	No	No	lbs.	C	No
Sugarcane	0038	09-102	09-GRP- Sugarcane	2009-950	2009 966	Yes	No	No	No	lbs.	C	No
Sorghum	0051	09-102	00-151	2009-950	2000-962	Yes	No	No	No	bu.	C	No
Soybeans	0081	09-102	00-181	2009-950	2000-964	Yes	No	No	No	bu.	C	No
Wheat	0011	09-102	00-111	2009-950	2000-941	Yes	No	No	No	bu.	C	No
<b>Group Risk Income Protection (GRIP)</b>												
Corn	0041	05-GRIP- BASIC	06-GRIP-Corn	2005- 950- GRIP	2006-954-GRIP	Yes	No	No	No	bu.\$	C	No
Cotton	0021	05-GRIP- BASIC	06-GRIP-Cotton	2005-950- GRIP	2006-956-GRIP	Yes	No	No	No	lbs./\$	C	No
Grain Sorghum	0051	05-GRIP- BASIC	05-GRIP-Grain Sorghum	2005- 950- GRIP	2005-962-GRIP	Yes	No	No	No	bu./\$	C	No
Soybeans	0081	05-GRIP- BASIC	06-GRIP- Soybeans	2005-950- GRIP	2006-964-GRIP	Yes	No	No	No	bu./\$	C	No
Wheat	0011	05-GRIP- BASIC	06-GRIP-Wheat	2005-950- GRIP	2006-941-GRIP	Yes	No	No	No	bu./\$	C	No

\*Current, up to signature date of this handbook.

## EXHIBIT 2 CROP POLICY INFORMATION

<b>2012 CY INFORMATION</b> (or <b>2013 CY</b> where designated)		<i>FCIC</i>		<i>NCIS</i>		<i>Expected County Yield</i>	<i>Late Planting Prov.</i>	<i>Prev. Planting Prov.</i>	<i>Replant Payment Prov.</i>	<i>Unit of Measure</i>	<i>Unit by County (C) Basic (B) Optional (O) Enterprise (E) Whole Farm (WF)</i>	<i>High Risk Land Exclusion Option</i>
<i>INSURANCE PLANS</i>	<i>Crop Code</i>	<i>*Basic Provision s</i>	<i>*Crop Provisions</i>	<i>*Basic Provisions</i>	<i>*Crop Provisions</i>							
<i>Crop</i>												
<b>RAINFALL INDEX (RI) PILOT)</b>												
<b>Apiculture</b>	1191	10-00RI-	10-RI-API	2010-920	2010-921	Final Grid Index	No	No	No	Grid Index	B by grid/type/interval/share	No
<b>Pasture, Rangeland, Forage -</b>	0088	10-00RI-	10-RI-PRF	2010-920	2010-922	Final Grid Index	No	No	No	Grid Index	B by grid/type/interval/share	No
<b>VEGETATION INDEX (VI) (PILOT)</b>												
<b>Apiculture (pilot)</b>	1191	11-00VI	11-VI-API	2011-930	2011-931	Final Grid Index	No	No	No	Grid Index	B by grid/type/interval/share	No
<b>Pasture, Rangeland, Forage – (Pilot)</b>	0088	11-00VI	11-VI-PRF	2011-930	2011-932	Final Grid Index	No	No	No	Grid Index	B by grid/type/interval/share	No
<b>Adjusted Gross Revenue (AGR) (Pilot)</b>												
<b>Agricultural Commodities</b>	0063	2007-AGR	N/A	2007-980	N/A	Revenue \$	No	No	No	\$	WF	No
<b>ADJUSTED GROSS REVENUE LITE (AGR-L)</b>												
<b>Agricultural Commodities</b>	0061	07-AGR-Lite	N/A	2007-982	N/A	Revenue \$	No	No	No	\$	WF	No

\*Current, up to signature date of this handbook.

**EXHIBIT 2  
CROP POLICY INFORMATION**

2012 CY INFORMATION (or 2013 CY where designated)		FCIC		NCIS		UNIT OF MEASURE	SALES CLOSING	COV. LEVELS	CONTRACT LENGTH	POLICY LIMITS
INSURANCE PLANS	LC Code	* FCIC POLICY PROVISIONS s		* NCIS POLICY PROVISIONS						
LIVESTOCK										
Livestock Gross Margin –Cattle	0803	LGM-Cattle 2010	N/A	2010-916	N/A	CWT/\$	Monthly	80-100	11 Months	15,000 head/insurance period or 30,000 year
Livestock Gross Margin -Dairy	0847	LGM-Dairy 2011	N/A	2010-918	N/A	CWT/\$	Monthly	80-100	11 Months	240,000 CWT of milk/insurance period or year
Livestock Gross Margin -Swine	0815	LGM-Swine 2012	N/A	2010-912	N/A	CWT/\$	Monthly	80-100	6 Months	15,000 head/ 6 mo. or 30,000 year
Livestock Risk Protection Swine	0815	10-LRP Basic	08-LRP Swine	2010-902	N/A	CWT/\$	Daily	70-100	13, 17, 21 or 26-week periods	10,000 head/SCE or 32,000 head/year
Livestock Risk Protection Fed Cattle	0802	10-LRP Basic	08-LRP Fed Cattle	2010-902	N/A	CWT/\$	Daily	70-100	13, 17, 21, 26, 30, 34, 39, 43, 47, or 52 week periods	2,000 head/SCE or 4,000 head/year
Livestock Risk Protection Feeder Cattle	0801	10-LRP Basic	10-LRP Feeder Cattle	2010-902	N/A	CWT/\$	Daily	70-100	13, 17, 21, 26, 30, 34, 39, 43, 47, or 52 week periods	1,000 head/SCE or 2,000 head/year
Livestock Risk Protection Lamb	0804	10-LRP Basic	10-1-LRP-LAMB	2010-902	N/A	CWT/\$	Weekly	80-95	13, 20, or 39 week periods	2,000 head /SCE or 28.000 head/year

\*Current, up to signature date of this handbook.

## EXHIBIT 2 CROP POLICY INFORMATION

<b>2012 CY INFORMATION (or 2013 CY where designated)</b>		FCIC			NCIS			Late Plant Prov	Prev Plant Prov.	Replant Pymnt Prov.	Unit by: County (C) Basic (B) Optional (O) Enterprise (E) <u>3/</u> Whole Farm WF <u>3/</u>	<u>4/</u> High-Risk Land Ex. Opt.
<b>Plan/Endorsement Title</b>	<b>Crop or Product</b>	<b><u>1/</u> Endors. #</b>	<b><u>1/</u> Basic Provisions</b>	<b><u>1/</u> Crop Provisions</b>	<b><u>1/</u> Endors #</b>	<b><u>1/</u> Basic Provisions</b>	<b><u>1/</u> Crop Provisions</b>					
Actual Revenue History Pilot Endorsement	ARH Cherries Citrus	<b>11</b> -ARH	11-BR	2009-057 2011-0215 47	2009-NCIS 990	2011-700B	991 2011-992	No	No	No	B/O	Yes
Wheat or Barley Winter Coverage Endorsement <u>2/</u>	Barley, Wheat	04-011A	11-BR	11-0011	2004-714FS	2011-700B	714	Yes	Yes	Yes 2/	B/O/E	Yes
Malting Barley Price & Quality Endorsement	Barley	11-0091B	11-BR	11-0011	2011-773	2011-700B	714	Yes	Yes	Yes 2/	B	Yes
Biotechnology Endorsement (BE) - Pilot	Corn (grain)	10-BE	11-BR	11-041	2010-702-BE-Pilot	2011-700B	702	Yes	Yes	Yes	Same as the applicable Basic and Crop Provisions	Yes
Commodity Exchange Endorsement	Wheat	08-GRIP-WHEAT-CEE	05-GRIP-BASIC	06-GRIP-Wheat	08-941 GRIP-CEE	05-950-GRIP	006-941-GRIP	No	No	No	B/O	Yes
Cottonseed (Pilot) Endorsement	AUP Cotton ELS Cotton	11-0021A	11-BR	00-121 99-022	2011-NCIS 703-CPE	2011-700B	703 745	Yes	Yes	No	B/O/E	Yes
<b>Texas Citrus Tree Crop Insurance Comprehensive Tree value Endorsement</b>	Texas Citrus Trees	<b>12-TCT-A</b>	11-BR	<b>Citrus Trees I Citrus Trees II Citrus Trees III Citrus Trees IV Citrus Trees V</b>	????	2011-700B	<b>2012-737</b>	No	No	No	B/O	No
GRIP – Harvest Revenue Option Endorsement	Corn Soybeans	04-GRIP--HRO	05-GRIP-BASIC	06-GRIP-Corn 06-GRIP Soybeans	04-950-GRIP-HR	05- 950-GRIP	06-954-GRIP	No No	No No	No No	C	No
Farm Bill Amendment	All	09-Farm Bill	All	All	2009-NCIS 701-FB	All	All	N/A	N/A	N/A	N/A	N/A
Farm Bill Amendment	All	10-Farm Bill	All	All	2010-NCIS 701-FB	All	All	N/A	N/A	N/A	N/A	N/A
Florida Fruit Tree Pilot Crop Insurance Comprehensive Tree Value (CTV) Endorsement	Orange grapefruit All other citrus Avocado	<b>12-0014A</b>	11-BR	08-0014	08-748 CTV	05-700B	<b>2012-748</b>	N/A	N/A	N/A	B/O by County	Yes
Hawaii Tropical Tree Pilot Crop Insurance Comprehensive Tree Value (CTV) Endorsement	Banana Coffee Papaya	07-0265A	11-BR	09-0265	07-894 CTV	05-700B	09-894	N/A	N/A	N/A	B/O 5/	Yes
Hybrid Seed Price Endorsement	Corn Sorghum	02-HSPE (Ed 12/01)	11-BR	98-062 98-050	02-738 PE	05-700B	98-738 98-797	Yes Yes	Yes Yes	No No	B/O B/O	Yes No
Nursery Crop Provisions Rehabilitation Endorsement	Nursery	06-073B	05-BR	08-073 (Rev. 10-06)	2006-782 R	05-700B	08-782	N/A	N/A	N/A	B by share/plant/type	Yes

1/ Current, up to signature date of this handbook. 2/ Only available in counties having fall and spring planting dates. 3/ Enterprise units, if provided for in the SP. Unit structures are as identified unless otherwise specified in the **SP**. 4/ Requires insured's signature. 5/ Optional unit by: noncontiguous land /type if type specified in **SP**/harvest period for bananas.

## EXHIBIT 2 CROP POLICY INFORMATION

<b>2012 CY INFORMATION (or 2013 CY where designated)</b>		FCIC			NCIS						Unit by: County (C) Basic (B) Optional (O) Enterprise (E) <u>3/</u> Whole Farm <u>WF3/</u>	<u>4/</u> High- Risk Land Ex. Opt.
Plan/Endorsement Title	CROP	<u>1/</u> Endors. #	<u>1/</u> Basic Provisions (BP)	<u>1/</u> Crop Provisions (CP)	<u>1/</u> Endors #	<u>1/</u> Basic Provisions (BP)	<u>1/</u> Crop Provisions (CP)	Late Plant Prov	Prev Plant Prov.	Replant Pymnt Prov.		
Nursery Peak Inventory End.	Nursery	08-073A	05-BR	08-073 (Rev. 10-06)	2008-782 P	05-700B	08-782	N/A	N/A	N/A	B by share/plant/type	Yes
Nursery Growers Price Endorsement (Pilot)	Nursery	06-073-C	05-BR	08-073 (Rev. 10-06)	2006-782 E	05-700B	08-782	N/A	N/A	N/A	B by share/plant/type	Yes
Northern Potato Certified Seed Endorsement	N. Potatoes	08-084C	11-BR	08-0184	08-769	2011-700B	734N	Yes	Yes	No	B/O	Yes
Northern Potato Processing Quality Endorsement	N. Potatoes	08-084B	11-BR	08-0184	08-775	2011-700B	734N	Yes	Yes	No	B/O	Yes
Northern Potato Quality End.	N. Potatoes	08-084A	11-BR	08-0184	08-771	2011-700B	734N	Yes	Yes	No	B/O	Yes
Northern Potato Storage Coverage Endorsement	N. Potatoes	08-084D	11-BR	08-0184	08-774	2011-700B	734N	Yes	Yes	No	B/O	Yes
Onion Stage Removal Option (pilot)	Onions	00-013A	11-BR	00-013	00-709A	2011-700B	709	Yes	Yes	Yes	B/O/O by Type	Yes
Quarantine Endorsement Pilot	California Citrus,  California Avocado,  ARH Citrus Pilot	2011-QE	05-BR	00-126  2010-0019  2011-0215 47	2011-763	2011-700B	807  731  2011-992	N/A	N/A	N/A	N/A	N/A
Sugar Beet Stage Removal Option (Pilot)	Sugar Beets	04-039A	11-BR	98-039	04-7075 RO	2011-700B	707	Yes	Yes	Yes	B/O	Yes
[MPCI ] Program – Winter Coverage Endorsement <u>2/</u>	Wheat	04-011A	11-BR	04-011	04-714 FS	2011-700B	714	Yes	Yes	Yes	B/O/E	Yes
Enterprise Unit Amendment 6/	All	10-Enterprise Unit		All, allowed by applicable BP or SP	2010-NCIS 701-EU	All	All, allowed by applicable BP or SP	N/A	N/A	N/A	N/A	N/A
Sanctions Amendment 6/	All	09-Sanctions		All, allowed by applicable BP or SPs	2009-NCIS 701-S	All	All, allowed by applicable BP or SP	N/A	N/A	N/A	N/A	N/A
Written Agreement Amendment 6/	All	07-Written Agreement		All, allowed by applicable BP or SP		All	All, allowed by applicable BP or SP	N/A	N/A	N/A	N/A	N/A

1/ Current, up to signature date of this handbook. 2/ Only available in counties having fall and spring planting dates. 3/ **Enterprise units or Whole Farm Units**, for some plans may be offered only if provided for in the SP. Unit structures are as identified unless otherwise specified in the SP. 4/ Requires insured's signature. 5/ Optional unit by: noncontiguous land/type (if type specified in SP/harvest period for bananas.)

### EXHIBIT 3

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, Livestock Risk Protection, Livestock Gross Margin, pecans, ARH plans of insurance, and revenue protection and revenue protection with harvest price exclusion. For revenue protection and revenue protection with harvest price exclusion, this is applicable when the harvest price falls below the projected price and is the primary or secondary cause of loss. This is applicable 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 ARH plans of insurance when an inadequate market price results in a revenue loss. This is applicable for CA Dollar Citrus when there is a decline in the average net price received.
ASIAN SOYBEAN RUST	(09)	<b>ONLY:</b> Soybeans
DROUGHT <u>1/</u> , <u>2/</u>	(11)	ALL CROPS <b>EXCEPT:</b> Texas Citrus Fruit, Texas Citrus Trees, Florida Citrus, Cultivated Clams, Florida Fruit Trees, Livestock, Fresh Market Peppers, Raisins, Rice, Fresh Market Sweet Corn, Fresh Market Tomatoes (\$ Plan), unless this cause of loss is provided on the SP.
HEAT <u>2/</u>	(12)	ALL CROPS <b>EXCEPT:</b> Florida Citrus, Texas Citrus Fruit, Texas Citrus Trees, Cultivated Clams, Florida Fruit Trees, Livestock, Fresh Market Peppers, Raisins, Fresh Market Sweet Corn, and Fresh Market Tomatoes (\$ Plan).
FIS (Failure of irrigation (water) supply)	(13)	ALL CROPS <b>EXCEPT:</b> Florida Citrus, Cultivated Clams, Florida Fruit Trees, Livestock, and Raisins.
FIE (Failure of irrigation equipment)	(14)	All CROPS <b>EXCEPT:</b> Cultivated Clams, Livestock, and Raisins.
Inability to prepare land for Irrigation	(15)	All CROPS <b>EXCEPT:</b> Cultivated Clams, Livestock, and Raisins.
HAIL <u>2/</u>	(21)	ALL CROPS <b>EXCEPT:</b> Cultivated Clams, Florida Fruit Trees, Livestock, and Raisins.
EXCESS SUN (Sunburn)	(22)	<b>ONLY:</b> Apples
EXCESS MOISTURE/PRECIP/RAIN <u>2/</u>	(31)	ALL CROPS <b>EXCEPT:</b> Florida Citrus, Livestock, and Cultivated Clams.
FROST <u>2/</u> , <u>3/</u> (See footnote below.)	(41)	ALL CROPS <b>EXCEPT:</b> Florida Citrus, Cultivated Clams, Florida Fruit Trees, Livestock, Fresh Market Peppers, Raisins, Fresh Market Sweet Corn, and Fresh Market Tomatoes (\$ Plan).

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. If “Other” is used, it must be explained on the claim form.

3/ SP may state freeze or frost is not an insurable cause if this cause occurs after the specified date or for some crops is not an insurable cause if adequate frost/freeze protection is not in effect.

### EXHIBIT 3

CAUSE OF LOSS NAMES AND CODES		
LOSS CAUSE	CODE	APPLICABLE TO:
FREEZE <u>2/</u> , <u>3/</u> (See footnote below.)	(42)	ALL CROPS <b>EXCEPT</b> : Raisins and Livestock.
COLD WINTER <u>2/</u>	(43)	ALL CROPS <b>EXCEPT</b> : Florida Citrus, Texas Citrus Fruit, Texas Citrus Trees, Cultivated Clams, Florida Fruit Trees, Livestock, Fresh Market Peppers, Raisins, Fresh Market Sweet Corn, and Fresh Market Tomatoes (\$ Plan).
COLD WET WEATHER <u>2/</u>	(44)	ALL CROPS <b>EXCEPT</b> : Florida Citrus, Texas Citrus Fruit, Texas Citrus Trees, Cultivated Clams, Florida Fruit Trees, Livestock, Fresh Market Peppers, Raisins, Fresh Market Sweet Corn, and Fresh Market Tomatoes (\$ Plan).
ICH (Insufficient Chill hrs.)	(45)	<b>ONLY the following</b> : Blueberries, Peaches, and Plums.
FLOOD <u>2/</u>	(51)	ALL CROPS <b>EXCEPT</b> : Florida Citrus, Texas Citrus Fruit, Texas Citrus Trees, Cultivated Clams, Florida Fruit Trees <sup>5/</sup> , Livestock, 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 <b>EXCEPT</b> : Florida Citrus, Cultivated Clams, Livestock, Fresh Market Peppers, Raisins, and Fresh Market Tomatoes (\$ Plan).
HOT WIND <u>2/</u>	(62)	ALL CROPS <b>EXCEPT</b> : Florida Citrus, Texas Citrus Fruit, Texas Citrus Trees, Cultivated Clams, Florida Fruit Trees, Livestock, Fresh Market Peppers, Raisins, Fresh Market Sweet Corn, and Fresh Market Tomatoes (\$ Plan).
CYCLONE <u>2/</u>	(63)	ALL CROPS <b>EXCEPT</b> : Florida Citrus, Texas Citrus Fruit, Texas Citrus Trees, Cultivated Clams, Florida Fruit Trees, Livestock, Fresh Market Peppers, Raisins, Fresh Market Sweet Corn, and Fresh Market Tomatoes (\$ Plan).
TORNADO <u>2/</u>	(64)	ALL CROPS <b>EXCEPT</b> : Cultivated Clams, Florida Fruit Trees, Livestock, and Raisins.
TIDAL WAVE/TSUNAMI	(65)	<b>ONLY</b> : Cultivated Clams, and Hawaii Tropical Fruit, and Hawaii Tropical Fruit Trees
OXYGEN DEPLETION	(66)	<b>ONLY</b> : CULTIVATED CLAMS.
STORM SURGE	(67)	<b>ONLY</b> : CULTIVATED CLAMS.
INSECTS <u>1/</u> (See footnote below.)	(71)	ALL CROPS <b>EXCEPT</b> : Florida Citrus, Texas Citrus Trees, Cultivated Clams, Florida Fruit Trees <sup>6/</sup> , Figs, Livestock, and Raisins.
PREDATION <u>4/</u> (See footnote below.)	(73)	<b>ONLY</b> : CULTIVATED CLAMS.
ICE FLOE	(74)	<b>ONLY</b> : CULTIVATED CLAMS

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. If “Other” is used, it must be explained on the claim form.

3/ SP may state freeze or frost is not an insurable cause if this cause occurs after the specified date or for some crops is not an insurable cause if adequate frost/freeze protection is not in effect.

4/ This cause of loss is excluded unless allowed by the SP.

5/ Flooding is covered **ONLY** if allowed by the SP.

6/ Coverage for insects as provided by SP.

### EXHIBIT 3

CAUSE OF LOSS NAMES AND CODES		
LOSS CAUSE	CODE	APPLICABLE TO:
SALINITY	(76)	<b>ONLY:</b> CULTIVATED CLAMS.
DISEASE, AQUACULTURE	(80)	<b>ONLY:</b> CULTIVATED CLAMS.
PLANT DISEASE <u>1/</u> (See footnote below.)	(81)	ALL CROPS <b>EXCEPT:</b> Trees, Florida Citrus, Texas Citrus Trees, Cultivated Clams, Florida Fruit Trees <u>2/</u> , Figs, Livestock, and Raisins (see <u>1/</u> for Hawaii Tropical fruit and Tropical Fruit Tree.)
MYCOTOXINS (e.g., mycotoxins (such as Aflatoxin or Vomitoxin))	(82)	ALL CROPS <b>EXCEPT:</b> Almonds, Apples, Blueberries, Cabbage, Cherries, AZ-CA Citrus, Florida Citrus Fruit, Texas Citrus, Texas Citrus Trees, Chile Peppers, Cultivated Clams, Florida Fruit Trees, Figs, Grapes, Hawaii Tropical Trees, Livestock, Table Grapes, Macadamia Nuts, Macadamia Trees, Mint, Peaches, Pears, Pecans, Fresh Market Peppers, Plums, Processing Pumpkins, Prunes, Raisins, <b>Sesame, Strawberries</b> , (California) Stonefruit, Fresh Market Sweet Corn, Fresh Market Tomatoes (\$ and GP Plans), and Walnuts.
FEDERAL OR STATE ORDERED DESTRUCTION (e.g., substances or conditions injurious to human or animal health)	(85)	ALL CROPS under section 15 (j) of the BP.
FALLING NUMBERS	(87)	<b>ONLY:</b> Wheat and only for the classes of wheat specified on the SP.
FIRE <u>3/</u> (See footnote below)	(91)	ALL CROPS <b>EXCEPT:</b> Cultivated Clams, Florida Fruit Trees, Livestock, and Raisins.
HURRICANE OR TROPICAL DEPRESSION <u>4/</u> (See footnote below), <u>5/</u>	(92)	ALL <b>CROPS EXCEPT:</b> Texas Citrus Fruit, Texas Citrus Trees, Florida Fruit Trees, Livestock, Peaches, Raisins, and Fresh Market Sweet Corn.
WILDLIFE <u>6/</u> (See footnote below.)	(93)	ALL CROPS <b>EXCEPT:</b> Florida Citrus, Texas Citrus Trees, Cultivated Clams, Florida Fruit Trees, Livestock, Pears, Fresh Market Peppers, Raisins, and Fresh Market Tomatoes (\$ Plan).
HOUSE BURN/POLE BURN	(95)	<b>ONLY:</b> Tobacco
EARTHQUAKE	(97)	ALL CROPS <b>EXCEPT:</b> Florida Citrus, Texas Citrus Fruit, Texas Citrus Trees, Cultivated Clams, Florida Fruit Trees, Livestock, Fresh Market Peppers, Raisins, and Fresh Market Tomatoes (\$ Plan).
VOLCANIC ERUPTION	(98)	ALL CROPS <b>EXCEPT:</b> Florida Citrus, Texas Citrus Fruit, Texas Citrus Trees, Cultivated Clams, Florida Fruit Trees, Livestock, Fresh Market Peppers, Raisins, and Fresh Market Tomatoes (\$ Plan).
OTHER (Snow, Lightning, Etc.) <u>5/</u>	(99)	ALL CROPS <b>EXCEPT:</b> Florida Citrus, Texas Citrus Fruit, Texas Citrus Trees, Cultivated Clams, Florida Fruit Trees, Livestock, Fresh Market Peppers, Raisins, Fresh Market Sweet Corn, and Fresh Market Tomatoes (\$ Plan).

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. This cause is applicable to Hawaii Tropical Trees when the AIP authorizes destruction of live Banana trees determined by the AIP to have BBTV or Papaya trees determined to have PRV. This cause is also applicable to loss of fruit insured under Hawaii Tropical Fruit Crop Provisions when fruit trees are infected with a disease for which the AIP authorizes destruction of the trees.

2/ Disease as specifically provided by SP.

3/ Fire must be due to an act of nature.

4/ The Florida Citrus Fruit Crop Provisions and Cultivated Clam Pilot Crop Provisions list "Hurricane" as an insured cause of loss, but not "Tropical Depression."

5/ 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. If "Other" is used, it must be explained on the claim form.

6/ Some policies may be limited or restricted for this cause of loss; see the individual crop provisions for specifics.



## EXHIBIT 4

UNITS OF MEASURE OF PRODUCTION, BY CROP	
CROP NAME	UNIT OF MEASURE
Almonds	Pounds
Apiculture Pilot Rainfall Index plan Vegetative Index plan	Grid Index
Apples (Area B)	Bushels (42 lbs.)
Apples (Area C)	Bushels (40 lbs.)
Apples (Area A)	Boxes (35 lbs. lose/field box)
Avocados California Only (Pilot)	Pounds
Avocados Florida Only (Pilot)	Bushels (55 lbs.)
Barley	Bushels (48 lbs.)
Barley (Malting)	Bushels (48 lbs.)
Beans, Fresh Market (Pilot)	Cartons (30 lbs.)
Beans, Processing	Tons <u>1/</u>
Blueberries	Pounds
Buckwheat	Bushels (48 bu.)
Cabbage	Hundredweight
Canola/Rapeseed	Pounds
ARH Citrus (Pilot)	Carton/Dollars <u>2/</u>
ARH Cherry (Pilot)	Pounds/Dollars <u>2/</u>
<b>ARH Strawberries</b>	<b>Pounds/Dollars <u>2/</u></b>
Chile Peppers, Processing (Pilot)	Pounds/Dollars <u>2/</u>
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 (FL)	Boxes (90 lbs for Types I, II, IV (Tangelo), V (Temples), VI (Lemons) and VIII) Boxes (95 lbs for Types IV (Tangerines), V (Murcott Honey Oranges) Boxes (88 lbs. for Types VI (Limes)) Boxes (85 lbs. for Types III and VII)
Citrus (TX) Early & Midseason Oranges Late Oranges All Other Grapefruit Ruby Red Grapefruit Rio Red & Star Ruby Grapefruit	Tons <u>1/</u>
Texas Citrus Trees Early & Midseason Oranges Late Oranges All Other Grapefruit Ruby Red Grapefruit Rio Red & Star Ruby Grapefruit	% Tree Damage/Dollar <u>3/</u>
Cultivated Clams (Pilot)	Dollar (Individual Clam Value) <u>4/</u>

1/ Tons = 2,000 pounds

2/ Loss measurement is first based on weight/capacity measurement, as shown, and then is converted to dollars.

3/ For Tree Crops the loss measurement is first based on the % of tree damage, and then the dollar loss is determined from this.

4/ Clam value by size

5/ Convert weight of ear corn to equivalent bushels of shelled corn divide by 70.

## EXHIBIT 4

UNITS OF MEASURE OF PRODUCTION, BY CROP	
CROP NAME	UNIT OF MEASURE
Corn (grain)	Bushels (56 lbs.) <u>1/</u>
Corn (Silage)	Tons <u>2/</u>
Cotton	Pounds
Cotton, ELS	Pounds
Cranberries	Barrels (100 lbs.)
Dry Beans	Pounds
Figs	Pounds
Flaxseed	Bushels (56 lbs.)
Florida Fruit Trees (Pilot)	% Stand/ <b>Tree Damage</b> /Dollar <u>3/</u>
Forage Production	Tons <u>2/</u>
Forage Seed (Pilot)	Pounds
Forage Seeding	% Stand/Dollar <u>3/</u>
Grain Sorghum	Bushels (56 lbs.)
Grass Seed (Pilot)	Pounds
Grapes	Tons <u>2/</u>
Table Grapes	Lugs (20-21 lbs) <u>4/</u>
Hybrid Corn Seed	Bushels (56 lbs.)/Dollar <u>5/</u>
Hawaii Tropical Fruit (Pilot)	Pounds
Hawaii Tropical Fruit Trees (Pilot)	% Tree damage/Dollar <u>3/</u>
Hybrid Sorghum Seed	Bushels (56 lbs.)/Dollar <u>5/</u>
Livestock	Hundredweight/Dollar <u>5/</u>
Macadamia Nuts	Pounds
Macadamia Trees	% Tree damage/Dollar <u>3/</u>
Millet	Bushels (50 lbs.)
Mint	Pounds
Mustard	Pounds
Nursery	Dollar (Individual Plant Value)
Oats	Bushels (32 lbs.)
Onions	Hundredweight
Pasture, Rangeland, Forage Pilot Rainfall Index plan	Grid Index

1/ Convert weight of ear corn to equivalent bushels of shelled corn divide by 70

2/ Ton = 2,000 pounds

3/ 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 is first based on the % of tree damage, and then the dollar loss is determined from this.

4/ 20 lbs. in Arizona and Coachella Valley, CA district; 21 lbs. in all other CA districts.

5/ Loss measurement is first based on weight/capacity measurement, as shown, and then is converted to dollars.

# EXHIBIT 5

## PERSON TYPES AND DOCUMENTATION CHART

PERSON TYPE	APPLICATION	SIGNATURE(S) REQUIRED	DOCUMENTATION NEEDED	ID NUMBER
<b>INDIVIDUAL</b>	John C. Doe	John C. Doe	None	SSN of Individual
<b>INDIVIDUAL Operating As Business</b>	Northam Land Company c/o James T. Anderson	Northam Land Company By James T. Anderson, Sole Owner	None	EIN <u>1/</u> and <u>3/</u>
<b>INDIVIDUAL</b> (Joint & Survivorship 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	SSN of Individual
<b>INDIVIDUAL</b> (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 person	SSN of Minor
<b>INDIVIDUAL</b> (Minor Unable To Enter Into Contracts Or Incompetent With 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	SSN of Minor or Incompetent
<b>INDIVIDUAL</b> (Authorized Signature)	John C. Doe c/o Richard C. Roe, Authorized Representative	John C. Doe By Richard C. Roe, Under Power of Attorney	POA	SSN of insured
<b>INDIVIDUAL</b> (Undivided Interest)	John C. Doe	John C. Doe	Copy of agreement designating responsible person	Named Insured EIN or SSN <u>2/</u>
<b>INDIVIDUAL</b> (Spousal)	John C. Doe	John C. Doe	None	SSN of Individual <u>3/</u>
Entity Insuring A Landlord's Or Tenant's Share	John C. Doe	John C. Doe	None	EIN or SSN of landlord/tenant <u>1/</u> , <u>2/</u> , <u>3/</u> or <u>4/</u>
<b>JOINT VENTURES</b>	James L. Smith and John A. Brown, Joint Venture	(All must sign) James L. Smith John A. Brown	None if all sign, or POA authorizing signature	Joint Interest EIN or SSN's <u>2/</u>
<b>JOINT OPERATORS</b>	James L. Smith and John A. Brown, Joint Operators			
<b>Co-OWNERS</b>	James L. Smith and John A. Brown, Co-Owners			

- 1/ If EIN, individual MUST be listed as SBI and SSN of individual provided  
2/ All PERSONS insured must be listed as SBI and EIN, RAN or SSN provided  
3/ SSN/RAN of spouse must be listed as a SBI.  
4/ SSN/EIN/RAN of any person with a SBI.

# EXHIBIT 5

## PERSON TYPES AND DOCUMENTATION CHART

PERSON TYPE	APPLICATION	SIGNATURE(S) REQUIRED	DOCUMENTATION NEEDED	ID NUMBER
<b>PARTNERSHIP</b> (Written Or Oral)	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 or copy of written partnership agreement signed by all partners	EIN of the Partnership <u>4/</u>
<b>CORPORATION</b> (With Stockholders)	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)	Statement where articles of incorporation/organizati on are filed. Indicate in which State incorporation was filed. Application must be signed by authorized person.	EIN of the Corporation <u>4/</u>
<b>LIMITED LIABILITY COMPANY (LLC)</b>	Jones Farms, LLC c/o Sarah Jones	Jones Farms, LLC By Sarah Jones	Statement indicating which state the Articles of Organization are filed Application must be signed by authorized person.	SSN or EIN for the LLC. <u>4/</u>
<b>ESTATE</b>	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
<b>TRUST</b>	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	<b>SSN/EIN for Trust</b> <b><u>1/</u>, <u>3/</u>, and <u>4/</u> if</b> <b>applicable</b>
	Jones, Brown, Smith c/o Richard Roe, Trustee	Jones, Brown, Smith By Richard Roe, Trustee		EIN of Trust <u>3/</u> (if applicable) and <u>4/</u>
<b>TRUST - IRREVOCABLE</b>	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 <u>4/</u>
<b>TRUST - REVOCABLE</b>	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	<b>SSN/EIN for Trust</b> (if applicable) and <u>4/</u> . SSN of Grantor <u>4/</u>
<b>TRUST - BIA</b>	(Name of Trust) BIA Trust 0016	BIA Trust 0016 by John Doe Trustee or Power of Attorney	Statement advising where authority can be found	State County BIA# Example: 01 201 0016
<b>RECEIVER OR LIQUIDATOR</b>	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

- 1/ If EIN, individual MUST be listed as SBI and SSN of individual provided  
2/ All PERSONS insured must be listed as SBI and EIN **or RAN or SSN** provided  
3/ SSN/RAN of spouse must be listed as a SBI.  
4/ SSN/EIN/**RAN** of any person with a SBI.

## EXHIBIT 12

### SELF-CERTIFICATION REPLANT WORKSHEET COMPLETION INSTRUCTIONS

#### 1 General Information

Refer to PAR. 64 for authorized crops and other information pertaining to self-certified replant claims.

#### 2 \*\*\* Completion Instructions

All of the following completion instructions are **“Substantive”(required)**.

\*\*\*

- A The following item numbers and statements correspond to the example Self-Certification Replant Worksheet that has been completed to illustrate how to complete all entries, except the last 10 items are not shown on the illustrated form.

ITEM #	ITEM TITLE	COMPLETION INSTRUCTIONS
1	Company	AIP's name. (This can be a fill-in-entry or can be pre-printed on the form.)
2	Insured's name	Insured's name as shown on the most recent Policy Confirmation.
3	Policy NO.	Policy number from the most recent Policy Confirmation
4	Crop	Crop <b>to be replanted</b>
5	Crop year	Crop year for this replant
6	Claim Number	Claim number assigned by the AIP.
7	Share	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.)
8	Unit NO.	Unit number from the acreage report.
9	FN	Farm Number for the replanted acreage.
10	Unit Acres	Total number of insurable acres in the unit.
11	Replanted Acres	Total number of replanted acres.
12	Legal Description	Legal description(s) where acreage is replanted.
13	Cause of damage	Insured cause of damage.
14	Date of Damage	Month plus the year, during which MOST of the insured damage occurred. Include the specific DATE where applicable.
15	Original Plant Date	Date acreage was originally planted.
16	Replant Date	Date acreage was replanted.
17	Field Diagram	Sketch of the field and replanted acreage (shaded as instructed on the worksheet.

**CONTINUED ON THE NEXT PAGE**

## EXHIBIT 12

### SELF-CERTIFICATION REPLANT WORKSHEET FORM STANDARDS AND COMPLETION INSTRUCTIONS (Continued)

#### 2 Form Standards and Completion Instructions (Continued)

ITEM #	ITEM TITLE	COMPLETION INSTRUCTIONS
18	Indicate the Practice/Type Utilized (✓)	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.
19	"My yield potential for acres to be replanted is _____ per acre.	Insured's estimate of yield potential per acre on acres to be replanted.
20	"Is damage on your farm similar to other farms in the area?" YES ____ "NO" ____	Mark "YES" or "NO" as indicated.
21	The following represent my actual replant costs as landlord____ Tenant____ owner/operator____:	<b>MAKE NO ENTRY IF CROP IS barley, buckwheat, corn, flax, grain sorghum, oats, peanuts, rye, soybeans, sunflowers, and wheat, but attach copies of receipts for replanting expenses actually incurred for the replanted acreage.</b>  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.)
<b>Required statement pre-printed directly above insured's signature block:</b> <b>No entry required. Refer to the FCIC-DSSH (FCIC-24040) for the required statements.</b>		
22	Insured's Signature and Date	Insured's signature and date, certifying to information on the worksheet.
23	Adjuster's Signature, Code No., and Date	Adjuster's signature, code number, and date (after reviewing and determining worksheet is correctly completed and crop acreage is eligible for a replanting payment.)

**CONTINUED ON THE NEXT PAGE**

## EXHIBIT 12

### SELF-CERTIFICATION REPLANT WORKSHEET FORM STANDARDS AND COMPLETION INSTRUCTIONS (Continued)

#### 2 Form Standards and Completion Instructions (Continued)

ITEM #	ITEM TITLE	COMPLETION INSTRUCTIONS
<b>GENERAL RANDOM REVIEW (AUDIT) INFORMATION.</b>		
<p>(a) Items 24-31 of the worksheet are to be completed when a random review (audit) is done.</p> <p>(b) Use a Special Report when there is not room in item 24 for documenting additional information or reasons for differences found during the review.</p> <p>(c) As part of the random review, determine the unit acreage. If the determined acreage does not agree with what is on the worksheet, document this fact in item 24 or on a Special Report.</p> <p>(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 AIP, prepare a new claim form and void the original.)</p>		
24	Reviewer Remarks	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 24.
25	Reviewer Code/Date	Enter the reviewer code number and the date of review.
26	Actual/Replant Acres	Enter "O.K." if you verify the field or subfield was initially planted timely and that the number of acres actually replanted agrees with the entry in item 11. If you verify that the number of acres do not agree with item 11, enter the correct number of acres replanted.
27	Date of Damage	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 14, determine the correct date and enter.
28	Cause of Damage	Enter "O.K." if you verify that the cause of damage is insurable and agrees with the entry in item 13. If you verify that the entry does not agree with the entry in item 13, enter the cause of damage you have determined. If the cause of damage is not insurable, identify as such.
29	Replant Practice	Enter "O.K." if you verify that the type or practice used for replanted acreage agrees with the entry in item 18. If you verify that the practice replanted does not agree with item 18, enter the practice you have determined.

**CONTINUED ON THE NEXT PAGE**

## EXHIBIT 12

### SELF-CERTIFICATION REPLANT WORKSHEET FORM STANDARDS AND COMPLETION INSTRUCTIONS (Continued)

#### 2 Form Standards and Completion Instructions (Continued)

ITEM #	ITEM TITLE	COMPLETION INSTRUCTIONS
30	Did acreage appear to qualify?	Enter "Yes" or "No" to indicate whether the acreage recorded in item 11 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	Actual Cost	<p><b>For barley, buckwheat, corn, flax, grain sorghum, oats, peanuts, rye, soybeans, sunflowers, and wheat: If receipts support the crop acreage has been replanted, enter OK.</b></p> <p><b>For all other crops for which a self-certified replant payment can be paid:</b></p> <p>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 21. If you verify that the total cost incurred by the INSURED in item 21 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.</p>

#### 3 DISTRIBUTION:

##### A Preliminary Distribution

- (1) Transmit partially completed original and two copies to the insured to be completed by the insured.
- (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 AIP.

##### B Final Distribution

After the Self-Certified Replant claim is approved for processing, the minimum distribution of the Self-Certified Replant Worksheet is as follows:

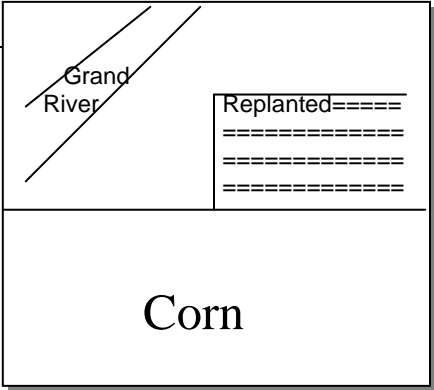
- (1) Original attached to original claim to the office designated by the AIP to maintain insureds' file of original documents.
- (2) One copy to the insured along with a legible copy of the claim.



# EXHIBIT 12

## SELF-CERTIFICATION REPLANT WORKSHEET FORM STANDARDS AND COMPLETION INSTRUCTIONS (Continued)

### For Illustration Purposes Only

Form No. XXXX		CERTIFICATION REPLANT WORKSHEET																											
<b>GUIDELINES:</b> The Self-Certification Replant Worksheet may be used when the acreage to be replanted is 50 acres or less for the unit. Per the 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 the acreage in the same location for the same crop year. Complete and mail this form within five (5) days (or within the timeframe specified by your Approved Insurance Provider) after completion of replanting on the unit for replanting payment. If the crop provisions specify a replanting payment is based on actual cost, attach copies of receipts for replanting expenses actually incurred for the replanted acreage (those expenses you actually paid or are liable for). (Refer to your crop policy qualification for replanting payments)																													
<b>INSTRUCTIONS: Please fill out the following information completely.</b>																													
1. COMPANY ABC		2. INSURED'S NAME I.M. Insured		3. POLICY NUMBER XX-XXX-XXXXX																									
4. CROP Corn		5. CROP YEAR YYYY																											
6. CLAIM NUMBER xxxxx		7. SHARE 1.000	8. UNIT NO. 0001-0001OU	9. FN 1234	10. UNIT ACRES 100.0																								
11. REPLANT ACRES 20.0																													
12. LEGAL DESCRIPTION E 1/2 6 Section Township		13. CAUSE OF DAMAGE Excess Precipitation		14. DATE OF DAMAGE MM-YYYY	15. ORIGINAL PLANT DATE MM-DD																								
16. REPLANT DATE MM-DD																													
17. Draw the field where the crop is planted. Shade the area actually replanted.  <div style="text-align: center;">FIELD DIAGRAM</div> 			18. Indicate the practice/type utilized (✓).  <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="width: 60%;"></th> <th style="width: 20%;">ORIGINAL</th> <th style="width: 20%;">REPLANT</th> </tr> </thead> <tbody> <tr> <td>Drilled</td> <td></td> <td></td> </tr> <tr> <td>Broadcast</td> <td></td> <td></td> </tr> <tr> <td>Airplane-seeded</td> <td></td> <td></td> </tr> <tr> <td>Rowed</td> <td style="text-align: center;">✓</td> <td style="text-align: center;">✓</td> </tr> <tr> <td>Dry bean type</td> <td></td> <td></td> </tr> <tr> <td>Tillage method</td> <td></td> <td></td> </tr> <tr> <td>Other</td> <td></td> <td></td> </tr> </tbody> </table>				ORIGINAL	REPLANT	Drilled			Broadcast			Airplane-seeded			Rowed	✓	✓	Dry bean type			Tillage method			Other		
	ORIGINAL	REPLANT																											
Drilled																													
Broadcast																													
Airplane-seeded																													
Rowed	✓	✓																											
Dry bean type																													
Tillage method																													
Other																													
19. My yield potential for the acres to be replanted is 100.0 bu. per acre.			21. The following represent my ACTUAL REPLANT COSTS as landlord____tenant____owner/operator__  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																										
20. Is damage on your farm similar to other farms in the area? YES <input type="checkbox"/> NO <input type="checkbox"/> (explain)																													

This form example does not illustrate all required statements and entry items 22-23 (e.g., insured's and adjuster's signatures and reviewer's entries in items 24-31.). Refer to DSSH for all required statements and form standard entries and the above for the completion instructions of this form.

## EXHIBIT 12

(RESERVED)

## EXHIBIT 20

### SETTLEMENT OF CLAIM WHEN INSURED HAS LESS THAN 100% SHARE

The following examples include mycotoxin damage only to add complexity to the examples. The examples are based on the requirements in PAR. 84 C.

#### EXAMPLE 1: Indemnity calculation when QA is involved and QA Provisions are in the SP

In most situations, the tenant's and landlord's corn indemnity payments are affected by each other's marketing choices and the dates of disposition when they differ from each other. This is because claims for a tenant and landlord operation are settled on the basis of the **TOTAL harvested and appraised production for the TOTAL INSURED ACREAGE for the UNIT (which represents the combined tenant/landlord operation)**. Refer to Example 2 below for examples when one shareholder requests the option to delay settlement of their claim.

In this example, the landlord and tenant have equal shares of the crop (50%). All of the insured corn acreage was harvested and produced 1,000 bushels. The corn production contained 330 ppb Aflatoxin, which puts it in Section C3 of the SP because the Aflatoxin exceeded 300 ppb. Section C3 requires that such production is destroyed, sold, or fed or combination of all of these before the claim can be settled.

- (1) If production was in on-farm storage and later sold, was in on-farm storage and was transported to commercial storage and later sold, fed, or used in a manner other than feed or sold to other than a disinterested third party, the DF = 0.500. See Column (2) in table below for fed production in this example.
- (2) If destroyed in a manner acceptable to the AIP, the DF = 1.000. See Column (3) in table 1 below for production destroyed in a manner acceptable to the AIP. If the production was not destroyed in a manner acceptable to the AIP or the insured makes no attempt (or refuses) to destroy the production, no quality adjustment would be allowed for quality deficiencies in Section C of the SP.

Each shareholder can select a different disposition, and that share of the production will be adjusted accordingly. Assume the landlord's production was sold. Part of the tenant's production was fed and the remainder destroyed.

CROP  Corn With 330 ppb of Aflatoxin	Landlord Sold Production October 15, 2012 (production was transported directly from field to buyer  (1)	Tenant FED PART of his Share of Production All fed by end of January 21, 2013  (2)	Tenant acceptably destroys production on February 1, 2013  (3)
Loss guarantee =	1,500.0	1,500.0	1,500.0
DF =	0.750	0.500	1.000
QAF	.250	.500	.000
Sold Gross Production	500.0		0.0
Fed Gross Production		450.0	0.0
Destroyed Production			50
QA Adjusted PTC	125.0	225.0	0.0
Production to count entered on both claims	350.0 bu		
Total Production Loss	1150.0 bu. (1500.0 bu. (Unit Guarantee) minus 350.0 PTC = 1150.0)		
Landlord's Share = 50%	.500 share X 1150 bu. = 575.0 bu. loss		
Tenant's Share = 50%	.500 share X 1150 bu. = 575.0 bu. loss		
Since both tenant and landlord in this example have equal shares and have the same price election, the indemnities are the same for both. Neither claim can be completed and processed until at least February 1, 2013, the date of the final known disposition of all production on the unit (which represents the combined tenant/landlord operation).			

## EXHIBIT 20

### SETTLEMENT OF CLAIM WHEN INSURED HAS LESS THAN 100% SHARE

#### EXAMPLE 2: Corn

This scenario involves **corn insured as grain** in an area of the country where the calendar date for the EOIP is **December 10<sup>th</sup>**. Assume insurability requirements are met (e.g., Farmer Brook (Tenant w/60% share) and Farmer Dunn (Landlord w/40% share) harvest and deliver their corn directly from the field to the elevator **on December 5<sup>th</sup>**. The production is comprised of a single 1,000-bushel load from a 20-acre unit. The corn has 14 percent moisture (no adjustment required) and no foreign material but has a **test weight of 48 pounds** and **25 ppb Aflatoxin** (as per a disinterested testing facility). Both shareholders have crop insurance and 100 bu/ac guarantees but with different companies. They both filed timely notices of loss **on December 6<sup>th</sup>**.

Farmer Brook (tenant) sold his 60% share of the production for \$3.15/bu **upon delivery**. On date of sale, the LMP was \$3.50/bu. The elevator had applied a \$0.35/bu. RIV for the low test weight but no RIV for the Aflatoxin.

Farmer Dunn's (landlord) **share of the** grain was placed in commercial storage at the elevator. On January 3<sup>rd</sup>, Farmer Dunn sold his 40% share of the production for \$3.40/bu. On date of sale, the LMP was \$4.00/bu. The elevator had applied a \$0.35/bu. RIV for the low test weight plus a \$0.25/bu. RIV for the Aflatoxin.

**QUESTION 1A:** On December 10<sup>th</sup>, the adjuster from the Speedy Service Insurance Company arrives to work Farmer Brook's (tenant) claim. **Farmer Brook did not submit a written request to delay settlement of the claim.** Based solely on the above information, could the Speedy Service Insurance Company finalize Farmer Brook's claim on this date? If not, why?

**ANSWER 1A:** **Yes.** The claim could be finalized **because** the total amount of the production for the unit was known (Farmer Brook's share is sold, and Farmer Dunn's share is in commercial storage). The quality deficiencies for both shares were determined at the time of delivery, and the DFs for the unsold production are contained within the charts on the SP.

**QUESTION 2 A:** On **December 29<sup>th</sup>**, the adjuster from the Barely-In-Time Insurance Company arrives to work Farmer Dunn's (landlord) claim. **Farmer Dunn did not submit a written request to delay settlement of the claim.** Based solely on the above information, could the Barely-In-Time Insurance Company finalize Farmer Dunn's claim on this date and why or why not?

**ANSWER 2 A:** **Yes.** The claim could be finalized because the total amount of the production for the unit was known (Farmer Brook's share is sold, and Farmer Dunn's share is in commercial storage). The quality deficiencies for both shares were determined at the time of delivery, and the DFs for the unsold production are contained within the charts on the SP.

**QUESTION 2 B:** On December 29<sup>th</sup>, the adjuster from the Barely-In-Time Insurance Company arrives to work Farmer Dunn's (landlord) claim. Farmer Dunn submitted a written request to delay settlement of the claim. Based solely on the above information, could the Barely-In-Time Insurance Company finalize Farmer Dunn's claim on this date and why or why not?

**ANSWER 2 B:** **No.** The claim could not be finalized because Farmer Dunn requested a delay in claim settlement. The QAF for the production cannot be determined until the production is sold and the RIV is known. The insured may elect to settle the claim based on the chart DFs anytime during the delay period. If the production is not sold by 60 days after the calendar date for the EOIP, the claim will be settled based on the applicable DF.

## EXHIBIT 20

### SETTLEMENT OF CLAIM WHEN INSURED HAS LESS THAN 100% SHARE

**QUESTION 3 A:** Which Section of the SP Quality Statements applies to Farmer Brooks and what QAF is used for his share (Refer to Question 1 A above)?

**ANSWER 3 A:** For only farmer Brook's share of the production, section C 2 of the SP is the applicable section since the production contained Aflatoxin over 20 ppb, and was sold (transported directly from the field to the elevator and sold prior to 60 days after the calendar date for the EOIP). The DF is determined by adding the \$0.35/bu. RIV for test weight plus the \$0.000 RIV for Aflatoxin (no RIV applied) divided by \$3.50/bu. (LMP). ( $\$.35/\text{bu} \div \$3.50/\text{bu} = .100 \text{ DF}$ ). The QAF is determined by subtracting the .100 DF from 1.000 (1.000 minus .100 DF = .900).

Farmer Dunn did not submit a written request to delay settlement of the claim refer to question 2 A). On December 10<sup>th</sup>, the Farmer Dunn's share of the production was in commercial storage. The DF for test weight for 48 lbs. is .041. The DF for 25 ppb Aflatoxin is .100. The total DF is .041 + .100 = .141. The QAF is determined by subtracting the .141 DF from 1.000 (1.000 minus .141 DF = .859)

**QUESTION 3 B:** Which Section of the SP Quality Statements applies to Farmer Dunn (landlord) and what QAF is used for his share (Refer to Question 2 A and 2B above)?

**ANSWER 3 B:** For only farmer Dunn's share of the production, section C 2 of the SP applies because the production was transported directly from the field to the elevator, and commercially stored. Farmer Dunn submitted a written request to delay settlement of the claim on December 29<sup>th</sup>. He sold the production January 28<sup>th</sup>, prior to 60 days after the calendar date for the EOIP. The DF is determined by adding the \$0.25/bu. RIV for Aflatoxin plus \$0.35/bu. RIV for test weight divided = \$.60. \$.60 divided by \$4.00/bu. LMP = .150. The QAF for farmer Dunn's share is .850 (1.000 minus .150 DF).

**QUESTION 4 A:** For (tenant) Farmer Brook's claim being worked by the Speedy Service Insurance Company on December 10<sup>th</sup>, how might the production be shown on the production worksheet and after any adjustment for quality, what would be the unit's production to count?

**ANSWER 4 A:** Farmer Brook's (tenant) PW Section II – Harvested Production (For Illustration Purposes Only). By January 29<sup>th</sup>, the disposition of Farmer's Brooks production was known.

MEASUREMENTS	GROSS PRODUCTION	ADJUSTMENTS TO HARVESTED PRODUCTION				
Bin Measurements, Weight Tickets, etc.	Bu. Tons Lbs. Cwt.	Factor	Test Weight	Adjusted Production	Quality Factor	Prod. To Count
Dunn's 40% of 1,000 bushel load	400.0			400.0	.859	343.6
Brook's 60% of 1,000 bushel load	600.0			600.0	.900	540.0
<b>Total</b>						<b>883.6</b>

## EXHIBIT 20

### SETTLEMENT OF CLAIM WHEN INSURED HAS LESS THAN 100% SHARE

**QUESTION 5 A:** For (landlord) Farmer Dunn's claim being worked by the Barely-In-Time Insurance Company on January 29<sup>th</sup>, how might the production be shown on the production worksheet and after any adjustment for quality, what would be the unit's production to count?

**ANSWER 5 A:** Farmer Dunn's (landlord) PW Section II – Harvested Production (For Illustration Purposes Only)

MEASUREMENTS	GROSS PRODUCTION	ADJUSTMENTS TO HARVESTED PRODUCTION				
		Factor	Test Weight	Adjusted Production	Quality Factor	Prod. To Count
Bin Measurements, Weight Tickets, etc.	Bu. Tons Lbs. Cwt.					
Dunn's 40% of 1,000 bushel load	400.0			400.0	.850	340.0
Brook's 60% of 1,000 bushel load	600.0			600.0	.900	540.0
Total						880.0

## EXHIBIT 20

### SETTLEMENT OF CLAIM WHEN INSURED HAS LESS THAN 100% SHARE

#### EXAMPLE 3: **Wheat**

This scenario involves HRW wheat. The calendar date for the EOIP is **October 31<sup>st</sup>**. Assume insurability requirements are met (e.g. timely planted, insurable type and practice, etc.). Farmer Bob (Tenant) shares a unit of wheat 50/50 with Sally Mae (Landlord). Both shareholders have crop insurance with the same AIP. Due to insurable causes, it is expected there will be quality issues. Prior to harvest, they file a timely notice of loss and notify their AIP that a portion of the unit would be put in a bin containing poor quality wheat from a previous crop year. The previous year's crop in the bin is properly measured and documented, **but the quality of this grain was not determined**. Then, on July 7<sup>th</sup>, the crop is harvested and 1,000 bushels are delivered to the Elevator for commercial storage to be sold at a later date and 500 bushels are farm stored (as later determined by the adjuster's bin measurements). **Neither shareholder elected to delay settlement of their claim.**

For this example, assume the entire 1,500 bushels contain **5.5 ppm Vomitoxin bases on proper sampling and test results** (all moisture, test weight, etc. were okay). The farm-stored production had been properly sampled, graded, and tested prior to being stored with the previous year's production. The adjuster received the test results for Vomitoxin on July 15<sup>th</sup>.

On August 10<sup>th</sup>, Farmer Bob sold his portion of the 1,000 bushels (500 bushels) that had been commercially stored at the Elevator for \$3.00/bu. The RIV was \$2.00/bu. and the LMP was \$5.00/bu.

On August 21<sup>th</sup>, Sally Mae sold her portion of the 1,000 bushels for \$3.30/bu. The RIV was \$1.90/bu. and the LMP that day was \$5.20/bu.

On August 30<sup>th</sup>, the wheat that had been farm stored and commingled with the previous crop **year's production** was delivered to the elevator and sold. The elevator's test made upon delivery of this commingled wheat production showed **3.5 ppm Vomitoxin plus 25% kernel defects**. This production sold for \$3.20/bu. The LMP is still \$5.20/bu. The elevator applied a \$1.50/bu. RIV for the Vomitoxin and a \$0.50/bu. RIV for the defects.

**QUESTION 1:** Which Section of the SP Quality Statements would apply to the production sold on August 10<sup>th</sup> and August 21<sup>st</sup>? What section would apply to the wheat sold on August 30<sup>th</sup>?

**ANSWER 1:** Section C1a applies since the production was sold prior to 60 days after the calendar date for EOIP.

**QUESTION 2:** When is the earliest these claims could be finalized?

**ANSWER 2:** The earliest **these** could be finalized was the date when **ALL of the production for the unit was known and the adjuster received the test results for Vomitoxin (July 15<sup>th</sup>).**

**QUESTION 3:** Would the total production to count be the same or different on each sharing party's claim (PW)?

**ANSWER 3:** **Yes.**

**QUESTION 4:** When listing the gross production for the unit, what might be the fewest required number of line items on Sally Mae's Production Worksheet? Would it be the same for Farmer Bob's PW?

## EXHIBIT 20

### SETTLEMENT OF CLAIM WHEN INSURED HAS LESS THAN 100% SHARE

**ANSWER 4:** Three lines. One line for the 500 bushels sold on August 10<sup>th</sup>, one line for the 500 bushels sold on August 21<sup>st</sup>, and one line for the 500 bushels sold on August 30<sup>th</sup> that was farm-stored. It would be the same for both insureds.

**QUESTION 5:** What would be the QAF for production (500 bushels) that was sold on August 10<sup>th</sup>? What would be the QAF for production (500 bushels) sold on August 21<sup>st</sup>? What was the QAF of the farm-stored production that was sold on August 30<sup>th</sup>?

**ANSWER 5:** The QAF for production that was sold on August 10<sup>th</sup> is .600 ( $\$2.00/\text{bu. RIV} \div \$5.00/\text{bu. LMP} = .400 \text{ DF. } 1.000 - .400 \text{ DF} = .600 \text{ QAF}$ ).

The QAF for production that was sold on August 21<sup>st</sup> is .635 ( $\$1.90/\text{bu. RIV} \div \$5.20/\text{bu. LMP} = .365 \text{ DF. } 1.000 - .365 = .635 \text{ QAF}$ ).

The QAF for the farm-stored production that was sold on August 30<sup>th</sup> is .712 ( $\$1.50/\text{bu. RIV for the Vomitoxin} \div \$5.20/\text{bu. LMP} = .288 \text{ DF. } 1.000 - .288 \text{ DF} = .712 \text{ QAF}$ ). The RIV for Vomitoxin is based on the elevator test of 3.5 ppm for the comingled production since it is less than the original test of the non-comingled new production (5.5 ppm). A DF for the defects was not allowed to be included in determining the QAF because defects were not documented as being in this year's insured crop.

**QUESTION 6:** What if the farm-stored production from the current year's production had not been tested for Vomitoxin prior to storing and comingling with the previous year's production nor had the previous year's production been tested for mycotoxins prior to storing with the current year's production?

**ANSWER 6:** No QAF would be allowed for Vomitoxin since there is no way of knowing whether the Vomitoxin was from the previous' year's production or the current year's production.

**QUESTION 7:** What if prior to storing the current year's production with the previous year's production no samples were pulled for grading of covered quality deficiencies from either the current or previous crop years production; e.g., low test weight, kernel damage, etc.?

**ANSWER 7:** No QA would be allowed.

#### EXAMPLE 4: One Sharing Party Insured and One Sharing Party Not Insured

Assume there is a landlord/tenant arrangement where the landlord has 40% share and the tenant has 60% share. The tenant has a policy on the 60% share but the landlord is uninsured. We can account for 100% of the gross production and all of the quality deficiencies. However, the uninsured landlord will not divulge whether or not he/she has sold, used, fed or destroyed any of their share of the production or if sold, what was received.

**QUESTION 1:** If we assume all of the grain is eligible for quality adjustment (and does not have zero value) under the terms of **Section A** in the SP. Can the quality DF be determined for the uninsured landlord's share of the production? How soon could the tenant's claim be worked?

**ANSWER 1:** Yes. The claim could be worked as soon as possible once harvest was complete. (If the grain had zero value, the tenant could receive a 1.000 DF on the tenant's share if that 60% of production was destroyed in an acceptable manner. The landlord's 40% share would still receive the applicable Section A chart DF since disposition cannot be verified.)



## EXHIBIT 20

### SETTLEMENT OF CLAIM WHEN INSURED HAS LESS THAN 100% SHARE

**QUESTION 2:** Assume the grain is eligible for quality adjustment under the terms of **Section B** in the **SP**. Can the quality discount factor be determined for the uninsured landlord's share of the production? How soon could the tenant's claim be worked?

**ANSWER 2:** No. The claim could not be worked until the earlier of knowing the disposition of the landlord's share of the crop or 60 days after the calendar date for the end of the insurance period. We must wait for the 60<sup>th</sup> day after the calendar date, in case prior to the 60<sup>th</sup> day, the landlord elects to disclose the disposition of his/her share of the production.

At 60 days or more after the calendar date for the end of the insurance period, in accordance with Informational Memorandum PM-07-026, if the uninsured landlord will not divulge the disposition of his/her 40% of the production, the landlord's 40% of the production will be considered undamaged production. The SP state that for production sold to a disinterested third party prior to 60 days after the calendar date for the EOIP, the DF for such production will be the RIV applied by the buyer; or for production that remains unsold and unfed 60 days or more after the calendar date for the EOIP, or sold to other than a disinterested third party, fed, or used in a manner other than feed prior to 60 days after the calendar date for the EOIP, the DF for such production will be .500. If the uninsured landlord will not divulge the disposition of the grain, a quality DF cannot be determined for the landlord's 40% of the production.

**QUESTION 3:** Assume the grain is eligible for quality adjustment under the terms of Section C 3 in the SP. Can the quality DF be determined for the uninsured landlord's share of the production? How soon could the tenant's claim be worked?

**ANSWER 3:** No. The claim cannot be worked unless the insured can prove that all of the unit's production has been sold, used, fed or destroyed.

#### **EXAMPLE 5: Crop Disposition**

This scenario involves a unit of grain consisting of several loads that have been delivered to an elevator. The elevator is basing settlement with the producer on a weighted average test weight of 48.1 lbs. for all production sold or to be sold at a later time. Some of the grain is of good quality. Some is under **Section A** in the SP, and some is under **Section B**.

For this example, assume all insurability requirements have been met. The insured crop is corn. The share is 100%. The only quality concern is test weight (no moisture or FM, etc.). The insured decided to commercially store 300 bushels of the corn at the elevator. The adjuster is working the claim on November 30<sup>th</sup>. The insured did not elect to delay settlement of the claim.

#### Corn Delivered on November 4

Load #1 = 600.0 bushels at 53.0 TW

Load #2 = 400.0 bushels at 47.0 TW

Load #3 = 800.0 bushels at 39.5 TW

Total 1,800 bushels

## EXHIBIT 20

### SETTLEMENT OF CLAIM WHEN INSURED HAS LESS THAN 100% SHARE

The insured's delivery/storage receipt for the commercially stored 300 bushels delivered on Nov. 4<sup>th</sup> is as follows:

300 bushels at 46.5 lb. TW weighted average.

Disposition of the 1,800 bushels as of November 30<sup>th</sup> (sold by volume based on weighted average test weight of 46.5 lbs.)

900.0 bushels were sold at \$3.00/bu. on November 8 with a \$3.75/bu. LMP.

600.0 bushels were sold at \$3.25/bu. on November 20 with a \$4.00/bu. LMP.

300.0 bushels remains unsold in commercial storage.

**QUESTION 1:** Based on the above information, can the claim be settled on November 30<sup>th</sup>?

**ANSWER 1:** Yes. Section B2 of the SP indicates the DF will be .500 for all unsold production, plus any additional DFs in Section C that may apply." Therefore, if on the date of adjustment (November 30<sup>th</sup>), the production is unsold and the insured wishes to settle the claim, the claim can be settled rather than waiting until 60 days after the calendar date for the EOIP.

## EXHIBIT 20

### SETTLEMENT OF CLAIM WHEN INSURED HAS LESS THAN 100% SHARE

The insured's delivery/storage receipt for the commercially stored 300 bushels delivered on Nov. 4<sup>th</sup> is as follows:

300 bushels at 46.5 lb. TW weighted average.

Disposition of the 1,800 bushels as of November 30<sup>th</sup> (sold by volume based on weighted average test weight of 46.5 lbs.)

900.0 bushels were sold at \$3.00/bu. on November 8 with a \$3.75/bu. LMP.

600.0 bushels were sold at \$3.25/bu. on November 20 with a \$4.00/bu. LMP.

300.0 bushels remains unsold in commercial storage.

**QUESTION 1:** Based on the above information, can the claim be settled on November 30<sup>th</sup>?

**ANSWER 1:** Yes. Section B2 of the SP indicates the DF will be .500 for all unsold production, plus any additional DFs in Section C that may apply." Therefore, if on the date of adjustment (November 30<sup>th</sup>), the production is unsold and the insured wishes to settle the claim, the claim can be settled rather than waiting until 60 days after the calendar date for the EOIP.

## EXHIBIT 21

### STANDARD BUSHEL (STANDARD TEST) WEIGHTS FOR BUSHEL UNIT OF MEASURE

#### A Table

<b>CROP</b>	<b>WEIGHT PER BUSHEL (LBS.)</b>
Avocados (Florida) <u>1/</u>	55
Barley <u>1/</u>	48
Barley, Malting <u>1/</u>	48
Buckwheat	48
Dry Beans <u>2/</u>	60 <u>2/</u>
Corn, Shelled <u>1/</u> , <u>3/</u>	56 <u>1/</u>
Corn, Ear husked <u>1/</u> , <u>3/</u>	70 <u>1/</u>
Flaxseed <u>1/</u>	56 <u>1/</u>
Grain Sorghum <u>1/</u>	56 <u>1/</u>
Grass Seed <u>2/</u>	60 <u>2/</u>
Hybrid Seed Corn <u>1/</u>	56 <u>1/</u>
Hybrid Sorghum <u>1/</u>	56 <u>1/</u>
Millet <u>1/</u>	50 <u>1/</u>
Mustard <u>1/</u>	60 <u>1/</u>
Oats <u>1/</u>	32 <u>1/</u>
Peaches	50 <u>1/</u>
Peas, Dry <u>2/</u>	60 <u>2/</u>
Pears	Refer to the Pear LASH.
Popcorn <u>2/</u>	56 <u>2/</u>
Rice <u>2/</u>	45 <u>2/</u>
Rye <u>1/</u>	56 <u>1/</u>
Safflowers <u>2/</u>	35 <u>2/</u>
Sesame <u>2/</u>	45 <u>2/</u>
Soybeans <u>1/</u>	60 <u>1/</u>
Sunflower Seed (Oil) <u>2/</u>	29 <u>2/</u>
Sunflower Seed (Non-oil) <u>2/</u>	25 <u>2/</u>
Wheat <u>1/</u>	60 <u>1/</u>
Wild Rice, Cultivated <u>2/</u>	25. for MN <u>2/</u> 29 for CA <u>2/</u>

1/ These crops have bushel units of measure.

2/ These crops have a pound unit of measure and the standard test weight is not used in the farm-stored calculation of gross production.

3/ For corn insured as grain that is to be harvested and ground and stored as corn and cob meal (ground ear corn) or chopped for earlage, a pre-harvest appraisal is required to establish the production. (Refer to PAR. 85.)

B For crops that have a bushel unit of measure. If settlement sheets provide scale weights (i.e., pounds) instead of bushel weights, determine the gross bushel amount by dividing the total gross pound weight of production (before adjustments) shown on the settlement sheet by the standard bushel weight; e.g., 50,000 pounds of shelled corn divided by 56 (standard bushel weight) = 892.86 rounded to tenths – 892.9 bushels.

C For crops that have a pound unit of measure. In the rare case that a settlement sheet showed bushels for a crop having pound unit of measure, then determine the pounds of production by multiplying the total bushel weights (before adjustments) by the standard bushel weight; e.g., 50 bushels of safflowers times 35 (standard bushel weight) = 1,750 pounds.

**EXHIBIT 22**  
**SCP FORM COMPLETION INSTRUCTIONS**

**1 General Information**

A Refer to PAR. 137 for authorized crops and other information pertaining to SCP Claim criteria.

B **Refer to the DSSH for the form standards.**

**2 \*\*\* Form Completion Instructions**

\*\*\* All of the following completion instructions are **“Substantive” (required)**.

ITEM #	ITEM TITLE	COMPLETION INSTRUCTIONS
1	Insured's Name	<b>Insured's Instructions:</b> Enter your name exactly as shown on the most recent Policy Confirmation.
2	Policy Number	<b>Insured's Instructions:</b> Enter the policy number from your most recent Policy Confirmation.
3	My Insurance Agent is:	<b>Insured's Instructions:</b> Enter the name of your crop insurance agent.
4	My Phone Number is:	<b>Insured's Instructions:</b> Enter your area code and phone number where you can be reached.
5	Town/State Where You Live:	<b>Insured's Instructions:</b> Enter the Town/State where you reside.
6	Crop (only one per form)	<b>Insured's Instructions:</b> Enter the name of the insured crop for which you are filing the loss (list only one crop per SCP form). If you have other insured crops you wish to file a SCP claim on, complete a separate SCP for each crop.
7	Crop Year	<b>Insured's Instructions:</b> Enter the crop year for which the claim is applicable.
8	County Where Crop is Grown (only one per form)	<b>Insured's Instructions:</b> Enter the County where the crop/unit is located (list only one per SCP form).
9	State Where Crop is Grown (only one per form)	<b>Insured's Instructions:</b> Enter the State where the crop/unit is located (list only one per SCP form).
10	Non-Loss (N-L) Units and Est. Prod. Per Acre	<b>Insured's Instructions:</b> Enter in each sub-block (e.g., 10a) any non-loss unit (for the crop listed in item 6) you have and the estimated production per-acre of the non-loss unit. If all of the units for the crop in item 6 are loss units, enter N/A.
11	Loss Unit #	<b>Insured's Instructions:</b> Enter the unit number (s) of the crop for which you are claiming a loss, entered on separate lines.
12	Cause of Loss	<p><b>Insured's Instructions:</b> Enter in 12a (Primary Cause of Loss), the insured cause of loss that contributed to greater than fifty percent of the damage of the crop and the percentage amount for the unit number listed on this line; e.g., excess precipitation; e.g., drought, 60%.</p> <p>Enter in 12b (Secondary Cause of Loss), the insured cause that contributed to less than fifty percent of damage of the crop and the percentage amount for the unit number listed on this line; e.g., hail, 30%. If there is no secondary cause of loss, leave blank.</p>
13	Date of Damage	<p><b>Insured's Instructions:</b> Enter the month during which most of the insured damage (including progressive damage) occurred for the primary (item 13a) and secondary (item 13b) causes of loss, if applicable, for the unit number on this line.</p> <p>Include the specific date where applicable as in the case of hail damage; e.g., June 15. If there was no Secondary Cause of Loss (item 13b), do not make an entry.</p>

**EXHIBIT 22**  
**SCP FORM COMPLETION INSTRUCTIONS**

**C Required Item Titles and Completion Instructions for These Items (Continued)**

<b>ITEM #</b>	<b>ITEM TITLE</b>	<b>COMPLETION INSTRUCTIONS</b>
14	Harvest Completion Date	<b>Insured's Instructions:</b> Enter the date the entire acreage on the unit listed on this line was harvested.
15	Companion Contract Yes/No?	<b>Insured's Instructions:</b> For the unit on this line, if you are sharing in the crop with another person and that person has crop insurance on this crop, enter "Yes." If the person does not have crop insurance on this crop, enter "No." If you do not know, enter "Do not know."
16	Assignment of Indemnity Yes/No?	<b>Insured's Instructions:</b> For the unit on this line, enter "Yes" if an Assignment of Indemnity is on file for the crop in item 6 for the crop year; otherwise answer "No."
17	Transfer of Right to Indemnity Yes/No?	<b>Insured's Instructions:</b> For the unit or partial unit on this line, enter "Yes" if a Transfer of Right to Indemnity is on file for the crop in item 6 for the crop year. If no Transfer of Right To Indemnity is on file, check "No".
18	Has all acreage of the loss units listed in item 11 been harvested?	<b>Insured's Instructions:</b> Check "Yes" <u>only if ALL</u> of the units you listed in item 11 have been harvested; otherwise, check "No."  If you checked "No," list the unit numbers for the units listed in item 11 that have not been harvested.
19	Has all of the production from the loss unit(s) listed in item 11 above been sold or commercially stored?	<b>Insured's Instructions:</b> Check yes <u>only if all of the production</u> for ALL of the units you listed in item 11 above has been sold or commercially stored; otherwise, answer "No."  If you checked, "No," list the unit numbers for any of the units that have not been sold or commercially stored.
20	Have you completed harvest of all insurable acreage for all crops on your policy? (This includes the crop you listed above as well as any other crop you may have on your policy).	<b>Insured's Instructions:</b> Check "Yes" only if ALL crops insured under this policy (including the crop listed in item 6 above) have been harvested. If any crop has not been harvested, check "No."  If "No" was checked, list the crops not harvested.
21	Do you anticipate any loss units for any other crop not listed in item 11 for this crop year?	<b>Insured's Instructions:</b> Check "Yes" only if you anticipate or know if you have loss units for any other crop not listed in item 11 for the crop year. Otherwise, check "No."
22	Has any production from any acreage from the units listed in item 11 above been farm stored, fed to livestock, or saved for seed?	<b>Insured's Instructions:</b> Check "Yes" if production from ANY of the loss units listed in item 11 above is farm-stored or has been fed, or saved for seed; otherwise check "No".  If you checked "NO," list the unit number(s) for which "No applies.
23	Do you have third party written verification (i.e., summary/settlement sheets) available for 100 percent of the production from all units listed in item 11 above? (This must include <b>both</b> landlord and tenant shares, when applicable.)	<b>Insured's Instructions:</b> Check "Yes" only if this is true for ALL units listed in item 11 above; otherwise answer "No. Such documents must be attached to this form.
24	Is damage for the loss units listed in item 11 similar to other farms in the area?	<b>Insured's Instructions:</b> Check "Yes" only if this is true for all units listed in item 11; otherwise, answer "No."  If "No" is checked, list the unit number of any unit listed in item 11 that does not have similar damage and explain why that particular unit does not have similar damage.

**EXHIBIT 22**  
**SCP FORM COMPLETION INSTRUCTIONS**

**C Required Item Titles and Completion Instructions for These Items (Continued)**

<b>ITEM #</b>	<b>ITEM TITLE</b>	<b>COMPLETION INSTRUCTIONS</b>
25	Are you or any member of your household directly associated with the Federal Crop Insurance program (i.e., agent, agency owner, loss adjuster, FCIC employee, insurance provider employee or contractor)?	<b>Insured's Instructions:</b> Check "Yes" or "No" as applicable.
26	Was all acreage of your insured crop(s) in the county, in which you have a share, reported by you on your acreage report?	<b>Insured's Instructions:</b> Check "Yes" only if all acreage of your insured crop(s) in the county was reported on your acreage report; otherwise, check "No."  If you checked "No," list the unit or location where the acreage was not reported.
27	On the specific loss unit(s) listed in item 11 above, is your Summary of Coverage correct for:	
	a. Your share?	<b>Insured's Instructions:</b> For all of the units listed in item 11, check "Yes" only if the share you reported on your acreage is correct for all of the units listed in item 11; otherwise answer "No."  If "No" is checked, list the unit number(s) for which "No" applies and explain why.
	b. The legal description(s) and/or the FSA Farm Serial Numbers?	<b>Insured's Instructions:</b> For all of the units listed in item 11, check "Yes" only if the legal description(s) and/or the FSA Farm Serial Numbers reported on your acreage report are correct for ALL of the units listed in item 11; otherwise check "No."  If "No" is checked, list the unit number(s) for which "No" applies.
	c. The practice actually carried out by you (i.e., If you reported your practice as irrigated, was water applied at the proper time and rate)?	<b>Insured's Instructions:</b> For all of the units listed in item 11, check "Yes" only if the practice(s) you actually carried out agrees with the practice(s) for ALL of the units listed in item 11; otherwise check "No."  If "No" is checked, list the unit number(s) for which "No" applies.
	d. The type or variety (if applicable)?	<b>Insured's Instructions:</b> For all of the units listed in item 11, check "Yes" only if the type or variety reported on your acreage report is correct for ALL of the units listed in item 11; otherwise check "No."  If "No" is checked, list the unit number(s) for which "No" applies and enter the correct type or variety for the each unit listed.
	e. The total acreage for each unit listed in item 11 above (if measured or re-measured) would be within 5% of what you reported on your acreage report?	<b>Insured's Instructions:</b> For all of the units listed in item 11, check "Yes" only if the total acreage for each unit listed in item 11 (if measured or re-measured) would be within 5% of what you reported on your acreage report; otherwise, check "No."  If you checked "No," list the units listed in item 11 for which "no" applies.

**CONTINUED ON THE NEXT PAGE**

**EXHIBIT 22**  
**SCP FORM COMPLETION INSTRUCTIONS**

**C**    Required Item Titles and Completion Instructions for These Items (Continued)

<b>ITEM #</b>	<b>ITEM TITLE</b>	<b>COMPLETION INSTRUCTIONS</b>
28	Pre-printed Statements above the insured's certification/signature blocks.	
	<b>INSURED OR VERIFIER MAKES NO ENTRY</b>	
29	Insured's Signature and Date of Signature	<b>Insured's Instructions:</b> The insured or the insured's authorized representative signs the form and enters the date signed.
30	<b>Company Use ONLY:</b>  Verifier's Signature, Code #, and Signature Date	<b>VERIFIER'S COMPLETION INSTRUCTIONS</b>  After the verifier has verified that the crop/unit(s) has met all of the required criteria for processing the claim as an SCP claim in (including the required documentation provided with this form), has transferred the information to a PW and attached a copy of this form to the PW, the verifier signs the form, enters the verifier's code number, and enters the signature date the verifier signs the form. If there is any crop/unit listed above that does not meet the qualifications, the verifier is to list these on the form.
31	Page ____ of ____	<b>Insured's Instructions:</b> Enter the page numbers (Example: Page 1 of 1, Page 1 of 2, Page 2 of 2, etc.).



# EXHIBIT 22

## SCP FORM COMPLETION INSTRUCTIONS

### FOR ILLUSTRATION PURPOSES ONLY

### SIMPLIFIED CLAIMS PROCESS (SCP) QUALIFICATION AND NOTICE OF LOSS

For proper service, you must fill in all blanks and answer all questions as completely as possible.

1. Insured's Name (Please Print) <i>J. M. Insured</i>				2. Policy Number <i>XXXXX</i>	
3. My insurance Agent is: John Doe.		4. My phone number is: (XXX) XXX-XXXX		5. Town/State Where You Live: Any Town, Any State	
6. Crop (only one per form) <i>Corn</i>	7. Crop Year <i>XXXX</i>	8. County Where Crop is Grown: (Only one per form): <i>Adams</i>		9. State Where Crop is grown (only one per form): <i>Any State</i>	
10. Non-Loss (N-L) Units and Est. Prod. Per Acre	10a N-L Unit <i>00103</i>	10b N-L Unit <i>00104</i>	10c N-L Unit <i>N/A</i>	10d N-L Unit <i>N/A</i>	10e N-L Unit <i>N/A</i>
	10a Est. Prod <i>150 bu.</i>	10b Est. Prod. per Acre <i>175 bu.</i>	10c Est. Prod. per Acre <i>N/A</i>	10d Est. Prod. per Acre <i>N/A</i>	10e Est. Prod. per Acre <i>N/A</i>

11. Loss Unit #	12. CAUSE OF LOSS		13. DATE OF DAMAGE		14. Harvest Completion Date	15. Companion Contract-Yes/No?	16. Assignment Of Indemnity-Yes/No?	17. Transfer Of Right To Indemnity-Yes/No?
	12. a. Primary Cause/ %	12. b. Secondary Cause/ %	13. a. Primary Cause Date Of Damage	13. b. Secondary Cause Date Of Damage				
<i>0001-0001CU</i>	<i>Excess Moisture</i>	<i>Hail</i>	<i>June</i>	<i>June 15</i>	<i>October 10</i>	<i>Yes</i>	<i>Yes</i>	<i>No</i>
<i>0001-0002CU</i>	<i>Excess Moisture</i>	<i>Hail</i>	<i>June</i>	<i>June 15</i>	<i>October 15</i>	<i>Yes</i>	<i>Yes</i>	<i>No</i>

NOTE: Please use a separate form for additional loss units.

**Carefully consider each of the following questions and check the "Yes" or "No" box.**

	YES	NO
18. Has all acreage of the loss unit(s) listed in item 11 above been harvested? If No, list the unit number(s) for which "No" applies: _____	✓	
19. Has all of the production from the loss unit(s) listed in item 11 above been sold or commercially stored? If you answered no, list the applicable unit numbers meeting "no" <i>Unit 102</i>		✓
20. Have you completed harvest of all insurable acreage for all crops on your policy? (This includes the crop you listed above as well as any other crop you may have on your policy). If you answered No, list the crops not harvested: <i>soybeans</i>		✓
21. If you answered "NO" to the above question, do you anticipate loss units for any other crop <u>not</u> listed in item 11 above for this crop year?		✓
22. Has any production from any acreage from the units listed in item 11 above been farm stored, fed to livestock, or saved for seed? If "No," list the unit number(s) for which "No" applies <i>Unit 102</i>		✓
23. Do you have third party written verification (i.e., summary/settlement sheets) available for 100 percent of the production from all units listed in item 11 above? (This must include <b>both</b> landlord and tenant shares, when applicable.)	✓	
24. Is damage for the loss units listed in item 11 similar to other farms in the area? If "No," list the unit(s) for which "No" applies and explain: <i>Unit 102 - Most other farms in the area received no hail damage.</i>		✓
25. Are you or any member of your household directly associated with the Federal Crop Insurance program (i.e., agent, agency owner, loss adjuster, FCIC employee, insurance provider employee or contractor)?		✓
26. Was all acreage of your insured crop(s) in the county, in which you have a share, reported by you on your acreage report? If "No," list the unit or location where the acreage was not reported	✓	
27. On the specific loss unit(s) listed in item 11 above, is your Summary of Coverage correct for:		
a. Your share? If "No," list the unit(s) and explain here: _____	✓	
b. The legal description(s) and/or the FSA farm serial number? If "No," list the unit(s) for which "No" applies: <i>Unit 102</i>		✓
c. The practice actually carried out by you (i.e., If you reported your practice as irrigated, was water applied at the proper time and rate)? If "No," list the unit(s) for which no applies: _____	✓	
d. The type or variety (if applicable)? If "No," list the unit(s) numbers for which "No" applies and enter the correct type or variety for each unit listed: _____		✓
e. The total acreage for each loss unit listed in item 11 above (if measured or re-measured) would be within 5% of what you reported on your acreage report? If "No," list the unit(s) for which "No" applies: _____		✓

28. This form serves as written verification of your notice of loss and as an aide in determining qualified insureds for the SCP. We may rely on the information you provide on (or attach to) this form in making material determinations in the preparation of your claim. Once this completed Notice of Loss Form and supporting documentation has been received by your insurance provider, it will be determined whether or not your claim qualifies for the SCP. If it DOES qualify, the appropriate claim for indemnity form(s) will be prepared and may need to be sent to you for your signature if the AIP determines when reviewing this information with you over the phone that a correction is needed. Otherwise, the signature on this SCP form will serve as the signature for each Claim for Indemnity form to which this information was transferred, and a copy and a copy will be mailed to you. The claim form(s) will contain all the necessary data and production information to complete your claim. If qualified, you will have your claim processed in the most expedient manner possible. You will not need to wait for an adjuster. The SCP is subject to an in-field review for compliance to established policies and procedures. If any of the unit(s) listed in item 11 above DOES NOT qualify for the SCP, you will be contacted in the near future by a claims representative to set up an appointment to adjust your loss on that or all units listed above.

Supporting documentation must be attached to this form and delivered to the address provided by your agent or insurance provider. You must attach either a settlement sheet(s), summary sheet(s) or similar third party ledger(s) that accounts for all production from any crop unit you have listed above. Individual load tickets will not qualify. Individual loads on any settlement/summary sheet(s) must be clearly marked to indicate which unit they came from. If you have FSA or similar measurement service such as utilization of Global Positioning Systems, remote sensing devices, etc., for the current crop year, please attach copies and indicate who made the measurement. In all cases you must attach copies of maps identifying each field, crop and acreage by loss unit. The per unit acreage used in calculating any indemnity will be the lesser of your reported acres or your actual planted acres.

This form example does not illustrate all required entry items or statements; e.g., signatures, etc. Refer to the SCP Form instructions above for all requirements.

**EXHIBIT 22**  
**SCP FORM COMPLETION INSTRUCTIONS**

**(RESERVED)**

