## UNITED STATES DEPARTMENT OF AGRICULTURE FEDERAL CROP INSURANCE CORPORATION INELIGIBILITY AMENDMENT



#### (This is a Continuous Amendment)

This amendment modifies the provisions of the Area Risk Protection Insurance Basic Provisions (ARPI), Common Crop Insurance Policy Basic Provisions (CCIP), Livestock Gross Margin for Cattle Insurance Policy Basic Provisions (LGM-Cattle), Livestock Gross Margin for Dairy Cattle Insurance Policy Basic Provisions (LGM-Dairy), Livestock Gross Margin for Swine Insurance Policy Basic Provisions (LGM-Swine), Livestock Risk Protection Insurance Policy Basic Provisions (LRP), Rainfall and Vegetation Index Plan of Insurance Basic Provisions (RIVI) for the 2015 and succeeding crop years for all crops with a 2015 contract change date on or after April 30, 2014, and for the 2016 and succeeding crop years for all crops with a 2015 contract change date prior to April 30, 2014.

The changes to the above policies are required as the result of changes made in the Final Rule to 7 CFR part 400 by revising Subpart U—Ineligibility for Programs Under the Federal Crop Insurance Act published in the <u>Federal Register</u> on January 13, 2014. These technical changes apply to policyholders not being eligible for crop insurance on any crop until after all amounts owed are paid in full, a written payment agreement is executed, or policyholders have those debts discharged in bankruptcy.

The revised provisions are as follows:

In addition to section:	The following provisions have been added:
1 – LGM Dairy	Delinquent debt - Has the same meaning as the term defined in 7 CFR part 400, subpart
1 – LGM Swine	U.

In lieu of section:	The following provisions will apply:
2(j) – LGM Dairy	A delinquent debt for any policy will make you ineligible to obtain crop insurance authorized under the Act for any subsequent crop year and result in termination of all policies in accordance with section 2(j)(2).
2(j)(1)(i)(A) – LGM Dairy	The date that a policy was terminated in accordance with section 2(j)(2) for the commodity for which you failed to pay premium, an administrative fee, or any related interest owed, as applicable;
2(f)(1)(i)(B) – CCIP 3(g)(1)(i)(B) – RIVI 2(j)(1)(i)(B) – LGM Dairy 2(j)(1)(i)(B) – LGM Swine	The payment due date contained in any notification of indebtedness for any overpaid indemnity, prevented planting payment or replanting payment, if you fail to pay the amount owed, including any related interest owed, as applicable, by such due date; or
2(k)(1)(i)(B) – ARPI	The payment due date contained in any notification of indebtedness for overpaid indemnity and any other amounts due, including but not limited to, premium billed with a due date after the termination date for the crop year in which premium is earned, if you fail to pay the amount owed, including any related interest owed, as applicable, by such due date; or
$\begin{array}{c} 2(f)(1)(i)(C) - CCIP\\ 2(k)(1)(i)(C) - ARPI\\ 3(g)(1)(i)(C) - RIVI\\ 2(j)(1)(i)(C) - LGM Dairy\\ 2(j)(1)(i)(C) - LGM Swine \end{array}$	The termination date for the crop year prior to the crop year in which a scheduled payment is due under a written payment agreement if you fail to pay the amount owed by any payment date in any agreement to pay the debt.
$\begin{array}{l} 2(f)(1)(i)(D) - CCIP \\ 2(k)(1)(i)(D) - ARPI \\ 3(g)(1)(i)(D) - RIVI \\ 2(j)(1)(i)(D) - LGM Dairy \\ 2(j)(1)(i)(D) - LGM Swine \end{array}$	Paragraph (D) is removed.

### 15-Ineligibility (April 2014)

(April 2014)	
In lieu of section:	The following provisions will apply:
2(f)(1)(ii) – CCIP	If you are ineligible and a policy has been terminated in accordance with section 2(f)(2),
	you will not receive any indemnity, prevented planting payment or replanting payment,
	if applicable, and such ineligibility and termination of the policy may affect your
	eligibility for benefits under other USDA programs. Any indemnity, prevented planting
	payment or replanting payment that may be owed for the policy before it has been
	terminated will remain owed to you, but may be offset in accordance with section 2(e),
	unless your policy was terminated in accordance with sections 2(f)(2)(i)(A), (B), or (D).
2(k)(1)(ii) – ARPI	If you are ineligible and a policy has been terminated in accordance with section
	2(k)(2), you will not receive any indemnity, and such ineligibility and termination of the
	policy may affect your eligibility for benefits under other USDA programs. Any indemnity that may be owed for the policy before it has been terminated will remain
	owed to you, but may be offset in accordance with section 2(j), unless your policy was
	terminated in accordance with sections $2(k)(2)(i)(A)$ , (B), or (D).
3(g)(1)(ii) – RIVI	If you are ineligible and a policy has been terminated in accordance with section
	3(g)(2), you will not receive any indemnity payment, prevented planting payment or
	replanting payment, if applicable, and such ineligibility and termination of a policy may
	affect your eligibility for benefits under other USDA programs. Any indemnity payment,
	prevented planting payment or replanting payment, if applicable, that may be owed for
	the policy before it has been terminated will remain owed to you, but may be offset in
	accordance with section 3(f), unless your policy was terminated in accordance with
	sections 3(g)(2)(i), (ii), or (iv).
2(j)(1)(ii) – LGM Dairy	If you are ineligible and a policy has been terminated in accordance with section 2(j)(2),
2(j)(1)(ii) – LGM Swine	you will not receive any indemnity, prevented planting payment or replanting payment,
	if applicable, and such ineligibility and termination of the policy may affect your
	eligibility for benefits under other USDA programs. Any indemnity, prevented planting
	payment or replanting payment that may be owed for the policy before it has been
	terminated will remain owed to you, but may be offset in accordance with section 2(i), unless your policy was terminated in accordance with sections 2(j)(2)(i)(A), (B), or (D).
2(f)(2)(i)(C) – CCIP	For all other policies that are issued by us under the authority of the Act, the
2(j)(2)(i)(C) - LGM Dairy	termination date that coincides with the termination date for the policy with the
2(j)(2)(i)(C) - LGM Swine	delinquent debt or, if there is no coincidental termination date, the termination date
	immediately following the date you become ineligible; or
2(k)(2)(i)(C) – ARPI	For all other policies that are issued by us under the authority of the Act, the
	termination date that coincides with the termination date for the policy with the
	delinquent debt, or if there is no coincidental termination date, the termination date
	immediately following the date you become ineligible; or
3(g)(2)(iii) – RIVI	For your other policies for which a debt is not delinquent but are terminated because of
	a policy terminated under sections 3(g)(i) or (ii), termination will be effective on the
	termination date that coincides with the termination date for the policy with the
	delinquent debt or, if there is no coincidental termination date, the termination date
	immediately following the date you become ineligible; or
2(f)(2)(i)(D) - CCIP	For execution of a written payment agreement and failure to make any scheduled payment, the termination date for the crop year prior to the crop year in which you
2(k)(2)(i)(D) - ARPI	failed to make the scheduled payment (for this purpose only, the crop year will start the
2(j)(2)(i)(D) – LGM Dairy 2(j)(2)(i)(D) – LGM Swine	day after the termination date and end on the next termination date, e.g., if the
	termination date is November 30 and you fail to make a payment on November 15,
	2011, your policy will terminate on November 30, 2010, for the 2011 crop year).
3(g)(2)(iv) – RIVI	For execution of a written payment agreement and failure to make any scheduled
	payment, termination will be effective on the termination date for the crop year prior to
	the crop year in which you failed to make the scheduled payment:
	(A) For this purpose only, the crop year will start the day after the termination date and
	end on the next termination date.
	(B) For example, if the termination date is November 30 and you fail to make a
	payment on November 15, 2012, your policy will terminate on November 30, 2011,
	for the 2012 crop year.

#### 15-Ineligibility (April 2014)

(April 2014)	
In lieu of section:	The following provisions will apply:
2(f)(2)(i)(E) - CCIP	Paragraph (E) is removed.
2(k)(2)(i)(E) – ARPI	
2(j)(2)(i)(E) – LGM Dairy	
2(j)(2)(i)(E) - LGM Swine	
3(g)(2)(v) – RIVI	Paragraph (v) is removed.
2(f)(2)(ii) - CCIP	For all policies terminated under sections 2(f)(2)(i)(A), (B), or (D), any indemnities,
	prevented planting payments or replanting payments paid subsequent to the
	termination date must be repaid.
2(k)(2)(ii) – ARPI	For all policies terminated under section 2(k)(2)(i)(A), (B), or (D), any indemnities paid
	subsequent to the termination date must be repaid.
3(g)(3) – RIVI	For all policies terminated under sections 3(g)(2)(i), (ii), or (iv), any indemnity,
	prevented planting or replanting payments paid subsequent to the termination date
	must be repaid.
2(j)(2)(ii) – LGM Dairy	For all policies terminated under sections 2(j)(2)(i)(A), (B), or (D), any indemnities paid
2(j)(2)(ii) – LGM Swine	subsequent to the termination date must be repaid.
2(f)(3)(iii) – CCIP	Have your debts discharged in bankruptcy.
2(k)(3)(iii) - ARPI	
3(g)(5)(iii) – RIVI	
2(j)(3)(iii) – LGM Dairy	
2(j)(3)(iii) – LGM Swine	
2(f)(5) - CCIP	For example, for the 2011 crop year, if crop A, with a termination date of October 31,
2(j)(5) – LGM Dairy	2010, and crop B, with a termination date of March 15, 2011, are insured and you do
2(j)(5) – LGM Swine	not pay the premium for crop A by the termination date, you are ineligible for crop
	insurance as of October 31, 2010, and crop A's policy is terminated as of that date.
	Crop B's policy does not terminate until March 15, 2011, and an indemnity for the 2010
	crop year may still be owed. If you enter into a written payment agreement on
	September 25, 2011, the earliest date by which you can obtain crop insurance for crop
	A is to apply for crop insurance by the October 31, 2011, sales closing date and for
	crop B is to apply for crop insurance by the March 15, 2012, sales closing date. If you
	fail to make a payment that was scheduled to be made on April 1, 2012, your policy will
	terminate as of October 31, 2011, for crop A, and March 15, 2012, for crop B, and no
	indemnity, prevented planting payment or replant payment will be due for that crop year
	for either crop. You will not be eligible to apply for crop insurance for any crop until
	after the amounts owed are paid in full or you have your debts discharged in
	bankruptcy.
2(p)(2) – ARPI	Since applications for crop insurance cannot be accepted after the sales closing date, if
	you make any payment, or you otherwise become eligible, after the sales closing date,
	you cannot apply for insurance until the next crop year. For example, for the 2012 crop
	year, if crop A, with a termination date of October 31, 2012, and crop B, with a
	termination date of March 15, 2013, are insured and you do not pay the premium for
	crop A by the termination date, you are ineligible for crop insurance as of October 31,
	2012, and crop A's policy is terminated as of that date. Crop B's policy does not
	terminate until March 15, 2013, and an indemnity for the 2012 crop year may still be
	owed. You will not be eligible to apply for crop insurance for any crop until after the
	amounts owed are paid in full or have your debts discharged in bankruptcy.

# **15-Ineligibility** (April 2014)

In lieu of section:	The following provisions will apply:
2(g)(7) – RIVI	For example, for the 2013 crop year, if crop A, with a termination date of October 31, 2013, and crop B, with a termination date of March 15, 2014, are insured and you do not pay the premium for crop A by the termination date, you are ineligible for crop insurance as of October 31, 2013, and crop A's policy is terminated as of that date. Crop B's policy does not terminate until March 15, 2014, and an indemnity for the 2013 crop year may still be owed. If you enter into a written payment agreement on September 25, 2014, the earliest date by which you can obtain crop insurance for crop A is to apply for crop insurance by the October 31, 2014, sales closing date and for
	crop B is to apply for crop insurance by the March 15, 2015, sales closing date. If you fail to make a payment that was scheduled to be made on April 1, 2015, your policy will terminate as of October 31, 2014, for crop A, and March 15, 2015, for crop B, and no indemnity, prevented planting payment or replant payment will be due for that crop year for either crop. You will not be eligible for crop insurance for any crop until after the amounts owed are paid in full or have your debts discharged in bankruptcy.
2(j)(8) – LGM Cattle	A policy already in effect at the time you become ineligible will not be affected until the termination date for that policy, and if you are ineligible, you may not obtain any insurance under the Act for any crop or livestock until payment is made in full, you execute an agreement to repay the debt and make payments in accordance with the agreement, or have your debts discharged in bankruptcy;
2(j)(9)(C) – LGM Cattle	You will be ineligible for insurance under the Act until the debt is paid in full or you have your debts discharged in bankruptcy;
1 – LRP definition of "delinquent account"	The definition of "delinquent account" is removed.
3(j)(5) – LRP	A crop insurance or livestock policy already in effect at the time you become ineligible will not be affected until the termination date for that policy (If you are ineligible, you may not obtain any insurance under the Act until payment is made, you execute an agreement to repay the debt and make payments in accordance with the agreement, or you have your debts discharged in bankruptcy);
3(j)(6) - LRP	If you execute an agreement to pay the debt and fail to make any scheduled payment, all of your policies, including all crop insurance policies, will be terminated effective on the termination date for the crop year prior to the crop year in which you failed to make the scheduled payment and no indemnity will be due for that year (You will no longer be eligible to obtain insurance under the Act by execution of an agreement to pay the debt. You will be ineligible for insurance under the Act until the debt is paid in full or you have your debts discharged in bankruptcy);