DATA

ACCEPTANCE

SYSTEM

RY 2007

United States Department of Agriculture

Federal Crop Insurance Corporation
Research & Development
FCIC-Appendix III (June 5, 2008)

Appendix III

Standard Reinsurance Agreement and Livestock Price Reinsurance Agreement

DATA ACCEPTANCE Requirements

REINSURANCE YEAR 2007

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WASHINGTON, D.C. 20250

Federal Crop Insurance Corporation Directive	*Number: FCIC-Appendix III*
SUBJECT: *Data Acceptance System Handbook* *RY - 2007*	*DATE:* *June 5, 2008* *OPI:* *Research & Development* *APPROVED:* *Deputy Administrator*

SECTION 1 PURPOSE AND OBJECTIVE

1 **PURPOSE**

To provide instructions and information for reporting Approved Insurance Provider data to the Risk Management Agency (Federal Crop Insurance Corporation) hereinafter referred to as FCIC.

2 **OBJECTIVE**

A Provide a means of validating data to ensure that reimbursements are made based on accurate information in accordance with the SRA.

B Maintain detailed information at FCIC.

C Enhance the quality and availability of data at all levels.

3 ACRONYMS

The following acronyms will be used throughout this Appendix:

A&O	Administrative & Operating Expense
ACT	The Federal Crop Insurance Act (7 U.S.C. 1502 et seq.)
AD	Actuarial Division
ADM	Actuarial Data Master
AFS	Actuarial Filing System
AGR	Adjusted Gross Revenue (Whole-farm coverage based on producer's Schedule F)
AGR-L	Adjusted Gross Revenue-Lite (Whole-farm coverage based on producer's Schedule F using less commodities to qualify)
AIP	Approved Insurance Provider
APH	Actual Production History (producer's records for developing coverage)
ARD	Acreage Reporting Date
ARPA	Agricultural Risk Protection Act (also known as the Crop Insurance Act of 2000)
BMP	Best Management Practices
CAT	Catastrophic Risk Protection
CEO	Coverage Enhancement Option
CIH	Crop Insurance Handbook
CO	RMA Compliance Office
COB	Close of Business
CRC	Crop Revenue Coverage
CY	Crop Year
DAS	Data Acceptance System
DQS	Data Quality Section
DSR	DAS Status Report
DY	Determined Yields
eDAS	Electronic Data Acceptance System
EFT	Electronic Funds Transfer
FCIC	Federal Crop Insurance Corporation (RMA)
FIPS	Federal Information Processing Standards
FOSD	Fiscal Operations & Systems Division
FSA	Farm Services Agency
FY	Fiscal Year (i.e. Oct. 1, 2006 to Sept. 30, 2007 is the 2007 fiscal year)
GRP	Group Risk Plan
IP	Income Protection Plan (an insurance plan)
IRM	Information Resources Management
IS	Insurance Services
ITS	Ineligible Tracking System
KCO	RMA Kansas City Office
LAC	Loss Adjustment Contractor
LAM	Loss Adjustment Manual
LAN	Local Area Network
LGM	Livestock Gross Margin
LRP	Livestock Risk Protection
LSR	Late Sales Reduction

ACRONYMS Con't

MGA	Managing General Agency
MPCI	Multiple Peril Crop Insurance
MY	Master Yields

NAD	National Appeals Division
NASS	National Agricultural Statistics Service
NCIS	National Crop Insurance Services
P/C	Policy Issuing Company
PDD	Product Development Division
PHTS	Policyholder Tracking System
PRD	Production Reporting Data
R&D	Research and Development Division
R&E	Research and Evaluation Division
RA	Revenue Assurance (type of policy)
RAS	Reinsurance Accounting System
RMA	Risk Management Agency
RME	Risk Management Education
RSD	Reinsurance Services Division
RO	RMA Regional Office
SBI	Substantial Beneficial Interest
SCD	Sales Closing Date
SF	Standard Form (prefix to form numbers)
SPOI	Special Provisions of Insurance
SRA	Standard Reinsurance Agreement
T-Yield	Transitional Yields
UCM	Underwriting Capacity Manager
USDA	United States Department of Agriculture
WA	Written Agreement
WDC	RMA Washington, D.C.
WUA	Written Unit Agreement
XML	Extensible Markup Language

4 **ISSUANCES/REVISIONS**

A This appendix will be issued annually, and reflect reporting requirements for detailed eligible crop insurance contract data, applicable to each Reinsurance Year. A DRAFT will be issued by May 31 preceding the reinsurance year for comment, including General DAS requirements, major processing enhancements, Fund designation requirements and LSR determination process. Appendix III will be issued by June 30, preceding the reinsurance year, and will be approved quarterly, as needed.

B Revisions to this appendix and to the Data Acceptance System may become necessary after the annual release to ensure that data reported complies with the SRA, actuarial requirements, federal regulations, crop policy provisions, and procedural changes that could not be anticipated when the annual update was released. Revisions to Appendix III, will include:

Clarifications – revisions that do not change the format or values of the reporting requirements;

New Requirements - new reporting requirements to meet the terms and conditions of the Act, FCIC regulations, and/or procedures, enacted after the initial release of Appendix III;

Corrections - revisions to the reporting requirements to meet the existing terms and conditions of the Act, FCIC regulations, and/or procedures.

Any new or proposed revisions will be available for comment, for a period of 14 calendar days. RMA generally will work with the AIP's in an attempt to reach consensus in determining the most efficient means of implementing revisions both prior to and subsequent to the initial release. Revisions after the initial release will be highlighted and a summary by date will be maintained.

The SRA, ACT, regulations in 7 C.F.R. Chapter IV and the applicable eligible crop insurance contract and procedures take precedence over Appendix III for servicing requirements.

C The appendix is maintained electronically via the Risk Management Agency's Home Page. The RMA Website address is:

http://www.rma.usda.gov/data

Click on APPENDIX III, Data Reporting Requirements. There are provisions for approved and draft versions of the Appendix III for multiple reinsurance years available on the website.

The approved version contains the current Appendix III that has been approved by RMA. The draft version contains proposed changes RMA is providing for review and comment. Draft versions will be watermarked DRAFT and changes will be highlighted when possible. AIPs will be notified of changes to the Draft version on the DAS Status Report and/or on the 'Read me' page.

SECTION 2 RESPONSIBILITIES

1 RESPONSIBILITIES OF FCIC

RMA will be responsible for the following:

1. Reviewing and analyzing Appendix II,
2. Approving or denying Appendix II,
3. Approving or denying amendments to Appendix II,
4. Approving modifications to the fund designations or A&O reductions due to Late Sales Reduction.
5. Provide AIP'S updates to FCIC reporting guidelines in Appendix III, DATA ACCEPTANCE SYSTEM (DAS) REQUIREMENTS.
6. Perform duties and validations of AIP data as outlined in the "Format/Edits" portion (Exhibits 9 - 99) of the DAS Handbook.
7. Determine data reporting requirements and standards.
8. Maintain and administer the databases and ISAM files used by the Data Acceptance System.
9. Prepare error reports containing items which did not pass all edits and validations specified by FCIC and provide to the AIP's designated MGA.
10. Update/maintain reinsurance data in the Policy and Accounting databases.
11. Provide technical assistance in error resolution as needed and requested by AIPs. RMA will respond in 7 business days to a properly completed DAS error report submitted by an AIP.
12. Generate Reconciliation Reports.
13. Generate Accounting Reports.
14. Process Premium Due Without Payment Worksheet and Premium Due Worksheet data upon receipt of the certified report/worksheet if received by the due date for monthly reporting.
15. Generate a revised Monthly Operations Report after entries made on the current worksheet by the AIPs have been updated in RAS. Complete the monthly processing cycle.
16. Generate and remit payments due to the AIP, if applicable, based on data validated in the DAS after it has been reconciled, but no later than the first banking day after the 14th calendar day following FCIC's receipt of both the detailed reinsurance contract data file, and the certified (signed) hard copy Monthly/Annual Operation Report. FCIC will pay the net amount due from FCIC to the AIP as reflected in the FCIC-generated report, reduced or increased) where appropriate for any differences between the reports submitted and the data validated.
    a. Additionally, FCIC will net together for payment purposes multiple Reinsurance Year reports.
    b. FCIC will make payments to AIPs via Electronic Funds Transfer (EFT) through the U.S. Treasury.
    c. FCIC will pay interest in accordance with the interest provisions of the Contract Disputes Act (41 U.S.C. 601 et seq.) on any payment which is not sent to the AIP by the dates provided by the SRA.

17 Reimbursement of Losses

a For any AIP that elects to use escrow funding: FCIC will fund the escrow account within three (3) business days after the loss transactions are accepted in FCIC'S Escrow System. On a monthly basis the escrow funded amount, as of the transaction cutoff date for the first full week of the month will be reconciled with the escrow loss data accepted on the monthly or annual report. Any escrow requests which have not been funded as of the transaction cutoff date for the first full week of the month will not be included in that month's report. Any difference in the escrow funded amount and the losses validated by FCIC will be refunded monthly by the AIP to FCIC.

b AIPs may also report loss data through DAS prior to check issuance (for validation purposes), in accordance with instructions on the Type 20 record descriptor contained in this Appendix.

1 Losses reported in this manner will not be funded through Escrow, and will not appear on the Monthly/Annual Operations Report.

2 To obtain escrow funding, AIPs must re-submit loss data consistent with the Escrow Agreement and instructions for the Type 20 record descriptor contained in this Appendix.

c Any AIP who elects not to utilize Escrow Funding will be reimbursed on the Monthly/Annual Operations Report for paid losses which have been validated and accepted in the DAS as of the monthly transaction cutoff date.

1 Any loss will be considered paid by the AIP, when the instrument or document issued as payment has cleared the AIP's bank account.

18 Administrative Expense Reimbursement

a The FCIC will pay the AIP an A&O Subsidy as specified in the SRA.

i After insurance attaches payment will be made no later than the first banking day following the fourteenth (14th) calendar day after receipt of both the certified (signed) Monthly/Annual Operations Report and the detailed reinsured contract data file.

ii All A&O Subsidy amounts paid are subject to correction at any time, and by the Monthly/Annual Operations Report following detection of the error.

iii Any rejected eligible crop insurance contract due solely to an identified DAS edit error, will be fully compensated on that month's accounting report.

b Reporting of Eligible Crop Insurance Policies.

The eligible crop insurance contract may be accepted any time up to the annual cutoff settlement date for the reinsurance year. There after, policies will be rejected if they are originally submitted after the cutoff date for the first annual settlement. If a situation arises that causes the AIP to be unable to meet this cutoff, justification my be submitted to the DQS representative for RMA review to determine if a waiver is appropriate.

c Reduction in Administrative and Operating Expense - Late Sales Reduction.

The A&O subsidy applicable to the eligible crop insurance contract will be reduced whenever the identified required LSR data has not been timely and accurately provided to FCIC or such information is revised after the LSR Transaction Cutoff Date.

The required LSR data is identified in the individual DAS and eDAS records. The required LSR data are the required data elements that must pass acceptance edits in order to meet the requirements in section IV.B.7 of the SRA. The DAS or eDAS records that contain the required LSR data do not have to be accepted in their entirety in order to meet this requirement.

d Determination of the LSR Transaction Cutoff date

The ADM 3, Dates Record, contains a modified Sales Closing date for when the sales closing date falls on a non business day. It also contains an Extended Sales Closing date if RMA would extend the sales period. If there is not a modification or extension, all three date fields will contain the same date DAS uses the extended sales closing date to calculate LSR and fund cutoff dates (this would be the latest possible date).

"Transaction cutoff date" for weekly data reporting is 8pm Central time on Friday of each calendar week. A calendar week begins with Sunday and ends with Saturday. "Transaction cutoff date" for monthly data reporting is 8pm Central time on Friday after the first Sunday of the month. Any date that falls on a Saturday will use the preceding Friday as the transaction cutoff day.

The LSR transaction cutoff date will be determined for eligible crop insurance contracts meeting the following conditions:

1. for eligible crop insurance contracts with a fixed sales closing date, the LSR transaction cutoff date will be the weekly cutoff date containing the 30th day after the sales closing date.

2. for eligible crop insurance contracts not having a fixed sales closing date, the LSR transaction cutoff date will be;
   a. for the initial year of coverage, the later of the weekly cutoff containing the 30th day after the producers signature date from the application and is reported on the Type 14 Record, or the weekly cutoff containing the 30th calendar day after the cancellation date.
   b. for subsequent years, the weekly cutoff containing the 30th day after the cancellation date.

3. for the initial year of an approved RMA written agreement issued for an eligible crop insurance contract or for any written agreement that must be renewed or approved annually, except those listed in 3.A., the LSR transaction cutoff date will be the weekly cutoff containing the 30th calendar day after the RMA Written Agreement approval date.

   A. RMA approved written agreements excluded from LSR cutoff determination under section 3;

High Rate Area	(HR)
Acreage not harvested or planted in prev. year	(NB)
Listing Reconsideration for Tobacco 2005	(TL)
Small Grains Interplanted	(SG)
Seed Potato acreage >125%	(SP)
Written Unit Agreements	(UA)
Unrated Land	(UC)

Additional County Application

If the eligible crop insurance contract was sold under the additional county provision, any subsequent counties will be accepted with the same LSR determination as the designated primary county contract.

Multiple Sales Closing Dates

If the eligible crop insurance contract has more than one sales closing date for the eligible crop insurance contract, the earliest SCD will be used to determine the LSR transaction cutoff date, unless the type or practice is reported to indicate the specific SCD.

Successor-in-Interest

For successor-in-interest changes to a policy between sales closing date and date insurance attaches to prevent LSR determination, additional data must be accepted by DAS. After insurance attaches successor-in-interest is not applicable for reporting until the subsequent crop year.

Reduction Calculations

If the required LSR data first passes acceptance edits after the LSR Transaction Cutoff Date or is revised after the LSR Transaction Cutoff Date, the A&O subsidy will be reduced by:

i. one percent, up to the weekly cutoff for the week containing the 30th calendar day after the LSR transaction cutoff date, or
ii. three percent, after the weekly cutoff containing the 30th calendar day after the LSR transaction cutoff date up to and including the weekly cutoff for the week containing the 60th calendar day; or

iii. six percent, after the weekly cutoff containing the 60th calendar day after the LSR transaction cutoff date.

If the price election factor, coverage level, price indicator or plan code changes (after the lockdown date), the late sales reduction is recalculated. The late change date field will reflect the date of the batch where the coverage level, price election, or market price indicator was changed for the eligible crop insurance contract. If the company resubmits the 14 record back to the lockdown coverage level, price election and market price indicator, DAS will reverse the reduction to the lockdown reduction percentage.

19 The Reimbursement for CAT Loss Adjustment Expense will be calculated

in accordance with the SRA, and will be included on the Monthly/Annual Operations Reports.

20 Any payment received under Section IV.H must be paid by the last business day of the month for the Monthly/Annual Operations Report cutoff following RMA's notification to the AIP of the amount due.

21 Deviations From Stated Reporting Requirements

a RMA may deviate from stated reporting requirements when necessary to ensure accurate and timely data processing. Deviations from stated reporting requirements will occur only in cases of material monetary discrepancies created by the processing of inaccurate or untimely data.

2 **REPORTING REQUIREMENTS OF AIP'S OPERATING UNDER THE STANDARD REINSURANCE AGREEMENT (SRA)**

The following are functions performed by AIP's to ensure correct and accurate submission of data to FCIC. The general information that applies to the DAS and RAS is outlined below:

A Submit information contained in Appendix II.

B Submit accurate detailed eligible crop insurance contract data and supporting data to FCIC in the prescribed format. The weekly transaction cutoff date **is Friday** of each week. Data must be successfully and completely received by FCIC no later than 8:00 PM Friday. FCIC will process all data that were submitted through the cutoff date.

C The monthly transaction cutoff date is 8:00 PM Central Time, Friday of the first full week of the month, (Friday following the first Sunday of the month). Data revisions must be submitted no later than monthly, for a period of one year following annual settlement.
C Review error reports and correct errors generated from the DAS edit and validation process. Rejected items identified, reconciled or corrected after the cutoff date because of the monthly reporting and validation process are to be resubmitted for revalidation in the next reporting cycle.

D Submit a properly completed DAS Error Report to the DQS, after analysis, for guidance in correcting data rejected in the DAS and present on the DAS Error Listing, as necessary.

E Review reconciliation reports to resolve differences and resubmit data corrections immediately after receipt.

F Submit electronic loss data for the purpose of funding the escrow account. Monitor the escrow account balance and maintain sufficient collateral coverage to insure timely funding of all loss data. If there is a shortfall of funds in the escrow account, it is the AIP's responsibility to deposit funds to cover any shortages.

G Submit certified hard copy, Monthly/Annual Operations Reports (recap and worksheets) by Reinsurance Year, for the purpose of making monthly settlements with FCIC regarding reimbursement of administrative expenses, losses, if applicable, and payment to FCIC of premiums collected. Monthly Operations Reports are required to be submitted through annual settlement time. Annual Settlement Operations Reports must continue to be submitted for any month that revised data are submitted. Court action, compliance, audit or investigative related findings by the Government or the Company AIP after the February accounting cut-off following 5 years from the beginning of the reinsurance year must be reported to FCIC and will be processed manually. Operations Reports must be received by FCIC by the last banking day of each month corresponding to the transaction cutoff date.

1a Reports provided by the AIP must contain cumulative, summarized eligible crop insurance contract data according to the requirements and formats provided in the exhibits and text of this Appendix. For monthly operations reports, completed 'Premium Due' and 'Premium Due without Payment' worksheets are

to be submitted along with the summary page.

1b For annual operations reports, the completed 'Premium Due without Payment' worksheet is to be submitted along with the summary page.

2 If uncollected, the producer premium for each billing date is due from the AIP at the end of the month of the billing date. Uncollected premiums for each billing date must be reported by the AIP by the transaction cutoff date for the Monthly Operations Report following the month of the billing date. Interest will be charged on all uncollected premiums not paid to FCIC by the AIP payment date from the first of the month following the billing date at the rate of 15% per annum. The AIP must enter data into the appropriate columns on the Premium Due Worksheet to indicate their intent whether to pay uncollected premiums and return a signed copy of the report/worksheet along with the report, to be received by FCIC by the last business day of the month corresponding to the transaction cutoff date. (See Exhibit 6)

3 When producer premiums are collected by the AIP before the billing date, any premium collected during a calendar month must be reported on the Monthly Operations Report submitted during the next calendar month and payment made by the AIP Payment Date. All premiums not collected must be paid to FCIC at annual settlement whether or not they are collected from insured.

4 For the purpose of collection CAT fees and accrued interest from insureds, there are responsibilities that must be undertaken by the AIP and RMA. These responsibilities shall be in accordance with 7CFR 457.8, which states "Interest will accrue at a rate of 1.25 percent simple interest per calendar month, or any portion thereof, on any unpaid amount owed to us or on any unpaid administrative fees owed to FCIC."

a. The responsibilities of the AIPs are as follows:

- AIPs are responsible for calculating and collecting interest on CAT fees in accordance with 7CFR 457.8 beginning 30 days after the premium billing date until the crop termination date.
- AIPs shall transmit a 60 and 65 record through the Ineligible Tracking System for the principle amount **only**, for unpaid CAT fees within 7 to 21 days after the crop termination date. (At this time these fees become a Federal debt and all collection efforts on the part of the AIP shall cease.)
- AIPs are responsible for any questions that an insured may have regarding the validity of this debt or payments made **prior** to the crop termination date. (After the crop termination date, all questions regarding amounts due including interest accrued shall be referred to RMA.)

- If an AIP receives payment for a Federal debt, they are to transmit a type 12 record with a payment type code of "02" for the **entire** amount received within 7 days of the receipt of the payment. (Timing is critical since the debt may be referred by RMA to Treasury for cross servicing and any amounts due the insured from any Federal agency will be reduced by the Federal debt that includes CAT fees and accrued interest.

b. The responsibilities of RMA are as follows:

- RMA shall calculate interest in accordance with 7CFR 457.8 on any unpaid CAT fees reported to RMA beginning on the termination date until the debt is satisfied.
- RMA will answer any questions regarding the amount of the Federal debt or any payments made **after** crop termination since subsequent interest may have accrued.
- RMA shall take over all collection efforts of unpaid CAT fees upon termination date and the submission of the type 60 and 65 records.
- RMA may refer the Federal debt to Treasury for cross servicing.

5 Escrow funding and reported loss data will be reconciled on each Monthly and Annual Operations Report.

6 All payments due FCIC will be netted on the Monthly and Annual Operations Reports with amounts due the AIP from FCIC. All payments, must be deposited by the AIP Payment Date directly into FCIC's account in the U.S. Treasury by Electronic Funds Transfer (EFT). FCIC will remit payments to the AIP by EFT.

7 Any aggregate underwriting loss of the AIP will be paid to FCIC by the AIP with each Monthly Operations Report as calculated by the Reinsurance Run Report generated by FCIC. Any underwriting gain due the AIP will be paid at annual settlement.

H The AIP must enter data into the appropriate columns on the Premium Due Without Payments Worksheet to indicate any increase in premium and return a signed copy of the report/worksheet along with the Monthly Operations Report, which must be received by FCIC by the last business day of the month corresponding to the transaction cutoff date. (See Exhibit 7)

1 The insured's premium due is calculated by subtracting the paids and loss-credits from the producer premium amount for each policy and billing date. The total due is then summarized by billing date. The paid amount is always deducted from the premium amount before deducting loss-credits. The proration of paids and loss-credits is best demonstrated with the following examples:

a Producer Premium Due = $100
Paid = 50

Loss-Credit	=	50
Balance Due	=	0

The paid amount of $50 is applied to the premium due of $100, leaving a balance of $50 premium due. The loss-credit is then applied to the premium due balance leaving a balance of $0 premium due.

b

Producer Premium Due	=	$100
Paid	=	50
Loss-Credit	=	25
Balance Due	=	25

The RAS will apply the $50 paid to the premium due, leaving a balance of $50 premium due. The loss-credit can then be applied to the premium due leaving a premium due balance of $25, which would be added to the total premium due for the billing date.

c

Producer Premium Due	=	$100
Paid	=	0
Loss-Credit	=	75
Balance Due	=	25

Apply $0 paid to the premium due of $100, giving a premium due balance of $100. Loss-Credit of $75 can then be applied to the premium due leaving a balance of $25 premium due. Although the paid amount was $0, it must be applied to the premium due before applying the loss-credit.

d

Producer Premium Due	=	$100
Paid	=	100
Loss-Credit	=	0
Balance Due	=	0

Apply $100 paid to the premium due of $100, which would leave a premium due balance of $0. The loss-credit of $0 is applied to the $0 premium due, leaving a balance in premium due of $0.

e

Producer Premium Due	=	$100
Paid	=	100
Loss-Credit	=	75
Balance Due	=	0

Apply $100 paid to $100 premium due, leaving a balance of $0 in the premium due. The loss-credit of $75 cannot be applied to the premium due balance of $0, and is considered an overpayment on the loss-credit which would be displayed on another RAS report.

f

	Premium Due	Paid	Loss-Credit
		$50	$50
Crop Code 011	$50		
Crop Code 091	$50		
Balance Due =	0		

When there are multiple crops with premium due from a producer, the paid amount is applied to the premium due on crop code basis until the paid amount is exhausted. If there is any premium remaining due after applying the paid amount, the loss-credit can be applied to the premium due on the remaining crops.

g

	Premium Due	Paid	Loss-Credit
		$50	$50
Crop Code 011	$75		
Crop Code 091	$50		
Balance Due =	$25		

Apply $50 paid to the premium due of $75, leaving a remaining premium due of $25 on Crop Code 011. Loss-credit of $50 can be applied to the $25 remaining premium due on Crop Code 011. Then the remaining $25 loss-credit can be applied to $50 premium due on Crop Code 091. This leaves a premium due balance of $25 on Crop Code 091, but all crops are summarized on the Premium Due Worksheet by billing date, as the crop detail is not shown on the Worksheet. The system prorates the paids and loss-credits also by successive billing dates.

I The new amount due FCIC as reflected in the Monthly or Annual Operations Report, must be paid by EFT by the later of, 10 calendar days of being issued by RMA or last business day of each month corresponding to the transaction cutoff date for that month. When payment is submitted to FCIC based on a report generated by the AIP or it’s reporting agent and supporting data is subsequently rejected, the AIP must remit the difference by EFT within seven (7) calendar days of the date the AIP was notified of the discrepancies. In instances where an AIP generated report differs from RMA generated Operations Reports, payments will be based on the RMA Operations Reports.

J All payments due to FCIC must be deposited directly into the Corporation's account in the U.S. Treasury by EFT. An instruction guide for funds transfer deposit messages to the Treasury is provided in Exhibit 7. Information, such as agency codes, and beneficiary codes will be provided under separate cover.

K Annual Operations Reports

1 A hard copy settlement report, called the Annual Operations Report (recap and worksheets), must be received by FCIC by the last banking day of the February following the end of the reinsurance year. The report will follow the format as provided in Exhibit 1, page 3 of this Appendix. All reinsurance transactions for the year must be summarized and reported on the Annual Operations Report.

2 Corresponding data file transmissions for the Annual Operations Report must be successfully received in its entirety by the February monthly transaction cutoff of the first full week of February following the end of the Reinsurance Year. The amount due either FCIC or the AIP will be calculated based on the DAS validation of the data, will be based on the FCIC-generated Operations Report, and will follow the monthly reporting process.

3 The gain or loss of the AIP is calculated in the monthly Reinsurance Run Report generated by FCIC. Any underwriting gain, excluding reserves, will be paid by the FCIC Payment Date at Annual Settlement. Underwriting loss will be calculated on the Monthly Operations Report. If the underwriting loss netted with any other amounts due results in a net amount due FCIC, payment must be received by EFT by the AIP Payment Date.

L Fund Designation

AIPs may designate eligible crop insurance contracts with an accepted Type 9 record to either the Assigned Risk Fund or Developmental Fund by the fund designation cutoff date. AIP's may transfer eligible crop insurance contracts from either the developmental or assigned risk fund to the commercial fund by the fund cutoff. Designations to the Commercial Fund may be made via the Type 14 or Type 9 record if the eligible crop insurance contract is not designated to either the Assigned Risk or Developmental Fund. If a Type 9 record is not accepted for an eligible crop insurance contract, it will be designated as commercial. "Transaction cutoff date" for weekly data reporting is 8pm Central time on Friday of each calendar week. A calendar week begins with Sunday and ends with Saturday. "Transaction cutoff date" for monthly data reporting is 8pm Central time on Friday after the first Sunday of the month. Any date that falls on a Saturday will use the preceding Friday as the transaction cutoff day.

The fund designation cutoff date will be determined for eligible crop insurance contracts as follows:

1. For an eligible crop insurance contract associated with an agricultural commodity with a fixed sales closing date,

(including those with multi-year Written Agreements after the initial year), the Type 9 record must be accepted by DAS by the weekly cutoff date for the week including the 30th calendar day after the sales closing date.

2. For eligible crop insurance contracts with extended sales periods (i.e., sales are permitted beyond the sales closing date shown in the special provisions), the transaction cutoff dates for the designation of policies to the Assigned Risk and Developmental Funds are;

   a. For new policies, the later of the transaction cutoff date for the week containing the 30th calendar day after the eligible producer signature date or the transaction cutoff date for the week containing the 30th calendar day after the sales closing date.

   b. For carryover policies, the transaction cutoff date for the week containing the 30th calendar day after the sales closing date.

3. For written agreements requiring annual FCIC approval or for the initial year an eligible crop insurance contract associated with a written agreement only, (excluding Written Agreement types GP, HR, NL, SP and UA), the Type 9 record must be accepted by DAS by the weekly cutoff date for the week, including the 30th calendar day after the RMA written agreement approval date (Print Date).

4. For AGR-Lite the sales closing date of 3/15 will be used for new insureds. For Carryover AGR-Lite insureds the cancellation date of 1/31 will be used. For AGR the sales closing date of 1/31 will be used for all insureds. The Fund must be accepted by eDAS by the weekly cutoff date for the week, including the 30th calendar day after the applicable date.

Multiple Sales Closing Dates

If the AFS documents or ADM have more than one sales closing date (SCD) for the eligible crop insurance contract, the earliest SCD will be used to determine the fund designation cutoff date, unless the type or practice is reported to indicate the specific SCD.

For crops in counties with both Fall and Spring Sales Closing Dates, if the fall crop is not planted and a zero acreage record is accepted for the fall crop, the fund designation for the spring crop may be changed up to the fund designation cutoff date for the spring crop.

Added County Application Procedure:

If a reinsured AIP uses a 'Added-county' block on applications and/or contract change forms, they may timely indicate the primary (designated) county by entering the appropriate field value in the multi-added-county flag field for the location state, policy number, crop year and crop code.

Subsequent counties established under the 'Added-county' procedure and transmitted to RMA after the fund designation deadlines, must be placed in the same fund as the primary (designated) county. Subsequent counties are indicated by placing the appropriate value in the Added-county flag field.

For 2005, only category B crops (excluding Forage Production) qualify for added-county.

Subsequent counties can be added after Fund designation cutoff if insured does not have an interest in any other crop in the added county.

Companies must also identify the primary (designated) county policy key (location state/county, AIP number, policy number, crop year, crop code and type code) in the added-county reference policy key fields.

CRC Exclusion

High Risk Ground may be excluded from a CRC policy and insured under APH. The fund designation for high risk ground may be different than the primary/CRC fund designation.

Alternative Crop

When RMA approves alternate crops, the Type 9 record must be accepted by DAS by the weekly cutoff date for the week including the 60th calendar date after the RMA approval date.

M. AIPs are to immediately notify their DQS representatives of any problems or issues that may impact previously accepted eligible crop insurance contract data or which prevents the timely acceptance of data.

3 **RESPONSIBILITIES OF AIP's OPERATING UNDER THE LIVESTOCK PRICE REINSURANCE AGREEMENT (LPRA)**

A. Submit Appendix II to RMA for review and approval.

B. Allow eligible producers to use electronic methods to submit information to the maximum extent practicable. The AIP must file its plan for providing such electronic service methods with their Plan of Operations.

C. Submit a completed FCI-586 for Web Application User to RMA Security for approval.

D. Submit accurate and detailed contract data to FCIC through eDAS in accordance with the reporting requirements contained in APPENDIX III.

E. Collect and provide to FCIC the SSN or the EIN for all policyholders and all persons with a substantial beneficial interest in the policyholder.

F. Designate any eligible livestock price insurance contract accepted by the UCM to the Private Market Fund in accordance with APPENDIX III within two Federal workdays of the acceptance date of the contract by FCIC.

G. Designate in Appendix II whether it will use commercial reinsurance or private market instruments to transfer or hedge its retained liability for ultimate new losses remaining after all cessions to FCIC under the agreement.

H. If the AIP purchases private market instruments, it must submit a copy of its brokerage statements detailing the purchase, sale, and holdings of private market instruments as required by LPRA and certify to the completeness and accuracy of the information.

I. Producer premiums collected by the AIP must be reported on the monthly summary report submitted to FCIC by the accounting cut-off date for the calendar month after collection.

J. Report/submit a minimum of 5 percent of insurance contracts and 5 percent of indemnified contracts reviewed. Flag contracts that are reviewed.

SECTION 3 SYSTEM OVERVIEW

DAS OVERVIEW

A The FCIC Data Acceptance Systems (DAS) and Reinsurance Accounting System (RAS) are two integrated data processing systems. DAS receives and validates transmitted data. Data validated by DAS is loaded to RMA databases. Together they provide FCIC with a mechanism to ensure that data received is accurate, that errors are corrected timely, that information contained on Monthly Operations Reports certified by the AIP are accurate for the data validated, and appropriate accounting entries are made in FCIC's Financial Accounting Systems. An overview of these two systems follows. See Exhibit 97 for a chart displaying the flow of data from AIPs to FCIC.

B Data supplied to FCIC for a Reinsured AIP is processed through the DAS. The data is checked for proper reinsurance year format. All transmitted data that is accepted will replace previously accepted data on a policy level.

C All transactions are validated for data accuracy and compliance with policy, procedure and processing requirements. The DAS performs required edits on each transaction before rejecting a transaction. Upon completion of editing, a Summary report is generated which summarizes the acceptance, rejection and suspension by record type and liability, premium and indemnity amounts from the transaction. Records, which were found in error, are system-generated output that is sent to an AIP after each edit run.

D The edit first performs simple field validations, including checks for numeric/alphanumeric, validity of codes, and completeness of expected data. Records that pass all these edits are edited for recomputation tests, inter-field comparisons, inter-record comparisons, ADM and other cross reference file look-ups. All data passing the edit is considered accepted.
The accepted transactions from the DAS are used to update various databases. The Policy databases are maintained on a detail and summary basis that reflect the current information that has been accepted by DAS.

Data validated and accepted by the DAS is also used to update Statistical Data Bases maintained by RMA. These databases are used in rating analysis, underwriting activities, statistical analysis, and management reporting.

E Full Book of Business (Type 70/71 Records)

As part of the DAS/RAS operations, an AIP will be required to submit a full book of business data file no less than semi-annually. A "full book" must consist of at least one Type 70 Record for all policies and one Type 71 (trailer information) Record for a specific reinsurance year. This requirement provides a means to isolate differences between data residing on the DAS/RAS and the AIP’s systems. The full book data will be used to load the Reconciliation Database, to generate reconciliation

reports, and to determine the 'Reduction Due to Reconciliation Report Differences' amount on the Operations Report.

The AIPs must be able to submit their full book of business upon request by FCIC. A full book of business is required to be submitted twice annually during the first week after the February and August monthly transaction cutoffs. The full book of business must be submitted via the IP SERVER.

As a means of assisting the AIPs in reconciling their systems with DAS, FCIC provides to the AIPs a full book file of business weekly.

F Support Functions

The (DQS) provides operational support for the DAS and eDas. The DQS is responsible for establishing reporting requirements, validation edits, validation files and assisting companies in researching and resolving errors in data reporting. All questions regarding data distribution, reporting, and validation should be addressed to the AIP's DQS representative. Staff will be available between the hours of 8:00 A.M. and 4:30 P.M. Central time, Monday through Friday.

For after hour and weekend processing questions, call the operations desk at(816) 926-3275, until 10:00 p.m.

eDAS OVERVIEW

A. eDAS is a real-time system operating in a web environment designed to edit transmitted data from Reinsured AIPs. AIPs will send data in Extensible Markup Language (XML) format to be processed by eDAS or use web application to input required information to eDAS. After performing a series of edits on the data, an XML transmission with all input data received from the AIP and all output data defined by RMA will be sent back to the AIP in the same order they are processed. The transmission will also notify the AIP of its acceptance or rejection, and if rejected, errors will be included in the transmission.

B. eDAS will perform a series of edits on the current data. The type of data and edits performed will be outlined in the APPENDIX III. Edits are done in a series of steps. If any step fails, no other edits beyond the current step will be done. First, basic edits are done. Some of these basic edits include a required check, optional check, numeric check, alphabetic check, and validity of codes check. The next step is to run conditional rules. These rules apply to APPENDIX III tags that will only be present based on the value of other APPENDIX III tags. Next, the advanced step occurs. Advanced rules include ADM cross reference checks and inter-field comparisons. If needed for the current APPENDIX III section, the corporate calculation modules are run to determine premium or indemnity. Calculation validation edits are performed to determine if the AIP's calculated values match RMA's calculated values. Finally, post-processing rules are performed. Post-processing edits include the Underwriting Capacity Manager (UCM) check.

C. AIP will indicate the type of transaction currently being sent to eDAS using the APPENDIX III fields process flag and change flag. Process flag indicates whether the transaction is an original, a modification, a deletion, a validation, a quote, a retrieval, cancel or re-instate. Original indicates a first time entry. All edits will apply. A modification indicates an update to an existing record. Key fields and the updated values are required. All other fields will be ignored. A deletion will mark the currently accepted record as removed. Key fields will be required for the delete. All other fields will be ignored. Validation will not consider the current transaction as real but only as a test. All APPENDIX III edits will apply and errors will be returned to the AIP. A quote is only performed on sections associated with corporate calculations modules. Only values necessary to perform the quote will be required as input. A quote will not be treated as a real transaction but will return errors on required fields and corporate calculation results to the AIP. A retrieval indicates an AIP is requesting the information. A cancel indicates an AIP is requesting the information to be cancelled, not applicable for AGR/AGR-L. A re-instate indicates an AIP is requesting the information be re-instated (reverse the use of cancel (flag 8)), not applicable for AGR/AGR-L. The change flag of 1,2, or 3 is required only on an update transaction. The change flag indicates the level of change authority associated with this record. Only fields with a level of change less than or equal to the change flag may be modified. Change flag of 3, AIP must submit a request to Reinsurance Services Division (RSD) for approval.

D. Only the latest eDAS transactions will be stored in an Informix eDAS database. Input and output data will be stored when an original, update, delete, or cancel takes place. Each of these transactions will also be kept on the web server for a period of time for companies to download. Also, once an original, update, delete, or cancel passes all edits and therefore was accepted by eDAS, it will be copied to the Policy database. This will be done frequently during the day. Quote or validation transactions will not be stored in the eDAS database or written to the Web server.

E. The Reinsurance Accounting System (RAS) will be used to generate accounting reports containing Reinsured AIP data processed by eDAS. Data will be taken directly from the Policy database to feed RAS.

F. eDAS Retrieval Processes

There are two ways of retrieving data that has been posted to eDAS: One is through the use of process flag 7, and the other is Transaction Retrieval.

To use process flag 7, submit a transaction to eDAS with no more than one of each of the records that are desired. On each record, set the process flag to 7. This instructs eDAS to look for the record in the eDAS database, and return records that match the criteria sent in. As much or as little of the record may be sent in, depending on how specific the request is. The only required fields are insurance_provider, reinsurance_year and insurance_plan_cd (where applicable). **This method is the preferred method for reconciling data between eDAS and other systems, since it returns only what has been accepted directly from the eDAS database, and is therefore much faster than Transaction Retrieval.**

The other method of retrieval is to request a range of actual transactions submitted to eDAS. This is done through Transaction Retrieval. This method reads the transactions off of disk, and is slower than process flag 7. The following is a description of the retrieval processes, as well as parameters that may be used to determine what should be returned.

AGR/AGR Lite and Livestock (2005 and beyond)

HTML POST/GET

URL:
https://online-livestock.rma.usda.gov/apps/edas_service/retrieve.aspx

Filtering Parameters:

start_dt (format mm/dd/yyyy)
end_dt (format mm/dd/yyyy)
start_tm (format hh:mm:ss 24 hour clock)
end_tm (format hh:mm:ss 24 hour clock)
section_name (comma delimited list of sections desired)
start_trans_num (Transaction Sequence Number of first section to be returned)
end_trans_num (Transaction Sequence Number of last section to be returned)
accepted_rejected (A comma-delimited list of character strings. Values may be A for accepted only, R for rejected only, and B for both accepted and rejected.)
section_required (A comma-delimited list of character strings. Values may be Y meaning the section is required or N meaning the section is not required)
process_type (A string that can be either “actual”, “validate”, or “all”.

Designates what type of process flags to return)
include_warnings (A string that can either be Yes (Y) or No (N). Use Y to return XML with warnings. Use N to exclude XML with warnings.)

Search Parameters - Searching will return transactions submitted within the last 90 days that match the following criteria:

```
transaction_method = Method by which transaction was submitted to eDAS.
                     Valid values are webservice, webapp or blank.
reinsurance_year   = Reinsurance year of the records desired.
company            = Company listed on the policies related to the
                     records desired.
insurance_plan_cd  = Insurance plan listed on the crop policies related
                     to the records desired.
policy_number      = Policy number of policies related to the records
                     desired.
id_number          = ID number of entity or SBI listed on policies
                     related to the records desired.
location_state     = State listed on policies related to the records
                     desired.
location_county    = County listed on policies related to the records
                     desired.
agent_ssn          = Agent SSN listed on crop policies and premiums
                     related to the records desired.
```

Example:
https://online-livestock.rma.usda.gov/apps/edas_service/retrieve.aspx?start_dt=10/01/2004&end_dt=10/05/2004&section_name=agent,policy,crop_policy&transaction_method=webapp&reinsurance_year=2005&accepted_rejected=A,A,A&section_required=Y,Y,Y&process_type=actual and include_warnings = Y

The previous example returns accepted Agents and Policies with or without warnings from 10/01/2004 through 10/05/2004, where the records were submitted using the web application and the reinsurance year was 2005. Additionally, only Policies with at least one accepted crop policy record will be returned. This search will not return any validate only records (process_flag of 4&5).

SOAP

URL:
https://online-livestock.rma.usda.gov/apps/edas_service/main.asmx

The following web methods exist for retrieval using SOAP:

To retrieve transactions from any date, use the following method.

Transaction getTransaction(DateTime startDateTime, DateTime endDateTime, int startTransNum, int endTransNum, int startRecNum, int endRecNum, string[] sectionName, string processType)

```
startDateTime = A DateTime object representing the start date and time
                that you want to retrieve.
endDateTime   = A DateTime object representing the end date and time
                that you want to retrieve.
startTransNum = An Integer that represents the first trans_sequence_num
                you want to retrieve.  0 for all.
endTransNum   = An Integer that represents the last trans_sequence_num
```

```
                you want to retrieve.  0 for all.
startRecNum   = An Integer that represents the first record number you
                want to retrieve.  0 for all.
endRecNum     = An Integer that represents the last record number you
                want to retrieve.  0 for all.
sectionName   = An Array of strings representing the sections you want
                to retrieve.
processType   = A String representing what process flags to return.
                "All" to return validates and actual records.
```

To search transactions within the last 90 days, use the following method.

```
Transaction getTransaction(DateTime startDateTime, DateTime endDateTime, int
startTransNum, int endTransNum, int startRecNum, int endRecNum, string[]
sectionName, string[] acceptedRejected, string[] sectionRequired, string
transactionMethod, string processType, int reinsuranceYear, int
insurancePlanCd, int company, int locationState, int locationCounty, int
idNumber, int policyNumber, int agentSSN)

startDateTime     = A DateTime object representing the start date and
                    time that you want to retrieve.
endDateTime       = A DateTime object representing the end date and
                    time that you want to retrieve.
startTransNum     = An Integer that represents the first
                    trans_sequence_num you want to retrieve.  0 for
                    all.
endTransNum       = An Integer that represents the last
                    trans_sequence_num you want to retrieve.  0 for
                    all.
startRecNum       = An Integer that represents the first record number
                    you want to retrieve.  0 for all.
endRecNum         = An Integer that represents the last record number
                    you want to retrieve.  0 for all.
sectionName       = An Array of strings representing the sections you
                    want to retrieve.
acceptedRejected  = An Array of characters representing whether
                    sections in section name must be A - accepted, or R
                    - rejected. "B" for both.
sectionRequired   = An Array of characters. Y meaning required, No
                    meaning not required. Default is No.
transactionMethod = A String indicating the method by which the
                    transactions desired were submitted to eDAS.  Valid
                    values are webservice, webapp or blank.
processType       = A String indicating what process flags to return.
                    "Validate" for validate only records, "actual" for
                    actual records, or "all" for all records. Default
                    is actual.
reinsuranceYear   = An Integer indicating the Reinsurance year of the
                    records desired.
insurancePlanCd   = An Integer indicating the Insurance plan listed on
                    the crop policies related to the records desired.
company           = An Integer indicating the Company listed on the
                    policies related to the records desired.
locationState     = An Integer indicating the State listed on policies
                    related to the records desired.
locationCounty    = An Integer indicating the County listed on policies
                    related to the records desired.
idNumber          = An Integer indicating the ID number of entity or
```

```
                    SBI listed on policies related to the records
                    desired.
policyNumber      = An Integer indicating the Policy number of policies
                    related to the records desired.
agentSSN          = An Integer indicating the Agent SSN listed on crop
                    policies and premiums related to the records
                    desired.
includeWarnings   = a Boolean indicating whether to include or exclude XML
                    with warnings.  Use true to include warning and false to
                    exclude warnings.
```

Note: The second web method is an overload of getTransaction with more parameters. In the SOAP packet, it will be shown as searchTransaction instead of getTransaction. This will not affect Microsoft.Net developers, who can continue to use getTransaction in their code.

SECTION 4 DATA SUBMISSION REQUIREMENTS

DAS SUBMISSION

Monthly submission of data is mandatory through annual settlement if any activity occurred during the month. All data submitted will be processed through the DAS as soon as possible. Occasionally, the system will be unavailable during normal operation hours due to scheduled or emergency maintenance. Companies will be notified as soon as possible in these cases. Transmission files between 2 and 1,000,000 records will be automatically processed during operation hours Monday through Friday. Operation hours for all reinsurance years are Monday 6:00am to 11:00pm, Tuesday thru Thursday 6:00 am to 2:00am and Friday 6:00am to 8:00pm. Any transmission received after cutoff or a file that is too large to be completed during the operation hours will be processed in the next operation period.

Companies must contact RMA prior to submitting transmission files over 1,000,000 records. RMA will schedule these files to be processed, based on the availability of the operating system. This is required for validation purposes and to allow time for correction and resubmission of rejected transactions to FCIC before the monthly cutoff date for processing.

Upon successfully passing all edits, the accepted data is included in the Monthly Operation Reports generated by the RAS. Failure of data to pass all reporting and edit requirements in this Appendix may result in such data not being accepted for payment on the Monthly Operations or Annual Operations Reports. Data must be electronically transmitted successfully and completely received by the transaction cutoff date to be included in that week's transactions. Monthly Operation Reports will be prepared based on data received and accepted by the transaction cutoff date of the first full week of the month.

Data must be submitted on a Reinsurance Year basis. The 2007 Reinsurance Year data would include the following crop year data: 2008 Avocados, 2006 Raisins, 2008 Citrus (Arizona, California, Florida, Texas), 2008 Florida Fruit Trees, 2008 Nursery, 2007 Texas Citrus Trees and all other crops. All data relating to each respective Reinsurance Year must be included in the same submission, with separate submissions required for each reinsurance year.

The amount of premium submitted by the AIP cannot exceed the maximum premium limitation established by Reinsurance Services. With each DAS edit, AIPs will receive the Year to Date accepted totals report on the .sum report. This report notifies the AIP of the summary statistics, including premium accepted as of the stated date on the report. When the percentage has reached 100% of maximum, RMA will determine whether subsequent edits will be suspended. Accounting reports will be generated based on data received prior to any suspension.

eDAS SUBMISSION

A. Data will be processed through eDAS in real-time. eDAS will be operational 24 hours a day and 7 days a week for certain APPENDIX III sections with exceptions for maintenance. These are the Agent, Entity, SBI, Policy, Fund, Crop Policy, Adjuster (if applicable), and Reviewer (if applicable). The insurance plan will determine the availability of eDAS for the Premium and Indemnity sections. For example, the Livestock Risk Protection plan will fail any Premium or Indemnity records sent during certain hours of the day due to ADM data unavailability. If maintenance is required, eDAS will be temporarily shut down, fixes will be migrated into eDAS, and eDAS will be turned on again. eDAS will be unavailable for processing data daily from 12:00pm to 1:00am for daily maintenance. If at this time eDAS is in the middle of processing data, the data not processed will be rejected.

B. eDAS requires the transmission of APPENDIX III sections in a certain order. This order by section is as follows: Agent, Entity, SBI, Policy, Fund (AGR/AGR-L), Crop Policy, Reviewer (if applicable), Premium, Fund, (Livestock) and Indemnity. If data is sent out of order, eDAS will send an error back to the AIP in its XML output for the current transaction. For example, Crop Policy data with an Agent ID Code must have an accepted Agent section for that Agent ID code.

C. eDAS does not require the bundling of an entire set of sections for a policy. For example, once the Agent data has been accepted by eDAS, it never will have to be sent to eDAS again unless the AIP wishes to update it. Agent data is not required each time Policy or Premium data is sent. This also applies to the SBI data. If five SBI records are required for the Entity, one may be sent today while two more may be sent next week and the remaining two may be sent in two months from now.

SECTION 5 TELECOMMUNICATIONS

A DAS **Telecommunication Processing**

Electronic transmission is mandatory for submission of data and dissemination of reports. Electronic transmission provides faster processing turnaround, and more automated processing of data submissions and report handling. This method of processing allows FCIC to direct its resources to error resolution and AIP processing support functions.

The Federal Crop Insurance Corporation's (FCIC) Insurance Provider (IP) Server is a system designed to provide telecommunications services for all reinsured AIPs and associated organizations which report to FCIC. In addition to this, the IP Server also supports connections to FCIC's SUN system.

- Each AIP is responsible for obtaining telecommunications services from any common carrier of their choosing. The IP Server supports VPN and Dial-up connections to the RMA IP Server.

All AIP's will need to complete security form FCIC-586 before a connection ID can be provided. Once that ID is provided, connection details are as follows:

With Dial-up, connectivity can be achieved using the following asynchronous speeds:

- ITU V.90 industry standard modem speeds up to 56 Kbps
- Modems should be configured with no parity, 8 data bits, 1 stop bit and full duplex.

With VPN Connections - 2 options are available.

- Checkpoint Secure Client VPN Connection
  - Connection must be encrypted with the following parameters. 3DES Encryption Algorithm, SHA1 Authentication Algorithm, and Pre-Shared Secret as Authentication Mode.
  - Client workstations use Checkpoint client which is a free download from the Internet. RMA will provide connectivity documentation for the initial setup and connection. On going technical support on the client's side will be the responsibility of the AIP.

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- Checkpoint Site to Site VPN Connection
  - A permanent connection to the public Internet is required
  - An industry standard firewall capable of a Site to Site VPN Tunnel over the public Internet. On going technical support on the client's side will be the responsibility of the AIP.

- The IP Server can be reached at 1-800-847-3834. This is a toll-free call available from anywhere in the continental United States. It currently operates forty-six (46) on ISDN-PRI (Digital) service configured as one access group. Any AIP who chooses may establish a dedicated access to the IP Server via the above mentioned Site to Site VPN connection. Those AIPs who wish to have dedicated access would be required to provide the compatible equipment as listed above. AIPs considering a dedicated connection to the IP Server should contact the System Administration Section before making any purchases.

All electronic transmissions must be completed by 8:00 PM Friday CST to ensure the transmission will be included in that week's transactions. Any electronic transmissions not successfully completed by 8:00 PM Friday CST will not be accepted for the current week's transactions.

Except for the maintenance periods, AIP may initiate the transmission at the AIP’s discretion during operational hours. This could include multiple daily submissions.

FCIC will retain the option to stop automatic edit processing, at its discretion. AIPs will still be allowed to continue transmitting data, although it is not immediately processed through the DAS. A temporary stop in automatic edit processing should only occur in case of a DAS processing problem, maintenance, or when the timing of edit revisions must coincide with a particular point in time of the submission cycle. In the event that automatic edit processing is stopped for more than one hour, the AIPs will be notified when processing has resumed. All submissions sent during this period will be processed separately in the order they are received.

All accounting reports must be downloaded by the AIPs via telecommunications processing. These reports will be made available on a monthly basis. AIPs may query the telecommunications facility any time to see if the accounting reports are ready to be downloaded.

B DAS Report Handling

All reports, error listings and operations reports will be made available to the AIP for downloading via the Web Server.

C EDAS Telecommunications/Security

1. All eDAS transactions will take place on a web server. A user id and password are required to use eDAS. These items will be given to each AIP by RMA upon request. XML data transfer will take place along a 128-bit SSL link. Performing a HTTP XML post to eDAS may be done with many languages including Perl, Java, or Windows Server Com objects XMLDOM and XMLHTTP.

2. AIP must submit a FCI-586 to RMA Security for approval. Upon approval RMA Web Team will establish a Virtual Host on the Web Server and assign a VPN account. RMA Security will assign a Web App account.

3. There are two versions of the web app, Admin and Sales. In both cases, the web app is secured by 128-bit SSL. The Sales web app is not restricted to IP address since an agent could log in from somewhere other than the AIP office. The Admin web app is secured by the AIP ID and password provided by RMA (changed every 6 months). The AIP controls the ID and password of their agents to be used for the Sales web app. Agents can log into the Sales web app using the ID and password that is submitted via the agent section. If an AIP does not provide an ID and password for an agent, that agent will not have access to the Sales web app. For problems related to ID or password contact RMA Web Team at 816-926-7301 or via email webteam@rma.usda.gov.

URL's:

POST (SOAP)
Test:
https://online-test.rma.usda.gov/apps/edas_service/main.asmx

Prod:
https://online-livestock.rma.usda.gov/apps/edas_service/main.asmx

POST (without SOAP)
Test:
https://online-test.rma.usda.gov/apps/edas_service/index.aspx

Prod:
https://online-livestock.rma.usda.gov/apps/edas_service/index.aspx

SECTION 6 PROCESSING CONSIDERATIONS

DAS Processing Considerations

A 1. FCIC will maintain Policy Databases which contain the current net cumulative effect of all transactions for an eligible crop insurance contract and required supporting data. An eligible crop insurance contract is identified in the policy database, based on the following fields, Approved Insurance Provider, Location State, Policy number and Crop Year. All transmitted records accepted for a policy fully replaces all previously accepted data for the eligible crop insurance contract.

2. The Record Type fields: RMA Internal use only, Filler and Reserved, will be initialized by RMA. AIP transmitted data will be replaced with appropriate default value and may be overlaid with RMA Internal values.

B Acceptable record types and specific handling considerations for DAS are as follows:

1 Type 9 - Fund Designation Record

Timely acceptance of the Type 9 record is required to establish the eligible crop insurance contract into either the Assigned Risk or Developmental Fund. Any eligible crop insurance contract not designated by the AIP to the Assigned Risk Fund or the Developmental Fund will be designated to the Commercial Fund. If an eligible crop insurance contract was established into a Fund, the policy can be timely transferred to the Commercial fund by submitting a type 9 record before the Fund Designation transaction cutoff date for the eligible crop insurance contract. If a Type 9 record is not accepted for an eligible crop insurance contract, it will be designated as commercial. The type code and practice code may be required for crops with more than one sales closing date to determine fund designation based on the sales closing date. Type 9 records are submitted for the eligible crop insurance contract on location state and location county basis. Once a record has been accepted it does not need to be resubmitted. RMA may accept fund designations records after the ADM Records have been released for the crop. Refer to Fund Designation Guidelines in Exhibit 9-1.

2 Type 10 - Policy Record

Type 10 records are used to establish a policy and provide information regarding the policyholder and entities with a Substantial Beneficial Interest, Spouse, Landlord and Transfer of right to indemnity. A Type 10 record requires at least one Type 14 record to be submitted with it. The Type 10 record identifies the data elements required for the timely reporting of an eligible crop insurance contract.

The DAS requires a Type 10 record with a record number of "001." This is considered the “primary” insured, and establishes the contract within the system. If a Type 10 with a record number of "001" is not submitted, then all records for

the contract will be rejected. DAS will allow a Type 10 record for each crop year covered under the policy number. All Type 10 records with a record number other than "001" are considered a Spouse, SBI, Landlord or Transfer of right to indemnity entities with a SBI in the farming operations of the primary insured. SBI records are required for the determination of the timely reporting of an eligible crop insurance contract. If any Type 10 record is rejected, then all records for the contract will be rejected. SBI record requirement is based on the entity type on the primary Type 10 record (See Exhibit 10-1).

A Type 49 Delete record will remove the policy and all records for the policy from FCIC's Databases and Duplicate ISAM files.

3 Type 11 - Acreage Record

Type 11 records are used to establish premium and liability for each acreage line. The record also identifies the land location and allows reporting of common USDA information. Legal descriptions in a section that has a high risk area designation will receive a warning for partial sections and be rejected for sections completely within a high risk area designation.

A Type 11 record will not be accepted until corresponding Type 10, Type 14, Type 15 (if required - See Exhibit 15-4), and Type 17(if required - See Exhibit 17-1) records have been accepted by the DAS. A Type 11 zero acreage record must be submitted for zero acres, uninsured acres, no history acres (no APH records) and units not planted, on the eligible crop insurance contract. To modify data previously accepted, all current and valid records for the policy must be resubmitted. A Type 11 record will not be accepted until after the accounting cutoff preceding the date insurance attaches for the insured commodity.

Previous Insurance Experience/Premium Adjustment

Insureds may have had favorable insurance experience and earned premium discounts on some crops provided by previous policy provisions prior to 1988. The AIP must retain previous insurance experience, if the insureds have been continuously insured on the same crop and county in order for the insured to remain eligible for any favorable insurance discount factor. For insureds who switch coverage plans or APH coverage levels, AIP must retain previous insurance experience. The favorable experience factor is not used for GRP, GRIP, CRC or RA, or when calculating CAT premium.

4 Type 12 - Payment Record

Type 12 records are used to record/report payments by producers for each eligible crop insurance contract. Only one Type 12 record per payment type code will be accepted for the contract. Type 12 transactions may be removed by resubmitting all applicable records for the crop insurance contract or via the

Type 49 delete record with the exception of payment type '02' or '03'.

When reporting CAT fees payments (either money or loss credit) using the Type 12 record, use the payment type "02". A CAT fee receivable must exist before a CAT fee payment is accepted, and the paid amount for CAT fees cannot exceed the total receivable amount reported on the Type 65 record. The paid amount for CAT fees is cumulative. The paid date also must be greater than the debt delinquency date reported on the Type 65 record. Error conditions will occur for any of the following: duplicate Type 12 records, a paid date less than or equal to the debt delinquency date, no match to a receivable, and a paid amount with a $0 value.

When reporting CAT fee payment reversals using the Type 12 record, use the payment type "03". The paid amount for reversals must equal the paid amount reported using payment type "02". The paid date must be the same as the paid date reported on the payment type "02".

The "03" payment type code is the only way to reverse a CAT fee payment. Error conditions will occur for any of the following: duplicate Type 12 records, and the paid amount and/or paid date do not match the previous "02" payment. The Type 49 delete record cannot be used to remove a CAT fee payment. Only the "03" payment type can be used to remove a CAT fee payment.

When reporting state subsidy use payment type code "04".

5 Type 13 - Inventory Value Record

Type 13 records are used to establish premium and insurance values for Nursery (0073) and Aquaculture (0116). A Type 13 record will not be accepted until corresponding Type 10 and Type 14 records have been accepted. A Type 13 record will not be accepted until after the accounting cutoff preceding the date insurance attaches for the insured commodity.

6 Type 14 - Insurance In Force Record

The Type 14 record establishes the crop, county, plan code and reports the eligible crop insurance contract data determined at Sales Closing. The Type 14 record identifies the data elements required for timely reporting of eligible crop insurance contracts. The type code and practice code may be required for crops with more than one sales closing date to determine eligibility based on the sales closing date. Refer to Exhibit 14-1.

7 Type 15 - Yields Record

The Type 15 records are used to record/report APH yield information for designated crops.

A warning message will be issued to companies when the yield year is less than 1970.

If a Type 15 record(s) is rejected, the corresponding Type 11 record will be rejected.

8 Type 17 - Land Identifier Record

The Type 17 records are used to record/report up to ten corresponding legal descriptions and three persons sharing in the crop for the Type 11 record. A Type 17 record is required for each 11 or 15 (see Exhibit 15-4) record reported.

9 Type 20 - Loss Total Record
Type 21 - Loss Line Record
Type 22 - Inventory Loss Record (Nursery (0073) & Aquaculture (0116))

The Type 21 and 22 Records establish the loss amounts for a given eligible crop insurance contract and the Type 20 Record identifies the application or disbursement of loss payments.

AIPs must transmit denied claim records to RMA with all applicable fields recorded for any claim for indemnity inspected by a loss adjuster and denied by the AIP thus resulting in no indemnity payment.

DAS will not automatically accept loss records if the price, coverage level, or market price indicators are accepted or modified after the notice of loss, producer signature date or loss adjuster signature date on the loss records.

Type 20 records are linked by Claim Number to corresponding Type 21/22 records. Therefore, all Type 20 and 21/22 records for an eligible crop insurance contract from the transaction file will replace all Type 20 and 21/22 records for the eligible crop insurance contract on the Policy database.

If a Type 20, 21 or 22 record is rejected, all Type 20, 21 and 22 records for the Claim Number will be rejected. If a Type 11 or 13 record is rejected, the corresponding Type 21/22 records for the crop are rejected, also all other Type 21/22 records for the Claim Number(s) of the rejected crop, along with all applicable Type 20 records for the Claim Numbers of the rejected Type 21/22s.

Optional: An AIP can submit Type 20 losses with loss total code of 'D', Unfunded Escrow, to ensure records clear DAS edits before sending an 'E', Escrow Funded. All loss total codes from the Type 20 will need to be sent every time because the sum of the loss totals should equal the indemnity amount on the Type 21/22 records.

Type 20, 21 and 22 Processing: The Type 20 record is submitted in support of the Payable element in the Type 21 or 22 record. There are four separate "buckets" which identify the amount of the check to the insured; and cover any deduction made from the indemnity, which will be applied to premium on the policy for current year with the loss (M), premium on another policy for current year(P), administrative fees (F), other (O), recovery of a prior or subsequent reinsurance year premium or loss (R) and

Void check (V). The total of any loss application code must be greater than zero.

One Type 21/22 record is submitted for each loss line. More than one Type 20 record may be submitted, if needed, to support the 21/22 record(s).

If any of the "Total" fields on the Type 20 Record contain a "P", the corresponding "P/CR Memo State" and "P/CR Memo Policy Number" fields must contain the Location State and Policy Number for current year to which the "P" amount will be applied. The RAS will show the generated "P" amounts in the loss credit column of the summary report on the designated crop insurance contract.

1 If part of the loss is to be applied to an eligible crop insurance contract under a different AIP number than the eligible crop insurance contract with the loss, the "P/CR Memo Company" field must also be entered. If "P/CR Memo Company" is not entered (value of 000), DAS assumes the same AIP number as the eligible crop insurance contract with the loss and will generate the loss credit accordingly.

2 Rejected P/CR Memo Posting

If the P/CR Memo Policy does not exist in the database or the P/CR Memo Policy has zero premium, then the P/CR Memo posting is rejected. Generated P/CR Memo amounts will not be allowed to create an overpayment on a eligible crop insurance contract. Such rejected postings are printed on a RAS error report titled "P/CR memo Reject Report." An example of this report is found in Exhibit 1. This report will be furnished to the AIP with their Monthly Operations report.

10 Type 25 - Settlement/Arbitration Record

The Type 25 Records establish the settlement amounts for a given eligible crop insurance contract that will not pass normal DAS edits and the Type 20 Record identifies the application or disbursement of loss payments.

Type 20 records are linked by Claim Number to corresponding Type 25 record. Therefore, all Type 20 and 25 records for an eligible crop insurance contract from the transaction file will replace all Type 20 and 25 records for the eligible crop insurance contract on the Policy database

A Type 25 record will not be accepted by DAS until approval has been given by Reinsurance Services Division to pay the requested amount.

11 Type 49 - Delete Records

The Type 49 Records are used to remove all records for the eligible crop insurance contract from the data base(s) and the Dup ISAM. Only one Type 49 Record will be processed per eligible crop insurance contract from the transaction file. Subsequent Type 49 Records for the same eligible crop insurance contract will be rejected.

Type 49 records are processed independently after all other record types have been processed for the eligible crop insurance contract.

12 Type 55 - Agent Data

The Type 55 Records are used to record/report agent information.

Type 55 records may be processed independently or with all other DAS records. This data will be collected by AIP and will be stored in order to identify agents, provide agent counts for AIP, and facilitate the creation of the Agent Location Directory. The agent records on the database are maintained by the AIPs. The acceptance of Type 11, 13 and 14 acreage records is dependent on acceptance of a valid agent SSN on a Type 55 record. Each submission must include the AIP's cumulative agent file for the reinsurance year in its entirety. AIPs are to only report licensed and/or certified agents who are actively participating in the delivery of FCIC approved products. The accepted agent records from each submission will replace all previously submitted agent records. Records will be rejected if the individual agent is currently disbarred or suspended.

13 Type 56 - Loss Adjuster Data

The Type 56 Record is used to record/report loss adjuster information.

Type 56 records may be processed independently or with all other DAS records. This data will be collected by AIP and will be stored in order to identify loss adjusters, provide loss adjuster counts and facilitate compliance analysis. Each submission must include the AIP's cumulative adjuster file for the reinsurance year in its entirety. The accepted adjuster records from each submission will replace all previously submitted adjuster records. The acceptance of Type 21 and 22 loss records is dependent on acceptance of a valid loss adjuster SSN on a Type 56 record. Records will be rejected if the individual adjuster is currently disbarred or suspended.

14 Type 57 – Quality Control Reporting Record

The 57 records are to be submitted annually by April 30 following the crop year for all reviews required to be performed by Appendix IV.

15 Type 70 - Reverse 70 Detail Record

Type 70 records are submitted semi-annually by AIPs for each eligible crop insurance contract (see record descriptor) to reflect the current status of the AIP database. Type 70 records replace and reinitialize FCIC's reconciliation database.

16 Type 71 - Reverse 71 Trailer Record

Only one Type 71 record is permitted with each semi-annual submission of Type 70 records. The counts and amounts (see record descriptor) are used to validate the summation of Type 70 records received.

17 Type 81 - Policy Holder Tracking Experience Inquiry

Type 81 records are output records that are initiated by the setting of the Experience Inquiry flag on the Type 14 record (position 92) for an eligible crop insurance contract. If the Experience Inquiry flag is a 'Y' only the previous year information will be accessed. If the Experience Inquiry flag is a 'F' the previous five years of information will be accessed Both the one-year and five year inquiries are based on the ID Number from the associated Type 10 record (position 82) to perform a search against the data to locate all information for the producer and any SBI's for the crop/state/county contained in the requesting 14 record. The data retrieved is imbedded in the "body" of the Type 81 record (positions 21 - 331) in the same field order and format as that specific in the record type. All Type 10, 11, 14, 15 and 21 records found are returned to the requesting AIP. The Type 14 record that requested the inquiry is imbedded in the Type 81 record when: 1) the value of the Experience Inquiry flag is an invalid value, 2) no prior year records were found for the producer, or 3) when the producer's prior year insurance was with the requesting AIP. RMA may limit repeated Policy holder tracking requests.

C INELIGIBLE TRACKING SYSTEM

1 Type 60 Ineligible Producer Input Record

Type 60 records are used to submit information regarding a producer's ineligibility status for participation in the crop insurance program. These records must be submitted in a separate file from all other record types and placed in the IT Input directory that has been established for each transmitting AIP on the IP server. Once per day a process collects all files transmitted, validates the data submitted and outputs 3 types of files to the IT Output directory on the IP server : 1) .acp - accepted transactions, 2) .rej - rejected transactions and 3) .err - error codes. The accepted transactions are loaded to the Ineligible Tracking System database and notification letters are generated and distributed to the ineligible producers upon their initial entry into the system for a period of ineligibility.

2 Type 60E - Ineligible Producer Error Record

Type 60E records are generated during the Ineligible Tracking edit process. They will contain all errors for each Type 60 record that is rejected during the edit process. The file containing these records is placed in the submitting companies' IT Output directory on the IP server (.err).

3 Type 61 Ineligible Producer Output Record

Type 61 records are generated from the Ineligible Tracking System database and output to the IT Output directory on the IP server for all companies. This file is an accumulation created daily after each ITS load of ALL producers that have been reported as ineligible, their period(s) of ineligibility and their current eligibility status. This also includes persons reported by the Risk Management Agency for suspension/disqualification/debarment.

4 Type 65 – CAT Fee Receivable Record

Type 65 records are submitted along with Type 60 (Ineligible Producer) if the debt is all or partially due to unpaid CAT fees.

5 DAS Ineligible Edit Process

The DAS edit process accesses the ineligible tracking system database to validate policy records. The DAS will reject eligible crop insurance contracts for a producer if the applicable sales closing date/termination date for the crop in the county falls during a period of ineligibility.

Consider the following examples:

A. Single Sales Closing Date

- **Prior Year Term Date is the same as the Sales Closing Date**

  Producer reported as ineligible
  - o Producer became ineligible on 3/15/1999
  - o A policy is submitted for a crop with sales closing date and prior year termination date of 3/15/1999.

  The policy would be rejected for that crop since the sales closing date is greater than or equal to the date of the ineligibility. If the sales closing date had been prior to the date of ineligibility, the crop policy would have been accepted.

  Producer reported as ineligible and has become eligible
  - o Producer became ineligible on 9/30/1998
  - o Producer became eligible on 3/16/1999
  - o A policy is submitted for a crop with sales closing date and prior year term date of 3/15/1999

  The policy would be rejected for that crop since the sales closing date falls within the period of ineligibility. If the eligible date had been 3/15/1999, the crop policy would have been accepted.

  Producer with more than one period of ineligibility
  - o Producer became ineligible on 9/30/1998
  - o Producer became eligible on 12/01/1998
  - o Producer became ineligible on 2/01/1999
  - o Producer became eligible on 3/15/1999
  - o A policy is submitted with 3 crops:
    - Crop 1 - sales closing date 10/31/1998
    - Crop 2 - sales closing date 1/31/1999
    - Crop 3 - sales closing date 2/28/1999

  The policies for Crop 1 and Crop 3 would be rejected since the sales closing dates fall within the period of ineligibility.

  The policy for Crop 2 would be accepted since the sales closing date for that crop falls within a period of time that the producer is eligible.

- **Prior Year Term Date is later than the Sales Closing Date**
  - o Producer became ineligible on 4/15/2002
  - o A policy is submitted for a crop with sales closing date 3/15/2002 and prior year termination date 4/15/2002

  The policy would be rejected for that crop since the prior year termination date is the same as the ineligible date. The prior year termination date is used to determine eligibility in this situation because the producer would unfairly be allowed a

policy for the next crop year if the sales closing date had been used. If the sales closing date had been used to determine eligibility, the producer would have no penalty for not paying for the prior year policy premium/CAT fees by the term date.

B. Multiple Sales Closing Dates

If the eligible crop insurance contract is a new eligible crop insurance contract where the producer is ineligible on the first sales closing date but becomes eligible by the second sales closing date, then the record for the second sales closing date will be accepted.

If the eligible crop insurance contract is a continuing eligible crop insurance contract, then the producer is ineligible for the crop and the record will be rejected. For a continuing eligible crop insurance contract, the producer must be eligible on the first sales closing date to be eligible for the crop for the submitted crop year.

C. Agent is reported as ineligible

- Agent became ineligible on 09/12/2003.
- Agent becomes eligible on 09/12/2010.

Eligible Crop Insurance Contract 1 - T11 record agent signature date is 09/10/2003.

Eligible Crop Insurance Contract 2 - T11 record agent signature date is 9/14/2003.

The agent is eligible for an eligible Crop insurance contract 1 because the agent signature date is before the agent became ineligible. Additional edits are done to further determine eligibility.

The agent is ineligible for an eligible Crop insurance contract 2 because the agent signature date falls between the agent's ineligible and eligible dates. The T11 record would reject.

D. Loss adjuster is reported as ineligible.

- Loss adjuster becomes ineligible on 12/3/2004.
- Loss adjuster becomes eligible on 12/3/ 2008

Loss 1 – T21 record loss adjuster signature date is 12/08/2004.

Loss 2 – T21 record loss adjuster signature date is 11/30/2003.

The loss adjuster is ineligible for Loss 1 because the loss adjuster signature date falls between the loss adjuster's ineligible and eligible dates.

The loss adjuster is eligible for Loss 2 because the loss adjuster signature date is before the loss adjuster became ineligible.

5. DAS Duplicate Edit Process

The duplicate edit process is designed to reject duplicate eligible crop insurance contracts or identify possible duplicate eligible crop insurance contracts reported to RMA. The process determines the ownership of an eligible crop insurance contract and is based on the definition of a duplicate eligible crop insurance contract and a possible duplicate eligible crop insurance contract key. Duplicate or Possible Duplicate eligible crop insurance contracts are identified by DAS errors and are reported to companies weekly.

In the case of Duplicate eligible crop insurance contract**S** (i.e. same tax id number, tax id type, entity type, location state, location county, crop code, and type code (grapes only crop code 0052 and 0053)), DAS will determine the owner IP based on signature date and transferred cancellation fields on the Type 14 record.

If any of the duplicate eligible crop insurance contracts are indicated as a 'Transfer and Cancellation' eligible crop insurance contract on the 14 record, the Dup process will use the earliest signature date for the current sales period to determine ownership. The 'sales period' starts the day following the earliest sales closing date for the previous crop year and continues through the latest sales closing date for the current crop year. If none of the duplicate eligible crop insurance contracts are indicated as being a 'Transfer and Cancellation' eligible crop insurance contract, then ownership will be determined by earliest signature date without regard to the sales period.

Companies will be notified of Duplicate eligible crop insurance contracts on a batch transmission basis through the DAS edit process. In addition, on the first business day following the transaction cutoff date for weekly data reporting, companies will be provided a summary report identifying the count of duplicate policies with another AIP and the number of ownership eligible crop insurance contracts where another AIP has a duplicate eligible crop insurance contract.

After the weekly cutoff, the RORYOWN and RORYDUP reports will be generated from the duplicate eligible crop insurance contract information captured during DAS processing. For RY 2005 and succeeding years, RMA will remove DAS determined duplicate crop/county eligible crop insurance contract records (Type 14 records), in the RORYDUP report, from the Dup ISAM and the Policy databases.

Once this weekend process is complete, the DAS determined 'owner' eligible crop insurance contract will remain in the DAS System and should not receive a duplicate error when re-transmitted. AIPs must take action to ensure that duplicate eligible crop insurance contracts listed in the RORYDUP report are NOT re-transmitted to DAS.

D DAS REPORTS

The Data Acceptance System provides AIPs the following reports, transmission data files and reference files to assist error resolution and status.

1. Reports

Summary Report (.sum): provides transactional, financial and error statistics on each transmission. The report identifies the input file name, the run date and time, and the received date and time. The transactional statistical section provides counts by record type of: submitted; accepted; rejected; and suspended records. The financial statistical section provides the associated dollar amount of: submitted, (if a type 97 record is included in the transmission); accepted; rejected; and suspended records. The error statistics sections lists the error code and message received and the number of records in error.

Premium and Loss Error Report (.rp2): provides by crop, the dollar amount of premium and indemnity rejected by error code combination. The number of records and eligible crop insurance contracts are also listed.

Error Report (.rpt): is a formatted report by eligible crop insurance contract listing the record(s) and field(s) in error. It identifies the data in error and what is expected in the field.

2. Transmission Files

Rejected File (.rej): contains the records rejected with errors by DAS with an additional 50 bytes of data used internally by DAS.

Error File (.err): lists the record key with an error, the error code, data in error and the expected data.

Accepted File(.acp): contains the records accepted by DAS with an additional 50 bytes of data used internally by DAS. AIPs may request this file be placed in their Directory.

Accepted Fund Designation File (.fun): contains the Type 9 records accepted by DAS with an additional 50 bytes of data used internally by DAS. This file is provided to AIPs confirming fund designation by RMA.

3. Weekly Reports/Files

Duplicate Report Files are put on the IPSERVER every Monday at 12:00pm. They contain the eligible crop insurance contracts, identified by DAS, as being a duplicate.

IPRYSUM.TXT – a report file showing duplicate policy and owner policy summary information for IP/RY.
IPRYDUP.TXT – a data file containing duplicate policy identification along with owner policy info for IP/RY.
IPRYOWN.TXT – a data file containing owner policy identification along with duplicate policy info for IP/RY.

The mini-40 reports are put on the IPSERVER every Monday at 12:00pm and on Tuesday evening at 6:00pm. This report is a listing by policy of the premium and indemnity with totals, accepted by DAS the previous week.

Written Agreement reports are put on the IPSERVER every Monday at 12:00pm. Each IP will be provided with two files. A file for their own written agreement policy data that has been accepted through DAS. The second file for the written agreements offered by the RMA Regional Office for that IP. The files are made available to the IP's via the 'ip server' and to the RO's via the KCSN101 system. The file naming conventions are 'ipyywaip.txt' (IP data) and 'ipyywaro.txt' (RO data).

4. Reference Files

The Max Yield text files contain the values used by DAS for edits for the Approved Insurance Providers use. They are put in the Miscellaneous Files directory on the ftp server on Monday morning and if the files are updated during the week. It contains the highest yield, the corresponding maximum warning yield level (beyond which a yield must be reviewed), the maximum yield allowed and any override value documented and approved by PDD for each insurable State, Crop, County, Type and Practice. Default values are provided at the State and Crop level.

The Error Message text files contain the associated text message for the numeric DAS errors. These files can be found in the Miscellaneous Files directory by RY.

The Land Location File consists of Public Land Survey identifiers indexed by state and county, and is a copy of the file used to validate PLSS identifiers submitted by Approved Insurance Providers on the type 11 and 17 records and on exhibits 135 and 140.

The data in the Land Location File is derived from PLSS spatial data (i.e. GIS format) collected and maintained by RMA. Modifications are made (a) when queries from AIP's are validated, and (b) when newer or more complete PLSS spatial data is acquired for a specific state.

eDAS Processing Considerations

A. 1. FCIC maintains all eDAS transactions, which will be stored in an Informix eDAS database. Exception for new eDAS format, this will be the most recently accepted transactions stored in an Informix eDAS database. Once an original, modify, delete, or cancel passes all edits and therefore is accepted by eDAS, it will be copied to the Policy database.

2. eDAS does not require the bundling of an entire set of sections for a policy. Once the data is accepted only the 'KEY' and data being modified will need to be resent. Note - under the new eDAS format on an update, only the key fields that define the sections are required plus any changed fields or new sections.

3. Change flag will default to 2 and process flag will default to 1 unless otherwise indicated. A section will inherit the change flag and/or process flag of the parent section unless set by that section. Example: <SBI process flag = "2">.

B. Acceptable sections and specific handling considerations are as follows:

1 AGENT

The AGENT section (AGR/AGR-L, Exhibit 112) is used to record/report agent information.

This data will be used by FCIC to identify agents, provide agent counts for AIP, facilitate the creation of the Agent Location Directory and FCIC planning purposes. eDAS will separate agencies for an agent by using the DETAIL_NUM, listed on the APPENDIX III AGENT section in the DETAIL section. Each DETAIL_NUM represents a separate agency (i.e. Agent ID Code). Use 'comma delimited' to list multiple directory counties for an agent (Example: <DIRECTORY_COUNTY>1,2,215</DIRECTORY_COUNTY>). The acceptance of PRODUCER and PREMIUM are dependent on the acceptance of a valid agent SSN. Only report licensed and/or certified agents who are actively participating in the delivery of FCIC approved livestock and AGR/AGR-L products. Records will be rejected if the individual agent is currently disbarred or suspended.

2 ADJUSTER

The ADJUSTER section (AGR/AGR-L, Exhibit 111) is used to record/report loss adjuster information.

Indemnity section (AGR/AGR-L, Exhibit 151-2)is dependent on acceptance of a valid loss adjuster SSN. Data will be rejected if the individual adjuster is currently disbarred or suspended.

3 REVIEWER

The REVIEWER section (Exhibit 116) is used to record/report reviewer information.

For Livestock the AIP is required to review a minimum of 5 percent of the insurance contracts and 5 percent of indemnified contracts. This data will be used by FCIC to facilitate compliance analysis. Premium and indemnity that have been reviewed (flagged) are dependent on eDAS acceptance of a reviewer. Reviewer SSN reported on premium and indemnity will be verified against the reviewer database.

4 ENTITY

The Entity section (Exhibit 121) is used to record/report the producer information.

5 SBI

The SBI section(Exhibit 126) is used to record/report substantial business interests information related to the entity.

The company is required to collect and report all entities with significant business interests. This data will include SSN, EIN, and share of the SBIs.

6 POLICY

The Policy section (Exhibit 122) is used to record/report the policy number.

7 FUND

The FUND section (Livestock, Exhibit 130 and AGR/AGR-L, Exhibit 131) is used to record/report fund designation information.

Livestock - eDAS will generate initial fund data with fund designation flag set to 'C' (Commercial Fund) when premium is accepted AIP may designate to Private Market Fund by resubmitting fund data with flag set to 'P' within two Federal workdays after the acceptance date of premium (fund lockdown date). Example: premium accepted by eDAS/UCM Monday, lockdown will be Wednesday at midnight. If change flag equals 3, AIP must submit a request to Reinsurance Services Division (RSD) for approval.

AGR/AGR-L - The Fund section will be used to designate for the crop/plan Assigned Risk, Developmental, or Commercial Fund. If a crop/plan was established into the Assigned Risk or the Developmental Fund, the crop/plan can be timely transferred to the Commercial Fund.

8 PAYMENT

The PAYMENT section (AGR/AGR-L, Exhibit 124) is used to record/report payments by producers for each policy. Only one payment section per payment type code will be accepted for the policy. When reporting state subsidy use payment type code "4".

9 CROP POLICY

The Crop Policy section (Livestock, Exhibit 119 and AGR/AGR-L, Exhibit 123) is used to record/report the crop, insurance plan, and location county.

A policy cannot be active for both livestock products (LGM and LRP) for a commodity at the same time within the same reinsurance year and location state. The existing policy can be cancelled if the coverage period has ended and the producer wants to insure another livestock product. Example: Product 1 was purchased for 90 days of coverage. At the end of that coverage the insured can cancel product 1 and purchase product 2 during the next sales period.

For AGR/AGR-L, only 1 crop policy per Tax-ID (Entity) nationwide is allowed. Cannot have both insurance plans.

10 PREMIUM

The PREMIUM section (Livestock, Exhibit 135-0 & 140-0 and AGR/AGR-L, Exhibit 151-0) is used to record/report premium and liability information.

Insurance plan will determine the availability of eDAS and type of data necessary in submission of premium. Premium is dependent on eDAS acceptance of agent, entity, SBI (if applicable) and reviewer (if applicable) and the acceptance by the UCM. Coverage may not be available if the UCM has been expended. When premium is accepted eDAS will assign an approval number. If change flag equals 3, AIP must submit a request to Reinsurance Services Division (RSD) for approval.

For AGR/AGR-L, all detail information must be submitted each time any information is updated. The detail section contains information that's used in the validation and determination of premium.

11 DISBURSEMENT

The DISBURSEMENT section (AGR/AGR-L, Exhibit 150) is used to record/report disbursement information.

12 INDEMNITY

The INDEMNITY section (Livestock, Exhibit 135-2 & 140-2) and AGR/AGR-L, Exhibit 151-2) is used to record/report indemnity information.

Indemnity is dependent on eDAS acceptance of agent, entity, SBI (if applicable), premium, reviewer (if applicable), and adjuster (if applicable). AIP is responsible for determining if an indemnity is due and submission of data to eDAS for validation and acceptance. If change flag equals 3, AIP must submit a request to Reinsurance Services Division (RSD) for approval.

C. Example of new XML_TEMPLATE for AGR/AGR-L:

```
<TRANSACTION>
   <AGENT>
      <!-- Refer to Exhibit 112 for tag information. -->
      <AGENT_DETAIL>
         <!-- Refer to Exhibit 112 for tag information. -->
      </AGENT_DETAIL>
      <AGENT_DETAIL>
         <!-- Refer to Exhibit 112 for tag information. -->
      </AGENT_DETAIL>
   </AGENT>
</TRANSACTION>

<TRANSACTION>
   <ADJUSTER>
      <!-- Refer to Exhibit 111 for tag information. -->
      <ADJUSTER_DETAIL>
         <!-- Refer to Exhibit 111 for tag information -->
      </ADJUSTER_DETAIL>
   </ADJUSTER>
</TRANSACTION>


<TRANSACTION>
   <REVIEWER>
      <!-- Refer to Exhibit 116 for tag information -->
   </REVIEWER>
</TRANSACTION>

<TRANSACTION>
   <ENTITY>
      <!-- Refer to Exhibit 121 for tag information. -->
      <ENTITY_DETAIL>
         <!-- Refer to Exhibit 121 for tag information. -->
      </ENTITY_DETAIL>
      <SBI>
         <!-- Refer to Exhibit 126 for tag information. -->
      </SBI>
      <SBI>
         <!-- Refer to Exhibit 126 for tag information. -->
      </SBI>
   </ENTITY>
</TRANSACTION>

<TRANSACTION>
   <POLICY>
      <!-- Refer to Exhibit 122 for tag information. -->
      <FUND>
         <!-- Refer to Exhibit 131 for tag information. -->
```

```
            </FUND>
            <PAYMENT>
               <!-- Refer to Exhibit 124 for tag information. -->
            </PAYMENT>
            <DISBURSEMENT>
               <!-- Refer to Exhibit 150 for tag information. -->
            </DISBURSEMENT>
            <CROP_POLICY>
               <!-- Refer to Exhibit 123 for tag information. -->
               <PREMIUM>
                  <!-- Refer to Exhibit 151-0 for tag information -->
                  <PREMIUM_DETAIL>
                     <!-- Refer to Exhibit 151-0 for tag information -->
                  </PREMIUM_DETAIL>
               </PREMIUM>
               <INDEMNITY>
                     <!-- Refer to Exhibit 151-2 for tag information -->
                  <INDEMNITY_DETAIL>
                     <!-- Refer to Exhibit 151-2 for tag information -->
                  </INDEMNITY_DETAIL>
               </INDEMNITY>
               <PREMIUM>
                  <!-- Refer to Exhibit 151-0 for tag information -->
                  <PREMIUM_DETAIL>
                     <!-- Refer to Exhibit 151-0 for tag information -->
                  </PREMIUM_DETAIL>
               </PREMIUM>
            </CROP_POLICY>
            <CROP_POLICY>
               <!-- Refer to Exhibit 123 for tag information -->
               <PREMIUM>
                  <!-- Refer to Exhibit 151-0 for tag information -->
                  <PREMIUM_DETAIL>
                     <!-- Refer to Exhibit 151-0 for tag information -->
                  </PREMIUM_DETAIL>
               </PREMIUM>
               <INDEMNITY>
                     <!-- Refer to Exhibit 151-2 for tag information -->
                  <INDEMNITY_DETAIL>
                     <!-- Refer to Exhibit 151-2 for tag information -->
                  </INDEMNITY_DETAIL>
               </INDEMNITY>
            </CROP_POLICY>
            <CROP_POLICY>
               <!-- Refer to Exhibit 123 for tag information -->
            </CROP_POLICY>
         </POLICY>
      </TRANSACTION>
```

D. Example of XML_TEMPLATE for Livestock:

```
<TRANSACTION>
        <AGENT>
        <!-- Refer to Exhibit 112 for tag information. -->
                <AGENT_DETAIL>
                <!-- Refer to Exhibit 112 for tag information. -->
                </AGENT_DETAIL>
                <AGENT_DETAIL>
                <!-- Refer to Exhibit 112 for tag information. -->
                </AGENT_DETAIL>
        </AGENT>
</TRANSACTION>

<TRANSACTION>
        <ADJUSTER>
        <!-- Refer to Exhibit 111 for tag information. -->
                <ADJUSTER_DETAIL>
                <!-- Refer to Exhibit 111 for tag information -->
                </ADJUSTER_DETAIL>
        </ADJUSTER>
</TRANSACTION>

<TRANSACTION>
        <REVIEWER>
        <!-- Refer to Exhibit 116 for tag information -->
        </REVIEWER>
</TRANSACTION>

<TRANSACTION>
        <ENTITY>
        <!-- Refer to Exhibit 121 for tag information. -->
                <ENTITY_DETAIL>
                <!-- Refer to Exhibit 121 for tag information. -->
                </ENTITY_DETAIL>
                <SBI>
                <!-- Refer to Exhibit 126 for tag information. -->
                </SBI>
                <SBI>
                <!-- Refer to Exhibit 126 for tag information. -->
                </SBI>
        </ENTITY>
</TRANSACTION>

<TRANSACTION>
        <POLICY>
        <!-- Refer to Exhibit 122 for tag information. -->
                <CROP_POLICY>
                        <!-- Refer to Exhibit 119 for tag information. -->
                        <PREMIUM>
                        <!-- Refer to Exhibit 135 for LRP tag information -->
                        <!-- Refer to Exhibit 140 for LGM tag information -->
                                <FUND>
```

```
                        <!-- Refer to Exhibit 130 for tag information. -->
                        </FUND>
                        <INDEMNITY>
                        <!-- Refer to Exhibit 135-2 for LRP tag information -->
                        <!-- Refer to Exhibit 140-2 for LGM tag information -->
                        </INDEMNITY>
                    </PREMIUM>
                    <PREMIUM>
                    <!-- Refer to Exhibit 135 for LRP tag information -->
                    <!-- Refer to Exhibit 140 for LGM tag information -->
                        <FUND>
                        <!-- Refer to Exhibit 130 for tag information. -->
                        </FUND>
                        <INDEMNITY>
                        <!-- Refer to Exhibit 135-2 for LRP tag information -->
                        <!-- Refer to Exhibit 140-2 for LGM tag information -->
                        </INDEMNITY>
                    </PREMIUM>
                </CROP_POLICY>
                <CROP_POLICY>
                <!-- Refer to Exhibit 119 for tag information -->
                    <PREMIUM>
                    <!-- Refer to Exhibit 135 for LRP tag information -->
                    <!-- Refer to Exhibit 140 for LGM tag information -->
                        <FUND>
                        <!-- Refer to Exhibit 130 for tag information. -->
                        </FUND>
                        <INDEMNITY>
                        <!-- Refer to Exhibit 135-2 for LRP tag information -->
                        <!-- Refer to Exhibit 140-2 for LGM tag information -->
                        </INDEMNITY>
                    </PREMIUM>
                </CROP_POLICY>
                <CROP_POLICY>
                <!-- Refer to Exhibit 119 for tag information -->
                </CROP_POLICY>
        </POLICY>
</TRANSACTION>
```

E. Example of XML error layout:

```
<ERROR>
 <ELEMENT_NAME></ELEMENT_NAME>
 <NUMBER></NUMBER>
 <ID></ID>
 <NAME></NAME>
 <RECEIVED_VALUE></RECEIVED_VALUE>
 <EXPECTED_VALUE></EXPECTED_VALUE>
 <TEXT></TEXT>
</ERROR>
```

F. Example of XML warning layout:

```
<WARNING>
  <ELEMENT_NAME></ELEMENT_NAME>
  <NUMBER></NUMBER>
  <ID></ID>
  <NAME> </NAME>
  <RECEIVED_VALUE />
  <EXPECTED_VALUE />
  <TEXT></TEXT>
</WARNING>
```

G. Example of XML Disbursement with process flag 1, 2, or 3 where an Indemnity already exists. Automatic deletion of Indemnity is required:

```
<policy process_flag=”2” change_flag=”2”>
        <disbursement process_flag=”3”>
        </disbursement>

        //Automatic deletion of Indemnity by eDAS
        <crop_policy process_flag=”2” change_flag=”2”>
                <indemnity process_flag=”3”>
                 </indemnity>
        </crop_policy>

        //Any other XML sent by company for this policy
       <???>
       </???>
</policy>
```

H. Example of XML Indemnity with process flag of 3 (delete) causing Disbursements to be set to warnings automatically by eDAS.

```
<policy process_flag=”2” change_flag=”2”>
        <crop_policy process_flag=”2” change_flag=”2”>
                <indemnity process_flag=”3”>
                </indemnity>
        </crop_policy>

        //eDAS automatically does an update on Disbursement(s) and sets them to have warnings.
        <disbursement process_flag=”2” change_flag=”2”>
        </disbursement>
</policy>
```

I. Example of XML message layout:

```
                <message>
                    <element_name></element_name>
                    <number></number>
                    <id></id>
                    <text></text>
</message>
```

SECTION 7 ACCOUNTING CONSIDERATIONS

1 RAS REPORTS

A P/CR Memo Reject Report (Exhibit 1)

This report lists all policy record amounts that contain generated P/CR Memo amounts which were not posted. P/CR Memo amounts are rejected when the P/CR Memo policy does not exist or when the P/CR Memo policy has zero premium.

B Reconciliation Reports (Exhibit 4)

A set of reconciliation reports is generated in addition to the various error reports whenever there are unusual circumstances concerning a policy or record type submitted. The purpose of these reports is to perform a verification or validation of data on FCIC's database to the most current data received from the AIP. The AIP should research data appearing on the reconciliation reports and determine what action needs to be taken to correct the discrepancies (i.e., delete, correct, in order to resubmit the records correctly). The amount of negative financial impact to FCIC will be determined and deducted from the Monthly/Annual Operations Report. Following are the four reconciliation reports the AIP may receive:

Discrepancies of Premium by Policy
Discrepancies of Losses by Policy
Discrepancies of Paids by Policy
Discrepancies of Loss-Credits by Policy

The Discrepancy reports, are generated when a policy record that has been submitted by a AIP does not agree with data accepted into the DAS.

C RAS Summary Reports

The RAS generates summary reports based on detailed reinsured contract data submitted by the AIPs each month through DAS. Once data is received from AIPs electronically, the DAS processes the data through FCIC edits/validations, and RAS produces the summary reports. The reports are used to calculate the balance which is due the AIP or FCIC.

The FCIC Detailed Policy Report shows detail policy-level information. It feeds information to the Operations Report which generates grand totals, and consists of the following:

a Premium

The Premium grand total is developed from the Premium Lines Record - Type 11 and 13 and is reported as summarized policy detail for all lines and all crops associated with a policy. Premium is totaled by Crop Year.

b Paid

The Paid grand total is developed from the Payment Record - Type 12 (Payment Type 00) and the RAS currently shows policy detail for the net paid amount. The paid amount should not include administrative fees and must be ≥ zero.

The net paid represents the premium collected by the AIP from the producer (insured). An overpaid amount may exist when a producer overpaid his premium.

c Loss-Credit

1 The Loss-Credit grand total is derived from the Loss Total Record Type 20, which consists of M-Memos and P-Credit Memos. M-Memos are premium amounts due (by producer) that have been deducted from a loss payment by the producer from losses received on the same policy. P-Credit Memos occur when premium due on another policy (in same reinsurance year) is designated with a "P" in the Type 20 record which enables the amount to be deducted from a loss payment on the policy incurring a loss.

2 All other amounts designated in the "1st - 4th Total Amounts" on the Type 20 record appear as a single line item entitled "Loss Deductions (F, R, O)" on the Operations Report.

3 RAS will generate the designated 'P-Credit Memos' into the Loss-Credit column of the Monthly Operations Reports to eliminate out-of-balance conditions.

4 The sum of each loss deduction code for a policy should never be less than zero.

5 An overpaid amount may exist when an excessive amount of an insured's loss was deducted from his policy.

d Subsidy

The Subsidy grand total is the Total Premium minus the Producer Premium submitted on the Premium Lines Record - Type 11.

e Losses

The Loss grand total is derived from the Loss Line Record - Type 21 or 22, which consists of all losses reported by the AIP. The losses are reimbursed to the AIP through the automated escrow process. On a monthly/annual basis, the total of Total Losses will be compared to the sum of "Loss-cr., Escrow, and Drafts" and "Loss Deductions (F, R, O)" and FCIC will pay the lesser amount. FCIC will also adjust the amount of "Drafts Issued (Escrow)" included in the Monthly/Annual Summary Report on the line for "Loss-CR, Escrow and Drafts" to the lesser amount of "Previous Escrow Funded" or "Less Drafts Issued (Escrow)." This will avoid any potential overpayments by FCIC on the Monthly/Annual Summary Reports.

f Cost Share

The total AGR or AGR-L Cost Share reported as additional subsidy.

2 The Monthly/Annual Operations Report (see Exhibit 1, page 1) shows the grand totals of all insurance policies carried by each AIP and provides the balance due the AIP or FCIC. The remainder of the entries on the Operations Report are calculated from entries which the AIP has made on the Premium Due and Premium Due Without Payments Worksheets or derived from other reports generated by RAS.

The following provides a description of how each line item on the Monthly Operations Report is calculated and corresponds to the lettered line items in Exhibit 1-1. All line items represent cumulative totals.

a Net Expense Reimbursement Adjustment - This item represents administrative expense reimbursement based on a percentage of total premium on all non-cat crop policies. This item also includes the CAT loss adjustment expense based on the total CAT premium. The net installment adjustment is supported by the FCIC Installment report. Exhibit 1-2. (Section II, B12b of the SRA)

b Net Contingency Fund – Sales Reduction, Excess Premium Penalty, Compliance Penalty and Agreement Termination Penalty

c Less Premium Collected - Insured's premium collected by the AIP.

d Escrow and Drafts -

1 Escrow is the lesser of the "Previous Escrow Funded" or the amount of "Drafts Issued (Escrow)" (See Items u, v).

2 Drafts - represents the amount paid by the AIP for losses paid to producers if the AIP is not participating in Escrow. It is determined from Type 20 records which contain a "D" for drafts.

e Loss Deductions (F, R, O) - Amounts reimbursed by the FCIC to the AIP for administrative fees (F), recovery of previous or subsequent year premium (R), or other (O) to include interest deduction amounts, which the AIP deducted from their loss reimbursement request.

f State Subsidy - The cumulative amount of all state subsidy based on the 12 record, payment type code = 04.

g AIP Previous Payment - The cumulative amount of other payments received by FCIC via electronic transfer to Treasury by the AIP.

h FCIC Interest Paid - The cumulative total of all interest paid to AIPs by FCIC for late payments, etc.

i Litigation Expense

j Administrative Fee Adjustment - Net fee due FCIC supported by supplemental administrative fee reports. Exhibit 1-3.

k Reduction Due to Reconciliation Report Differences - Net reduction amount based on unreconciled differences from reconciliation reports that have a negative financial impact to FCIC.

l FCIC Interest/Penalty - This item represents interest or penalty assessed against the AIP.

m FCIC Determined Overpaid - Any overpayments that FCIC has made to the AIP.

n FCIC Previous Payment - The cumulative amount of all payments made to the AIP by FCIC for the current Reinsurance Year.

o Escrow Funded - This line item represents the escrow amount the AIP has been funded. The total is summed up to the current cutoff date of the Monthly Operations Report.

p Paid Previous Worksheets - Amounts paid to FCIC on previous worksheets.

q Underwriting Loss – This line item represents the loss taken from the "Reinsurance Run" report. This amount is a calculation of the AIP's loss based on entries made in the Appendix II, together with the Standard Reinsurance Agreement applicable to each respective Reinsurance Year. The report is a summation of reinsured data displayed the fund, state and national (grand total) levels.

r Aquaculture Underwriting Loss - This line item represents the loss taken from the 'Aquaculture Reinsurance Run' report.

s Subtotal - The total of lines preceding this line from the FCIC Due/Paid Column on the Operations Report.

t Total from Current Worksheet - This item represents the combined total from the Premium Due and Premium Due Without Payments Worksheets.

u Balance Due AIP (+), FCIC (-) - The total balance due the AIP or FCIC.

v Previous Escrow Funded - This line item represents the amount of escrow the AIP has been funded, and is reported here when FCIC issues the funds to the AIP. The total is summed up to the current cutoff date of the Monthly Operations Report.

w Less Drafts Issued (Escrow) - This item represents the amount of checks issued to producers for losses, and is accumulated from an "E" that was validated and accepted in the DAS from the Type 20 record.

x Escrow Balance - This item represents the difference between the "Previous Escrow Funded" line and the "Less Drafts Issued (Escrow)" line.

3 The following describes how each line item on the Annual Operations Report is calculated, and corresponds to the lettered line items in Exhibit 1-3. All line items represent cumulative totals.

a Expense Reimbursement Adjustment - This item represents administrative expense reimbursement based on a percentage of total premium on all non-cat crop policies less the reduction for Late Sales Reductions. The CAT loss adjustment expense which is based on the total CAT premium. The net installment adjustment is supported by the FCIC Installment report.

b Net Contingency Fund –(Section II B12b of the SRA) Sales Reduction, Excess Premium Penalty, Compliance Penalty and Agreement Termination Penalty

c Less Premium Collected – Insured’s premium whether or not collected by the AIP.

d Loss-CR, Escrow and Drafts -

1 Escrow is the lesser of the "Previous Escrow Funded" or the amount of "Drafts Issued (Escrow)" (See Items v, w).

2 Drafts - represents the amount paid by the AIP for losses paid to producers if the AIP is not participating in Escrow. It is determined from Type 20 records which contain a "D" for drafts.

3 Loss Credits

e Loss Deductions (F, R, O) - Amounts reimbursed by the FCIC to the AIP for administrative fees (F), recovery of previous or **subsequent** year premium (R), or other "O" to include interest deduction amounts, which the AIP deducted from their loss reimbursement request.

f State Subsidy - Cumulative amount of all state subsidy.

g Subsidy - Cumulative amount of subsidy.

h Cost Share - Cumulative amount of AGR or AGR-L cost share assistance.

i AIP Previous Payment - The cumulative amount of other payments received by FCIC via electronic transfer to Treasury by the AIP.

j FCIC Interest Paid - The cumulative total of all interest paid to AIPs by FCIC for late payments, etc.

k Litigation Expense

l Net Administrative Fee Adjustment - Net fee due FCIC supported by supplemental administrative fee reports.

m Less Reduction Due to Reconciliation Report Differences - Net reduction amount based on unreconciled differences from reconciliation reports that have a negative financial impact to FCIC.

n FCIC Interest/Penalty - This item represents interest or penalty assessed against the AIP.

o FCIC Determined Overpaid - Any overpayments that FCIC has made to the AIP.

p FCIC Previous Payment - The cumulative amount of all payments made to the AIP by FCIC for the current Reinsurance Year.

q Escrow Funded - This line item represents the escrow amount the AIP has been funded.

r Paid Previous Worksheets - Cumulative interest from any worksheets.

s Underwriting Gain/Loss - This line item represents the gain/loss taken from the "Reinsurance Run" report. This amount is a calculation of the AIP's gain/loss based on entries made in the Appendix II, together with the Standard Reinsurance Agreement applicable to each respective Reinsurance Year. The report is a summation of reinsured data displayed at fund, state and national (grand total) levels.

t Aquaculture Underwriting Gain/Loss - same as above except 'Aquaculture Reinsurance Run'.

u Subtotal - The total of lines preceding this line from the FCIC Due/Paid Column on the Operations Report.

v Total from Current Worksheet - Normally this item represents the total from the Premium Due Without Payments Worksheets; however, there is an exception for those companies which had deferred premium. For those companies, on the 1st annual report only, a Premium Due Worksheet calculating interest should also be included in this total.

w Balance Due AIP (+), FCIC (-) - The total balance due the AIP or FCIC.

x Escrow Funded - This line item represents the amount of escrow the AIP has been funded, and is reported here when FCIC issues the funds to the AIP. The total is same as 'p' above.

y Less Drafts Issued (Escrow) - This item represents the amount of checks issued to producers for losses, and is accumulated from an "E" that was validated and accepted in the DAS from the Type 20 record.

z Escrow Balance - This item represents the difference between the "Escrow Funded" line and the "Less Drafts Issued (Escrow)" line.

D RAS Summary Reports – Adjustments for Livestock

Summary reports are generated based on detailed reinsured contract data submitted by the AIPs each month through eDAS. The reports are used to calculate the balance which is due the AIP or FCIC.

1 The FCIC Livestock Detail Report (LADR001)(**EXHIBIT 9-1)** shows detail policy-level information. It feeds information to the Livestock Operations Report, which generates grand totals, and will include the following for Livestock:

A Premium

The Premium grand total is developed from the Livestock Premium Data Identifier and is reported as summarized policy detail for all lines associated with a policy.

B Subsidy

The Subsidy grand total is developed from the subsidy information submitted on the Livestock Premium Data Identifier and is reported as summarized policy detail for all lines associated with a policy.

C Losses

The Loss grand total is derived from the Livestock Indemnity data identifier, which consists of all losses reported by the AIP.

2 The Monthly Livestock Operations Report (LRCP001)(**Exhibit 9-2**) shows the grand totals of all insurance policies carried by each AIP and provides the balance due the AIP or FCIC.

A The following provides a description of how Livestock will be reflected on the Monthly Livestock Operations Report.

1) Net A&O Subsidy - 24.5% Administrative and Operating Subsidy.

2) AIP Previous Payment – The cumulative amount of other payments received by FCIC via electronic transfer to Treasury by the AIP.

3) FCIC Interest Paid – The cumulative total of all interest paid to AIPs by FCIC for late payments.

4) Litigation Expense – Any Litigation expense owed the AIP.

5) FCIC Previous Payment – Cumulative total of all 'Balance Due Company' amounts from all prior months reports.

6) FCIC Interest/Penalty - Interest or Penalty assessed against the AIP.

7) FCIC DET Overpaid – Offline (manual) corrections by the AIPs for overpaid indemnities.

8) Livestock Settlement – This line represents the livestock adjustment supported by the Livestock Settlement Report **(Exhibit 9-3 - new)**.

9) Balance Due Company/FCIC – The total balance due the AIP or FCIC.

2 INTEREST CALCULATION

The AIP will be charged interest in the following cases: Late payments of the balance due on Monthly/Annual Operations Reports, overpayment by FCIC of losses or expense reimbursements, increases in the Premium Due Without Payments Report, and on Premium Variations and on uncollected premiums not paid which are reported on the Premium Due Worksheet. The AIP will pay FCIC interest at the annual fixed rate of 15%. (See Exhibit 6).

A If the balance due FCIC on the Monthly/Annual Operations Report is not received by the last banking day of the month, via electronic transfer to FCIC's account at Treasury, interest will attach from the day following the last banking day of the month and will be charged through the day funds are received at Treasury.

B The AIP will repay, with interest, any amount paid to the AIP by FCIC which is subsequently determined by FCIC or the AIP, to have been not due to the AIP, such as overpaid indemnities or excessive expense reimbursements. Interest begins accruing based on the date of the Final Determination letter. (See Interest Calculation Example 2).

C Increases in premium amounts for a crop contract which occur after a billing date are reported on the Premium Due Without Payments Report. Interest on these increased amounts will accrue from the first of the month following the AIP Payment Date, and will accrue through the end of the month for the monthly report on which the increase was included.

D The AIP will pay interest on any uncollected premiums if the uncollected premiums are not paid to FCIC by the month following the month of the billing date. Interest will attach on any uncollected premiums from the first of the month following the month of the billing date. A full month's interest will be charged for any month or portion of a month that the uncollected premiums are not paid to FCIC. (Exhibit 1)

E All payments are subject to post audit by FCIC.