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Department of
Agriculture



Federal Crop
Insurance
Corporation

FCIC-25010
(11-2013)

FCIC-25010-1
(01-2014)

FCIC-25010-2
(01-2015)

LOSS ADJUSTMENT MANUAL (LAM) STANDARDS HANDBOOK

2015 and Succeeding Crop Years

**RISK MANAGEMENT AGENCY
KANSAS CITY, MO 64133**

TITLE: LOSS ADJUSTMENT MANUAL (LAM) STANDARDS HANDBOOK	NUMBER: FCIC-25010 (11-2013) FCIC-25010-1 (01-2014) FCIC-25010-2 (01-2015)
EFFECTIVE DATE: 2015 and Succeeding Crop Years	ISSUE DATE: Jauary 12, 2015
SUBJECT: Provides the procedures and instructions for administering the general loss adjustment of crop insurance programs	OPI: Product Administration and Standards Division
	APPROVED: /s/ Tim B. Witt Deputy Administrator for Product Management

REASONS FOR AMENDMENT

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

1. Paragraph 37 D – Clarified procedures regarding misreported acreage.
2. Paragraph 62 E (2) – Corrected the referenced paragraph number from 284 to 294.
3. Paragraph 91 B (2)(j) – Clarified procedures regarding insurable native sod acreage that has been tilled for the production of an annual crop after the enactment of the Agricultural Act of 2014.
4. Paragraph 114 B (5) – Added language listing examples of acceptable double-cropping records.
5. Paragraph 253 E – Clarified the entry for diameter squared from 182 to 18².
6. Paragraph 294 – Added language to include OUs under EUs by practice and separate coverage levels.
7. Paragraph 299 A (2) – Added language regarding corrected claims in consideration of precision farming technology systems.
8. Exhibit 2 – Clarified the definition of Liability Adjustment Factor in that it applies to the misreported line and will apply to that line only on the claim form.

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REASONS FOR AMENDMENT (Continued)

9. Exhibit 2 – Clarified the definition of Native Sod based on the Agricultural Act of 2014.
10. Exhibit 2 – Added the term “Vertically Integrated Producer” and referenced the CIH.
11. Exhibit 13(B) – Corrected the referenced section number of the DSSH.
12. Exhibit 16 A (3) – Clarified that the LAF is determined on a line-by-line basis on the claim form.

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2. Special Instructions (Continued)

B. Forms and Specific Entry Instructions (Continued)

- (2) When for a particular loss adjustment form, the **item numbers** for the entry instructions in the FCIC-issued loss adjustment standards handbooks **do not correlate** with **the item numbers on the AIP's form**, AIPs may change the item numbers (only) for the entry instructions to agree with the item numbers on their form.

C Procedures

The Standard Reinsurance Agreement (SRA) states: "Procedures mean the applicable handbooks, manuals, bulletins, memorandums or other written directives issued by FCIC related to the eligible crop insurance contract and the Agreement." Procedures issued by FCIC means issued by the Risk Management Agency (RMA) for FCIC. Section IV. (f)(1)(B). of the SRA states: "The company shall use contracts, standards, FCIC procedures, methods, and instructions as authorized by FCIC in the sale and service of eligible crop insurance contracts." Any FCIC-issued procedures take effect on the approval date of the procedure. For loss adjustment standards handbooks, the approval date is always found at the top of the TP 1 page.

D. Items/provisions or plans of insurance not applicable to Catastrophic Risk Protection (CAT) coverage:

- (1) Written agreements.
- (2) Hail-fire exclusion (also not applicable if additional coverage is less than 65/100 or equivalent coverage).
- (3) High-risk land exclusion.
- (4) Options or endorsements that extend coverage under the crop policy; (Examples of options/endorsements that extend coverage and those that do not, are as follows: (1) The Potato Quality Option extends the coverage from what is found in the crop policy by providing for loss of production due to quality; (2) The Sorghum Silage Endorsement does not extend coverage, it sets up coverage; and (3) The Frost Protection Option does not extend coverage, it reduces the premium because the frost protection provided by the insured reduces the risk of loss.)
- (5) Replanting payments.
- (6) **OUs**.
- (7) Revenue Protection.
- (8) **WFRP**.

2. Special Instructions (Continued)

E. Abbreviations/acronyms, Definitions, Codes, and Units of Measure

- (1) Exhibit 1 contains the abbreviations and acronyms used in this handbook.
- (2) Exhibit 2 contains terms and definitions.
- (3) Exhibit 3 contains cause of loss names and codes; and
- (4) Exhibit 4 contains unit of measure of production and standard weight per bushel, by crop.

3. Operating Policy

A. Regulations or Procedural Conflict

If there is a conflict between any FCIC-issued regulations, provisions, or procedures, the order of precedence is listed in Para. 3 D. All FCIC regulations, provisions, procedures and interpretations of FCIC regulations, provisions, and procedures issued by RMA listed in Para. 3 D take precedence over policy provisions, procedures or any clarification, interpretation of policy provisions or procedures or other materials distributed by an association or AIP.

B. Procedural Questions

- (1) Questions regarding loss adjustment procedures in this handbook are to be directed:
 - (a) to the AIP; then, if not resolved,
 - (b) through appropriate channels within the AIP to RMA's PASD by e-mail at rma.LAM@rma.usda.gov or in writing at the following address:

Office of Deputy Administrator for Product Management
Product Administration and Standards Division
USDA—Risk Management Agency
Beacon Facility—Mail Stop 0812
P.O. Box 419205
Kansas City, MO 64141-6205

RMA will not attempt to instruct agents or insureds of the AIP.

- (2) If a perceived error is identified, notify RMA by e-mail at rma.LAM@rma.usda.gov or in writing at the above address.

Clearly identify the error and provide the proposed correction.

If RMA determines the error identified is significant, RMA will issue a correction either in the existing crop year through a slipsheet to the LAM or a memorandum/bulletin. Conversely, if RMA determines the error identified is not significant, the correction will be included in the subsequent issuance of the LAM.

- (3) For disputes involving procedural interpretations, refer to Para. 323.

PART 2 INSPECTION DUTIES
SECTION 1 PRODUCER ELIGIBILITY AND ENTITIES

21. General Information

Before any loss adjustment or contract service can be initiated, verify that the insured and all who have an interest of 10 percent or more are eligible for insurance and the entity is legal.

22. Insurance Provisions

Insurance will cover a PERSON'S share of an insurable crop as landlord, owner-operator, or tenant.

The definition of "person" is an individual, partnership, association, corporation, estate, trust, or other legal entity, and wherever applicable, a State, or a political subdivision or agency of a State.

"Person" does not include the United States Government or any agency thereof. Refer to Exhibit 2 for definition of "Insured."

A. Duplicate Policies

Duplicate policies are not permitted. Duplicate policies exist when more than one policy (issued under the authority of the Federal Crop Insurance Act) is in force for the same crop/county and for the same person, or for a spouse, child, or other member of the household who does not have a separate farming operation or share in the crop.

AIPs must use RMA's system to determine if more than one policy is in force.

B. Discovered Duplicate Policies

If it is discovered or suspected that duplicate policies exist, notify the next level of supervision. Duplicate policies will be handled in accordance with the procedures in the CIH.

C. AIP Determination of Duplicate Coverage

If the AIP determines duplicate coverage exists and the existence was intentional, the insured may be subject to the consequences authorized under the BPs, the ACT, or other applicable statutes.

D. Duplicate Policy Exceptions

The following are not considered duplicate policies:

- (1) High-Risk Land, as designated by RMA that has been excluded from an additional coverage policy and is insured under a separate CAT policy may be insured on a separate CAT policy provided that on or before the crop's SCD the insured:
 - (a) Executes a High-Risk Land Exclusion Option Form, and
 - (b) Obtains a CAT policy from the same AIP.

22. Insurance Provisions

D. Duplicate Policy Exceptions (Continued)

If the additional and CAT coverage policies are not insured with the same AIP, it is acceptable the first effective crop year for the policies to remain with the respective AIPs unless the AIPs involved agree otherwise.

Example: An additional coverage policy is written with AIP A and a CAT policy is written with AIP B, the CAT policy written with AIP B may remain in effect or may be canceled and rewritten with AIP A. However, the following crop year the CAT policy and the additional coverage policy must be written with the same AIP.

- (2) High-Risk Alternate Coverage Endorsement is designed to exclude all high-risk land by crop and county from the base policy and insure it on a separate additional coverage policy. Refer to the High-Risk Alternate Coverage Endorsement Standards Handbook (FCIC-20190).
- (3) Hybrid Seed Corn or Hybrid Sorghum Seed grown under contract with more than one seed company. These CPs allow:
 - (a) A separate policy for acreage grown under contract with each different seed company. The policies do not have to be insured with the same AIP; however, all acreage of the insured crop in the county must be insured.
 - (b) Different coverage levels may be selected on each separate policy. Payment of losses must be made accordingly and coordinated between policies and AIPs. Unit division is as stated in Para. 132.
- (4) Specialty types listed on the SPs for barley are excluded from a revenue protection policy and insured under the yield protection policy in order to receive a contract price.
- (5) Crops also insured under a WFRP policy are also insured under the BP.

E. CP With More Than One Insurable Crop

The following CP provide coverage for multiple crops: The Arizona and California Citrus, Florida Citrus, Texas Citrus Fruit, Texas Citrus Trees, Coarse Grains, Grapes (California ONLY), Nursery, Small Grains, Stonefruit, and Tobacco. These CP allow insureds to designate which of the crop(s) is to be insured and may indicate which type(s) or variety(ies); e.g., Fresh Apricots and Processing Apricots insured under the Stonefruit CP are separate insured crops. However, this is not considered to be duplicate coverage. The section entitled “Insured Crop” in the applicable CP or the SP indicates the separate insurable crops.

22. Insurance Provisions (Continued)

F. Other Insurance/Excess Coverage

When other:

- (1) Fire insurance is carried on the insured crop, the BP provides for only excess coverage. Refer to Para. 293 for more detailed information.
- (2) Insurance is provided by a WFRP policy, the individual CP provides primary coverage and indemnity payments from those policies. Such payments are considered revenue to count under the WFRP policy.

G. Multiple Benefits From More Than One USDA Program

- (1) If an insured is eligible for an indemnity and is eligible for the same loss under another USDA program, the insured may receive benefits under both programs, unless it is specifically limited by the crop insurance contract or by law.
- (2) Any amount received for the same loss from any USDA program, in addition to the crop insurance payment will not exceed the difference between the crop insurance payment and the actual amount of the loss, unless otherwise provided by law. The amount of the actual loss is the difference between the total value of the insured commodity before the loss and the total value of the insured commodity after the loss.
 - (a) For crops for which revenue protection is not available:
 - (i) If the insured has an approved yield, the total value of the crop before the loss is the insured's approved yield times the highest price election for the crop; and
 - (ii) If the insured has an approved yield, the total value of the crop after the loss is the insured's production to count times the highest price election for the crop; or
 - (iii) If the insured has an amount of insurance, the total value of the crop before the loss is the highest amount of insurance available for the crop; and
 - (iv) If the insured has an amount of insurance, the total value of the crop after the loss is the insured's production to count times the price contained in the CP for valuing production to count.

22. Insurance Provisions (Continued)

G. Multiple Benefits From More Than One USDA Program_(Continued)

- (b) For crops for which revenue protection is available and the insured elects yield protection:
 - (i) The total value of the crop before the loss is the insured's approved yield times the applicable projected price (at the 100 percent price level) for the crop; and
 - (ii) The total value of the crop after the loss is the insured's production to count times the applicable projected price (at the 100 percent price level) for the crop; or
- (c) For crops for which the insured elects revenue protection:
 - (i) The total value of the crop before the loss is the insured's approved yield times the higher of the applicable projected price or harvest price for the crop (If the insured has elected the harvest price exclusion, the applicable projected price for the crop will be used); and
 - (ii) The total value of the crop after the loss is the insured's production to count times the harvest price for the crop.
- (3) FSA or another USDA agency, as applicable, will determine and pay the additional amount due the insured for any applicable USDA program, after first considering the amount of any crop insurance indemnity.

23. Insurance Qualifications

A. Eligibility

- (1) Eligible Person(s). To be eligible for crop insurance the applicant must meet all of the following:
 - (a) Be competent:
 - (i) For crop insurance purposes, only a court can declare an individual incompetent.
 - (ii) A judicially declared incompetent individual may apply for insurance only if a court-appointed guardian signs the crop insurance documents.
 - (iii) Evidence that an insurable share exists for the judicially declared incompetent must be provided to the AIP before acceptance of an Application.

37. Acreage Report (Continued)

D. Misreported Information (MI) on Acreage Reports (continued)

insured reported PP on 500 actual acres, but due to eligibility requirements, 400 of the 500 acres were determined to be ineligible for prevented planting coverage).

- (3) MI determinations are based on the information for the unit acres reported on the acreage report for each type of claim; i.e., only the information from the reported replanted acres are used for MI determinations for replant payment claims, only the information from the reported PP acres are used for PP payment claims, and only the information for the planted acres (including replanted acres) are used for indemnity claims.
- (4) The AIP may correct errors in reporting units while adjusting a loss in order to reduce the AIP's liability and to conform to applicable unit division guidelines.
- (5) The AIP must determine whether there are errors in an insured's reported acreage. If differences exist between the AIP determined information and what was reported, the AIP must apply procedures outlined in this subsection to reconcile any errors on a line-by-line basis.
- (6) Misreporting is correctable via a revised acreage report. The revised acreage report must be processed prior to the claim. The acreage on the revised acreage report will be used as the reported acres. Errors that may be corrected via a revised acreage report include:
 - (a) inadvertent switching of acreage between lines. The AIP should follow guidance in Para. 53B to reconcile these errors.
 - (b) simultaneous over and under reporting between lines. The AIP must determine that this was in error and not an attempt to under report liability for the purpose of reducing premium. Revision of simultaneous over and under-reporting of APH is not allowable or subject to the stipulations of this subsection.
 - (i) The AIP can only make revisions to the extent that those changes hold liability to that which was initially reported and thus cannot increase liability.
 - (ii) The AIP cannot shift over-reported acres from one line to multiple lines to correct multiple misreporting errors. For example, the line for unit 0001 is over-reported and the lines for units 0002 and 0003 are under-reported. The AIP must determine which line 0001 is simultaneously misreported with. The AIP cannot shift acres to more than one line from 0001. The AIP must justify and document on a special report why the acres were shifted.

37. Acreage Report (Continued)

- (iii) When correcting acres, the AIP cannot lower the acres of an over-reported line lower than those determined. After over-reported acres on a line have been corrected, they are eligible to be shifted to another line.
 - (c) The AIP must correct over-reported lines. Shifting of any over-reported liability can only occur if consistent with (b) of this subsection.
 - (d) Misreporting of APH should be reconciled in accordance with Para. 53 (G) & (H), as applicable.
- (7) The AIP must determine if misreporting has occurred on any line on the acreage report prior to processing a claim. An insured has not accurately reported their unit if any information contained on the acreage report for that unit is incorrect. The AIP will use the determined information to ensure both the acreage report and claim are accurate on a line-by-line basis. Refer to subparagraph 53(B)(9) for information regarding correctable transposition acreage report errors.
- (8) If the insured **over-reports liability** for the unit (reported information results in liability higher than the liability determined by the AIP to exist), the information contained in the acreage report will be revised to be consistent with the correct information. AIPs must correct over-reporting prior to processing the claim. The AIP must determine the source of misreporting on the acreage report and correct those errors based on the information determined by the AIP. Any overstated premium resulting from the over-reported liability will be reduced accordingly and refunded to the insured if already paid.
- (9) If the insured **under-reports liability** for the unit (reported information results in liability lower than the liability determined by the AIP to exist), the loss liability for the unit will be held to the liability reported by reducing the production guarantee or amount of insurance on the unit by the LAF. In order to appropriately hold the liability of the unit to that which was reported, the AIP must identify the under-reported information on the acreage report and apply the procedures outlined in this subsection to reconcile those errors. (Refer to Exhibit 2 for definition of LAF.) In the event the insurable acreage is under-reported for any unit and a claim for indemnity is submitted, all production or value to count from all of the insurable acreage (reported and not reported) will count against the guarantee.
 - (a) The AIP should determine if misreporting has occurred in accordance with Para. 37(D)(6) above.
 - (b) The AIP will then apply a LAF to each under-reported line on the unit. Each line will have a LAF calculated from the data on that line.
 - (c) The LAF is always less than or equal to 1.000000.

37. Acreage Report (Continued)

Example 1: EU under-reported. The AIP will apply a LAF to under-reported lines.

Unit	Reported Acres	Reported Liability	Determined Acres	Determined Liability	LAF	Loss Guarantee
0001-0001	100	\$500.00	100	\$500.00	1.000000	\$500.00
0001-0001	45	\$225.00	50	\$250.00	0.900000	\$225.00
0001-0001	50	\$250.00	50	\$250.00	1.000000	\$250.00
total	195	\$975.00	200	\$1,000.00		\$975.00
0001-0002	65	\$325.00	100	\$500.00	0.650000	\$325.00
0001-0002	45	\$225.00	50	\$250.00	0.900000	\$225.00
0001-0002	35	\$175.00	50	\$250.00	0.700000	\$175.00
Total	145	\$725.00	200	\$1,000.00		\$725.00
EU total	340	\$1,700.00	400	\$2,000.00		\$1,700.00

Example 2: EU under-reported. Lines 2 & 3 simultaneously over and under-reported. Lines 5 & 6 under-reported.

Unit	Reported Acres	Reported Liability	Determined Acres	Determined Liability
0001-0001	100	\$500.00	100	\$500.00
0001-0001	55	\$275.00	50	\$250.00
0001-0001	45	\$225.00	50	\$250.00
total	200	\$1,000.00	200	\$1,000.00
0001-0002	100	\$500.00	100	\$500.00
0001-0002	45	\$225.00	50	\$250.00
0001-0002	35	\$175.00	50	\$250.00
Total	180	\$900.00	200	\$1,000.00
EU total	380	\$1,900.00	400	\$2,000.00

Reconciled Misreporting: The AIP will shift the acreage in lines 2 & 3 and apply a LAF to under-reported lines 5 & 6.

Unit	Reported Acres	Reported Liability	Determined Acres	Determined Liability	LAF	Loss Guarantee
0001-0001	100	\$500.00	100	\$500.00	1.000000	\$500.00
0001-0001	50	\$250.00	50	\$250.00	1.000000	\$250.00
0001-0001	50	\$250.00	50	\$250.00	1.000000	\$250.00
total	200	\$1,000.00	200	\$1,000.00		\$1,000.00
0001-0002	100	\$500.00	100	\$500.00	1.000000	\$500.00
0001-0002	45	\$225.00	50	\$250.00	0.900000	\$225.00
0001-0002	35	\$175.00	50	\$250.00	0.700000	\$175.00
Total	180	\$900.00	200	\$1,000.00		\$900.00
EU total	380	\$1,900.00	400	\$2,000.00		\$1,900.00

37. Acreage Report (Continued)

Example 3: EU with multiple reported acreage and APH errors. Lines 2 & 4 have simultaneous under and over-reported acres. Line 2 has an under-reported APH. Line 3 is under-reported. Line 4 has over-reported APH. The entire unit is under-reported.

Unit	Reported APH Yield	Reported Acres	Reported Liability	Determined APH Yield	Determined Acres	Determined Liability
0001-0001	125	100	100000	125	100	100000
0001-0002	125	90	90000	156.25	100	125000
0001-0003	156.25	95	118750	156.25	100	125000
0001-0004	156.25	110	137500	125	100	100000
0001-0005	150	100	120000	150	100	120000
		495	566250		500	570000

Reconciled Misreporting: Shift simultaneous over and under-reported acres on lines 2 & 4. Revise over-reported APH on line 4. Apply LAF to all remaining under-reported lines.

Unit	Reported APH Yield	Reported Acres	Reported Liability	Determined APH Yield	Determined Acres	Determined Liability	LAF	Loss Guarantee
0001-0001	125	100	100000	125	100	100000	1.000000	100000
0001-0002	125	100	100000	156.25	100	125000	0.800000	100000
0001-0003	156.25	95	118750	156.25	100	125000	0.950000	118750
0001-0004	125	100	100000	125	100	100000	1.000000	100000
0001-0005	150	100	120000	150	100	120000	1.000000	120000
		495	538750		500	570000		538750

- (10) If the AIP discovers the insured has incorrectly reported any information on the acreage report for any crop year, the insured may be required to provide documentation in subsequent crop years substantiating his/her report of acreage for those crop years, including, but not limited to, an acreage measurement service at his/her own expense. If the correction of any misreported information would affect an indemnity, PP payment or replant payment that was paid in a prior crop year, such claim will be adjusted and the insured will be required to repay any overpaid amounts. If the AIP has evidence the insured intentionally misreported (misrepresentation) acreage information, the voidance provisions in section 27 of the BP apply. If the AIP does not have evidence that the acreage information was intentionally misreported (misrepresentation), the MI provisions apply.

E. Revised Acreage Report. Acreage reports cannot be revised except as outlined in Para's 52 and 53.

38. Hail and Fire Exclusion

A. Eligible Acreage

- (1) The hail and fire exclusion applies to all acreage of the crop insured at an equivalent to a minimum 65 percent coverage indemnified at the 100percent price election (also refer to B(2) below). If a whole-farm unit is elected, hail and fire coverage may be excluded if allowed by the SP.
- (2) Due to an insured's ability to select different price elections or different coverage level percentages for different types of the same crop, such as dry beans, dry peas or grapes, a single crop policy may have some types with sufficient coverage to exclude hail and fire and some with less than the minimum coverage required. When this occurs, hail and fire is excluded only from acreage with at least minimum coverage.

B. Verifying Adequate Liability

- (1) The AIP must ascertain/verify that for the crop year of the claim, the amount of liability under the hail and fire policy equals or exceeds the liability amount that would have been provided by the MPCCI policy for that crop year. Liability for acreage that is eligible for prevented planting but was not planted is NOT considered and the premium is not reduced on such acreage.
- (2) To determine if the minimum required hail and fire liability is in place for a revenue protection plan of insurance policy, or revenue protection with the harvest price exclusion plan of insurance policy, the amount of liability (for this purpose only) will be computed based upon the projected price.
- (3) When ascertaining whether there is adequate liability, uninsurable acreage must be considered. If uninsurable acreage is involved, the total liability under the hail and fire policy may exceed the MPCCI crop insurance liability due to the extra acreage (uninsured acreage), yet the insured still MAY NOT have adequate hail and fire liability to allow exclusion of hail and fire coverage the MPCCI policy.

Verification: Based on the above, the insured's hail and fire liability of \$50 per acre does not equal or exceed the \$100 per acre liability that would have been provided by the MPCCI policy; therefore, the insured does not have adequate liability to exclude hail and fire from MPCCI coverage.

C. Damage Exceeds Deductible

If damage results from hail or fire and a hail and fire exclusion is in effect, the adjuster will make an appraisal for uninsured (excluded) causes of loss if the damage exceeds the deductible established in the policy. Use the following instructions for computing and entering the appraisal in the "Uninsured Cause" column.

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53. Revised Acreage Reports - After the ARD (Continued)

B. When Acreage Report Revisions Can Be Done Without a Crop Inspection (Continued)

- (c) When the acreage report is revised to correct an inadvertent switching of acreage, the revised acreage report must be processed prior to the claim. The acreage on the revised acreage report will be used as the reported acres and cannot be used as the determined acres also. The determined acres must remain a separate determination.

Example: 100.0 acres was initially reported as irrigated and 50.0 as non-irrigated; however, the acres for the two practices were inadvertently switched. The determined acres for the irrigated acreage is 51.5 acres; the revised reported acres are 50.0 acres, so there is 1.5 acres under reported for this practice. The determined acres for the non-irrigated acres are 98.0 and the revised reported acres are 100.0, so there is 2.0 acres over reported for this practice.

- (d) The following can be considered correctable if the AIP believes that the insured did not switch the acreages to benefit from lower premiums, and so on:
 - (i) Acreages for practices were inadvertently switched. For example: 100.0 acres were reported as irrigated and 50.0 as non-irrigated, however, the acres for the two practices were inadvertently switched when reported. (The inadvertent switch of acreage may occur within the same unit, or for additional coverage, it may occur between different units when there are **OUs** for irrigated and non-irrigated acreage.)
 - (ii) Acreages for different types were inadvertently switched. For example: 150.0 acres were reported as oil type (048) sunflowers and 100.0 acres were reported as non-oil type (049) sunflowers; however, the acres for the types were inadvertently switched when reported. The inadvertent switch may occur within the same unit, or when **OUs** are allowed by type for the coverage selected, the inadvertent switch may involve different units.
 - (iii) Acreage between legal descriptions was inadvertently switched. For example: Unit 0001-0002OU has 100.0 acres reported with legal description Section 2, Township 5, Range 3. Unit 0001-0001OU has 150.0 acres reported with legal description Section 1, Township 5, Range 3. The legal descriptions are correct for the unit structures shown on the APH form. However, the acreage for the legal descriptions was inadvertently switched. (The inadvertent switch may occur within the same unit; or may involve different units (for additional coverage) when **OUs** are allowed by sections (or other legals described in the policy). If this inadvertent switch was between the same crop that an insured has insured in two different counties, and the AIP requires

53. Revised Acreage Reports - After the ARD (Continued)

B. When Acreage Report Revisions Can Be Done Without a Crop Inspection (continued)

separate acreage report forms be completed to report the acreage report information for the two different counties rather than reporting the information on one form, the AIP may consider this a correctable error if the criteria in (9) (a) are met.

- (iv) When unit structure for the crop is by FSA FN and the acreage between two FSA FNs were inadvertently switched. For example, 200.0 acres for FSA FN 1234 was reported, and 300.0 acres for FSA FN 2345 was reported; however, the acreage for the FSA FNs was inadvertently switched.
- (v) Acreages between two crops were inadvertently switched. For example: one line showed 120.5 acres of corn and one line showed 155.6 acres of soybeans; however, there was actually 155.6 acres of corn and 120.5 acres of soybeans.

C. Revisions to Reduce Premium for Acreage Destroyed Prior to Harvest

- (1) Acreage reports CANNOT be revised after the ARD to remove or reduce premium because the insurable acreage was destroyed prior to harvest, except when the Actuarial Documents provide a reduced premium rate (short-rate) for acreage destroyed prior to harvest and the other criteria is met as stated in subparagraph (2)(a)–(b) below. For such crops and counties, the insured may report all planted acreage as insurable. Premium will be due on all the acreage with additional coverage.
- (2) Requirements for Short-rated Acreage of Small Grain Crops When Short-Rates Are Available on the SP.
 - (a) The premium amount will be reduced (short-rated), including CAT coverage, by the amount shown on the Actuarial Documents **only if** the insured notifies the agent by the date shown on the SP that the acreage will be destroyed by grazing or mechanical means prior to harvest, and the insured does not claim an indemnity on such acreage.
 - (b) If a notice of damage or loss is filed and the insured wants to file a claim for indemnity on the acreage at this time rather than take a short-rate, the acreage must be appraised. Refer to Para.'s 213 and 216. If the insured wishes to destroy the acreage to comply with other USDA programs, the acreage must be released when an adequate appraisal is made; or if applicable, the insured has agreed to leave representative samples so that adequate appraisals can be made at a later date.

61. Unreported Acreage Discovered After Acreage Report Filed for the Crop (Continued)

D. For Acreage that Would be Part of an Insured Unit (Under-reported Acreage in a Reported Unit)

If such acreage (including the reported acreage for that unit):

- (1) meets the requirements for accepting acreage as outline in Para. 182, revise the acreage report to add the under reported acreage to the unit.
- (2) DOES NOT meet the requirement for accepting acreage as outlined in Para. 182, the:
 - (a) guarantee will be computed on the information reported, and
 - (b) production from the unreported acreage will count against the guarantee.

62. Unreported Acreage Which may be Late Planted

A. General Information

Acreage which the insured did not report or designate (even as uninsured acreage), and which the insured asserts was planted after the FPD (or LPD, if applicable) will be handled as follows:

B. Acreage will be Considered INSURABLE (but NOT INSURED) If:

- (1) The acreage is insurable under the Actuarial Documents or by written agreement; i.e., rates and coverage are available for the acreage itself, or crop type, class, variety, or practice carried out; and
- (2) The adjuster CANNOT verify to his/her satisfaction that such acreage was planted after the:
 - (a) FPD for the crop shown on the SP for the applicable county, or
 - (b) latest allowable date under the LP provisions found in the applicable CP, if applicable to the crop, and the acreage was not prevented from planting.

C. Production to Count

- (1) When it is determined that there is **unreported insurable** acreage as part of a reported unit structure (i.e., under-reported acreage for a unit):
 - (a) all production from the insurable/unreported acreage will be counted against the production guarantee for that reported unit; or
 - (b) if the production is commingled with another unit, the procedures for commingled production must be applied; refer to Para 294.)

62. Unreported Acreage Which may be Late Planted (Continued)

C. Production to Count (continued)

- (2) If it is determined that the entire unreported insurable acreage could qualify as a separate unit in the same county:
 - (a) the production from the unreported unit acreage will be prorated to all other reported units as outlined in the procedure for unreported units (Para. 294); or
 - (b) if the production from an unreported unit in one county is commingled with the production from a reported unit in another county, follow the procedures in Para. 294. Because this involves two different counties, Para. 295 does not apply.

D. Acreage will be Considered UNINSURABLE If:

- (1) The acreage is NOT insurable under the policy provisions, SP statements, Actuarial Documents, or by written agreement.

For example, acreage is not insurable if :

- (a) the acreage was initially planted after the LPP (FPD if LPP is not applicable), unless late planting coverage is allowed by the policy; or
 - (b) rates and coverage are not available for the acreage itself or the crop practice, type, class, or variety or practice carried out.
- (2) The adjuster CAN verify to his/her satisfaction that the unreported acreage has been planted after the:
 - (a) FPD for the crop shown on the SP for the applicable county, or
 - (b) Latest allowable date under the LP Provisions found in the applicable crop provisions and the acreage was not prevented from planting by an insurable cause of loss within the insurance period for prevented planting.

E. Production to Count when it is determined there is unreported uninsurable acreage:

- (1) the production from the unreported uninsurable acreage will NOT be counted against the production guarantee for the unit or any other unit if the production is kept separate from the insurable acreage production; or
- (2) if the production from the uninsurable acreage is commingled with production from insurable acreage, the procedures for commingled production **in para. 294** must be applied.

63-70 (Reserved)

91. Verifying Insurable Acreage (Continued)

B. In accordance with the BP (unless specified otherwise in the CP or SP), all acreage planted to the insured crop in which the insured has a share is insurable except acreage: (continued)

- (b) That has been strip-mined, unless otherwise approved by written agreement, or unless an agricultural commodity other than a cover, hay (except wheat harvested as hay), or forage crop (except insurable silage), has been harvested from the acreage for at least 5 crop years after the strip-mined land was reclaimed.
- (c) For which the actuarial documents do not provide the information necessary to determine the premium rate, unless insurance is allowed by a written agreement;
- (d) On which the insured crop is damaged and it is practical to replant the insured crop, but the insured crop is not replanted;
- (e) That is interplanted, unless allowed by the CP;
- (f) That is otherwise restricted by the CP or SP;
- (g) That is planted in any manner other than as specified in the policy provisions for the crop, unless a Written Agreement to such planting exists;
- (h) Of a 2nd crop if the insured elects not to insure such acreage when an indemnity for a 1st insured crop may be subject to reduction in accordance with Section 15 of the BP and the insured intends to collect an indemnity payment that is equal to 100 percent of the insurable loss for the 1st insured crop acreage. This election must be made on a 1st insured crop unit basis. For example, if the 1st insured crop unit contains 40 planted acres that may be subject to an indemnity reduction, then no 2nd crop can be insured on any of the 40 acres. Refer to Section 9 of this handbook for additional information regarding 1st insured crop, 2nd and subsequent crops;
- (i) Of a crop planted following a 2nd crop or following an insured crop that is prevented from being planted after a 1st insured crop, unless it is a practice that is generally recognized by agricultural experts or the organic agricultural experts for the area to plant 3 or more crops for harvest on the same acreage in the same crop year, and additional coverage insurance provided under the authority of the FCIC Act is offered for the 3rd or subsequent crop in the same crop year. For additional information regarding 3rd or subsequent crops, see Section 9; or

91. Verifying Insurable Acreage (Continued)

B. In accordance with the BP (unless specified otherwise in the CP or SP), all acreage planted to the insured crop in which the insured has a share is insurable except acreage: (continued)

- (j) If during the first 4 crop years of planting, native sod acreage that has been tilled for the production of an annual crop after the date of enactment of the Agricultural Act of 2014 (February 7, 2014) shall be subject to a reduction in benefits. This subsection shall only apply to native sod acreage in the states of Iowa, Minnesota, Montana, Nebraska, North Dakota, and South Dakota.
 - (i) For purposes of the reduction in benefits for the acreage described above:
 - (A) the crop insurance guarantee shall be determined by using a yield equal to 65 percent of the transitional yield of the producer; and
 - (B) the crop insurance premium subsidy provided for the producer, except for coverage authorized, shall be 50 percentage points less than the premium subsidy that would otherwise apply.
 - (ii) During the period native sod acreage is covered by this subsection, a producer may not substitute yields for the native sod.
 - (iii) Areas of 5 acres or less from subparagraph (A) shall be exempt.
- (k) Items (a)-(f) listed in **Para. 101 B (2)** are also considered uninsurable acreage.
- (l) Initially planted after the final planting date unless late planting coverage is provided by the CP. Refer to Part 5 herein for more information regarding late planting coverage.

C. Refer to **Para. 84 about restrictions regarding irrigated acreage.**

D. Insurable acreage may be restricted to the amount allowed under any acreage limitation program established by the United States Department of Agriculture if USDA (RMA) notifies the AIP and in turn the AIP notifies the insured by the **SCD.**

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

(1) General Information

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

101. Verifying Insured Crop (Continued)

B. The BP states the following (continued)

- (e) That is planted for the development or production of hybrid seed or for experimental purposes, unless permitted by the CP or by written agreement to insure such crop (If experimental seed is planted, it would be considered planted for experimental purposes.); or
- (f) That is used solely for wildlife protection or management. If the lease states that specific acreage must remain unharvested, only that acreage is uninsurable. If the lease specifies that a percentage of the crop must be left unharvested, the insured's share will be reduced by such percentage.

Example 1: The insured farms 100 acres and has 100 percent share. The lease specifies that 10 acres will be left unharvested for wildlife, but the location of the 10 acres is not specified in the lease and is not specified on the acreage report. In this situation the insurable acres is 100 acres at 90 percent share.

Example 2: The insured farms 100 acres and has 100 percent share. The lease does not specify the location of the 10 acres that will be left unharvested for wildlife but the insured specifies on the acreage report the specific location of the 10 acres in the field(s) that will be left for wildlife and reports these as uninsured acres. In this situation, the insurable share is 100 percent on 90 acres.

Example 3: The insured farms 100 acres and has 100 percent share. The lease specifies the exact location in the field(s) the 10 acres will be left unharvested for wildlife. The remaining 90 acres are the insured acres and the insurable interest is 100 percent. If the insured did not report this correctly on the acreage report, the acreage report is to be revised to reflect the correct acres and share of these acres.

- (g) Although certain policy documents may state that a crop type, class, variety, or practice is not insurable, it does not mean all other crop types, classes, varieties, or practices are insurable. To be insurable, the crop type, class, variety, or practice must meet all the conditions as stated in B (2) (a) - (f) above.

102-110 (Reserved)

SECTION 9 FIRST (1ST), SECOND (2ND), AND SUBSEQUENT CROPS PLANTED ON SAME ACREAGE IN THE SAME CROP YEAR

In accordance with the Agricultural Risk Protection Act of 2000, Section 508a of the Federal Crop Insurance Act was amended and subsequently the BP were amended to limit indemnity payments on the same acreage in the same crop year, except as allowed for acreage that qualifies for double-cropped acreage, as defined in the BP.

The following definition applies ONLY to Para.'s 111-117 as they relate to first/insured crop acreage:

Insurable loss: For the purpose of determining whether payment reductions will apply to first insured crop acreage, an insurable loss is considered to have occurred for a second crop when the insured accepts an indemnity payment on the second crop.

111. First (1st) Insured Crop Planted and Second (2nd) Crop

If there is an insurable loss on the 1st insured crop acreage in the unit and an indemnity is due on the 1st crop unit, except in the case of double cropping as stated in Para. 114 below, the following applies:

A. General Information

- (1) A 2nd crop does not include replanting of 1st crop acreage to the same 1st crop, except as stated in Para. 174 D or G.
- (2) Forage production and other insured perennial crops are considered a 1st insured crop. Although forage and other perennial crops may not be planted each year, they are the 1st insured crop.
- (3) If an insured plants and insures skip-row cotton, it fails, and grain sorghum is planted in the rows that were not planted to cotton, the grain sorghum is still considered the 2nd crop for this acreage.
- (4) The 1st insured/2nd crop rules apply to certified seed potatoes and malting barley the same as they do to other crops such as regular potatoes and feed barley.
- *** (5) AIPs should make insureds aware that an insured's election not to insure acreage of a second crop may affect any linkage requirement for FSA program participation. **Payments** administered by FSA will determine the impact of not insuring a second crop. **ARPI and WFRP** are acceptable for meeting any linkage requirements.
- (6) When a policyholder elects to not insure second crop acreage, the acreage and production from such acreage is not included for APH purposes for subsequent years except when it is commingled with production from insured acreage. Refer to the CIH for procedures regarding commingled production.

114. Indemnity Payment as it Relates to Double-cropping History (Continued)

B. Double Cropping Criteria for Planted Acreage (Refer to PP LASH for Criteria for PP) (Continued)

- (ii) Refer to subparagraph C below for what constitutes acceptable records and the examples in subparagraph D below regarding the insured's own records of double-cropping. When the double-cropping history requirements have been based on the insured's own records, the double cropping exemption may be used anywhere in the county.
- (b) **Someone else's records** acceptable to the AIP of acreage and production that show the exact same acreage in the county on which the claim is being made for the 1st insured crop was actually double cropped in at least two of the last four crop years in which the **1st insured crop** was grown by someone else, and the insured has acquired this exact same acreage.
 - (i) If the 1st insured crop is the subsequent crop planted on the same acreage in the same crop year as the uninsured crop, the double crop records are based on the subsequent crop (1st insured crop). Refer to examples in subparagraph D below.
 - (ii) Refer to subparagraph C below for what constitutes acceptable records and see example 4 in subparagraph D below for an example of using someone else's double-cropping records. When the double-cropping history requirements have been met based on someone else's records, the double-cropping exemption may only be used for the exact same acreage for which the double-cropping records were provided.
- (4) The amount of acreage the insured is double cropping in the current crop year does not exceed the number of acres for which the insured provides records, as required in subparagraph B (3) above.
- (5) Examples of acceptable double-cropping records include, but are not limited to, APH acreage and production history records, settlement sheets, bin measurements, FSA maps, or FSA 578s that identify the acreage, production, and location from which the production came.

Refer to PP LASH for Acceptable PP Double-Cropping Records

114. Indemnity Payment as it Relates to Double-cropping History (Continued)

C. Acceptable Double-Cropping Records

For production from double-cropped acreage that was not kept separate from non-double cropped acreage, the AIP may allocate commingled first/second crop production to that acreage in proportion to the liability for the acreage that was not double cropped, provided the yields are representative as described in subparagraph (b) below.

- (1) This allocation procedure applies to commingled production from the first crop that is double-cropped (i.e., wheat production from acreage planted to a second crop and not planted to a second crop) as well as the second crop that is double-cropped (i.e., soybean production from acreage planted after a first crop and not planted after a first crop). Refer to Para. 118. AIPs may divide total production by total acres to allocate commingled production when the:
 - (a) liability per acre is the same for the crop on the acreage that was and was not double cropped;
 - (b) crop was not insured or was not an insurable crop; or
 - (c) liability is not known or is not readily available to be obtained (e.g., year in question is 10 or 11 years ago and was insured with different AIP).
- (2) The amount of allocated production must be representative of the yields per acre, for the particular year and area from both double cropped and non-double cropped acreage (e.g., the amount of allocated production is reasonable compared to the average yields per acre for the area and that all such production would not have reasonably come from only the first crop acreage or the second crop acreage).

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

D. Examples of Double-Cropping Eligibility for Planted Acreage

Refer to PP LASH for PP Examples.

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

117. Claim Form Entries Relative to 1st Insured and 2nd Insured Crops

A. Codes for 1st and 2nd Crops

- (1) The following codes apply to all policies except clams and nursery, and apply to all insurance plans, except **WFRP** and Livestock. More than one code may apply to a claim unit, but only one code per loss line.
- (2) The multiple cropping code(s), as shown below:
 - (a) must be entered on the claim form (except replant claims), by the adjuster or any other person authorized to handle the claim, based on the insured's certified elected option; unless:
 - (b) the AIP generates through their computer system the appropriate multiple cropping codes correlating with the insured's certified elected option for 1st or 2nd crop acreage; e.g., option to plant a 2nd crop but not insure it would generate a WI code on a line of 1st insured planted crop acreage, or option to plant and insure a 2nd crop would generate an IR code on a line of 1st insured planted crop acreage, etc.

The insured's certified elected option, and when applicable, the adjuster's verification of the insured's actual actions, must be maintained in the insured's loss file.

- (3) When insureds refuse to certify or are uncertain of their elected option for the 1st crop acreage, the AIP shall limit the indemnity or PP payment to 35%. However, if an insured's certification limits him/her to a 35% payment, the appropriate codes would be used; i.e., respective code to reinstate the remaining 65% (indemnity or PP payment), if 35% had already been paid; or 100% if 35% had not already been paid. The reverse would also apply; i.e., certification indicates the insured is entitled to 100% payment but actions limit insured to 35%.

117. Claim Form Entries Relative to 1st Insured and 2nd Insured Crops (Continued)

A. Codes for 1st and 2nd Crops (Continued)

(4) Multiple Cropping Code Table

Codes for 1 st Insured Crop Loss Lines	Definition	Use Only on Lines of 1 st Insured Crop Acreage When. . .
WI (on planted acres)	Waive insurance on 2 nd insured crop acreage 100% Indemnity on 1 st insured crop acreage	The insured waives insurance on 2 nd crop acreage contained in unit of a 1 st insured planted crop. (1) This waiver is based on the unit structure for each individual 1 st insured planted crop unit that contains 2 nd crop acreage; e.g., 100.0 acres of failed wheat, 1 st insured crop (unit 0001-0001BU). Soybeans (2 nd crop) are insured and planted on 10 acres (unit 0001-0003BU soybeans) of the failed wheat acres (unit 0001-0001BU). The insured waives insurance on the 10.0 acres of soybeans (2 nd crop acres). Soybeans, 2 nd crop acres (also unit 0001-0003BU) are planted on 150 acres of the failed wheat (unit 0001-0002BU), but the insured elects NOT to waive insurance on the 150.0 acres of soybeans (2 nd crop acres) in unit 0001-0003BU soybeans. (2) The waiver must be done by the time specified in PAR. 111 and cannot be accepted at a later date. Once the waiver is signed, it cannot be retracted at a later date. (3) Insurance cannot be waived on 2 nd crop acreage when the 1 st insured crop acreage was prevented from planting.
NS (on planted acres)	NO 2 nd <u>INSURED CROP PLANTED ON 1st INSURED CROP ACRES</u> 100% Indemnity on 1 st insured planted crop acreage If insurance is waived for 2 nd crop, use WI code above.	(1) The 2 nd crop planted is not insurable; (2) At the time of the final inspection for the 1 st insured crop acres, the AIP accepts the insured's certification that no 2 nd crop will be planted; or (3) The insured did not waive insurance on the 2 nd crop, the indemnity for the 1 st insured crop has not been processed yet, and the adjuster has verified after it is too late to plant a 2 nd crop that a 2 nd crop was not planted. If an indemnity payment of 35% has already been made on the 1 st insured crop acreage and it is determined that a 2 nd insured crop was not insured, or if insured, was not planted, the RI code would be used rather than the NS code. Refer to the RI code. If someone other than the insured plants a 2 nd crop on any of the 1 st insured crop acreage, policy provisions require the insured to notify their AIP of this.

253. Authorization to Accept Insured's Structure Markings, Load Records, and Combine Monitor Records (Continued)

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

Percentage of each Unit in Structure Based on Insured's Load Records:

$$\begin{aligned} 6 \text{ loads} \times 250.0 \text{ bu./load} &= 1,500.0 \text{ bu. unit 0001-0001OU} \div 2,500.0 \text{ total} = .600000 \\ 4 \text{ loads} \times 250.0 \text{ bu./load} &= \underline{1,000.0 \text{ bu. unit 0001-0002OU.}} \div 2,500.0 \text{ total} = .400000 \\ & \quad \quad \quad 2,500.0 \text{ bu. total (in bin based on insured's records)} \end{aligned}$$

Proration of Measured Production to Each Unit in Bin:

2,618.0 bu. (total measured and calculated production in bin) \times .600000 = 1,570.8 bu.
production to count for unit 0001-0001OU

2,618.0 bu. (total measured and calculated production in bin) \times .400000 = 1,047.2 bu.
production to count for unit 0001-0002OU

(2) Storage Structure Markings

(a) Verification

Verify whether the insured meets the criteria to accept records as stated in subparagraph C. Verify with the insured whether the production in the structure was leveled prior to the addition of production from another unit (from uninsured acreage, if applicable), and whether the structure marking was made at the base of the cone or height of the cone. If the insured has not met the criteria in subparagraph C and/or followed the instructions in subparagraph D, the production must be considered commingled and the procedures for commingled production in Para. 294 will apply.

(b) Production Determination from Individual Unit Production From Markings (and/or production from insured/uninsured acreage, if applicable)

Determine production for each unit or for production from insured and uninsured acreage by using the insured's markings for each. If the insured has not leveled the production before adding additional production from another unit (uninsured acreage, if applicable), the adjuster must measure the cone at the top of the structure and use this measurement for the cone measurement for the bottom unit of production in the structure. For any unit atop of the bottom unit of production in the structure, no cone measurement will be used for these upper units of production (uninsured acreage, if applicable). This is because the cone of the lower unit protrudes into the upper unit and offsets the cone that is atop of that unit. The volume of the grain in all cones in the structure is considered to be the same.

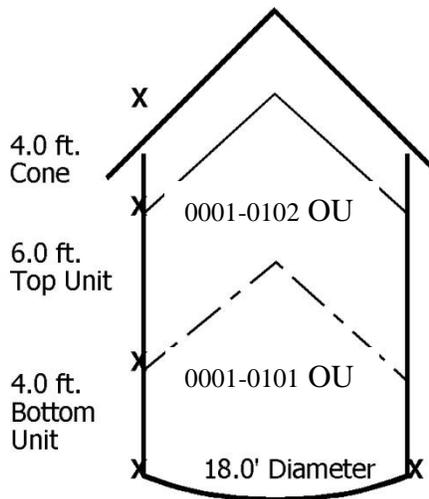
253. Authorization to Accept Insured's Structure Markings, Load Records, and Combine Monitor Records (Continued)

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

(c) Testing the Accuracy of the Calculated Individual Unit Production

- (i) To test the accuracy of the calculated individual unit production, the total production in the bin and the sum of the calculated production for the two individual units should be the same. Using the example below the total bin production calculates to be 2,307.2 bu. ($18^2 \times .7854 \times 10.0' \times .8 = 2,035.8$ + cone measurement $18^2 \times .2618 \times 4.0' \times .8 = 271.4$). The production for the two units stated above calculates to be the same amount; i.e., unit 0001-0101OU production, 1,085.7 + unit 0001-0102OU production, 1,221.5 = 2,307.2.
- (ii) If the bin marking was made at the height of the cone, the depth of the unit must be adjusted for the height of the cone by using the height of the cone for the top unit (uninsured acreage, if applicable) in the bin.
- (iii) If the measured and calculated production is exactly the same, no further action is needed. However, if total measured production in the bin did not match the sum of each marked unit in the bin, then the total measured production in the bin must be prorated proportionately to each unit based on a percentage basis.

Example of Accuracy Test:



The diameter of the bin is 18 feet. The depth of the cone at the top of the bin is 4 feet. There are two units of corn in the bin. Unit 0001-0101 OU is the unit at the bottom of the bin, and unit 00200 is the unit at the top of the bin. (The depth measurements for each unit marked on the bin did not include the height of the cone.) The depth of unit 0001-0101 OU is 4 feet, and the depth of unit 0001-0102 OU is 6 feet.

Unit 0001-0101 OU gross stored production: (bottom unit in bin)
 $18^2 \times .7854 \times 4.0' \times .8 = 814.3$ bu.
 Cone - $18^2 \times .2618 \times 4.0' \times .8 = 271.4$ bu.
 Total 1,085.7 bu.

Unit 0001-0102 OU gross stored production (top unit in bin):
 $18^2 \times .7854 \times 6.0' \times .8 = 1,221.5$ bu.

Total Production from Unit 0001-0101 OU, Cone, and Unit 0001-0102 OU = 2,307.2 (1,085.7 + 1,221.5)

254. When Grain is Stored in Grain Bags (Continued)

A. AIPs May Determine Grain Stored in Grain Bags (continued)

- (1) Determine the Combined Test Weight and Pack Factor as stated in Steps 1-3 of Para. 258 C (7). For grain bags, calculate the square feet needed to determine the Combined Test Weight Pack Factor, as follows:
 - (a) Determine the length of the grain bag;
 - (b) Determine the width of the grain bag;
 - (c) Multiply length by the width = square feet.

- (2) Obtain the required test weight sample (plus applicable samples for quality, etc.). If the required test weight samples cannot be obtained, the production determination cannot be completed. AIPs should caution adjusters to not cut or otherwise attempt to open the bag to obtain the samples. Only the insured should open or authorize the opening of the bag so the adjuster can obtain samples for test weight and quality purposes. Samples for quality must be taken no later than 60 days after the EOIP. If the adjuster cannot obtain samples prior to this date for the purpose of determining grain quality, including samples to determine Vomitoxin, no quality adjustment will be allowed.

Caution: Except for Vomitoxin, samples to determine Aflatoxin or other mycotoxins, substances, or conditions injurious to human or animal health must be obtained by the adjuster prior to the grain entering the bag. Refer Para. 238 for additional information.

B. Delayed Measurement of Farm-Stored Grain in Bags

The insured is allowed to request, in writing, to delay measurement of farm-stored grain and settlement of any potentially associated claim for indemnity up to 180 days after the end of the insured period. Refer to subparagraph A (2) above for when samples for quality must be obtained, and also refer to Para. 178 A (4) (d). This request can also be used when the insured does not agree with AIPs determination of the volume of grain in the bag(s) to allow the insured additional time to remove the grain from the bags to deliver to a buyer or move to permanent farm-storage structure for the AIP's redetermination of the amount of production prior to completion of the claim.

If prior to the inspection of final settlement of the claim the insured delays measurement of the grain up to 180 days after the end of the insurance period:

- (1) If ALL of the grain from the bag(s) has been removed and delivered to the buyer, the AIP may determine the amount of production to count from the settlement sheet(s) to settle the claim, provided the production from the units delivered from the grain bags can be identified. For quality adjustment of grain, refer to subparagraph A (2) above and Para. 178 A (4) (d).

254. When Grain is Stored in Grain Bags (Continued)

B. Delayed Measurement of Farm-Stored Grain in Bags (continued)

- (2) The AIP may determine the production in the grain bag, as specified in item A (1) above, to settle the claim, provided the amount of production for each separated unit contained in the grain bag can be identified when:
 - (a) A single unit or multiple units have been weighed prior to being placed in a grain bag, the weight tickets may be used if all of the criteria in Para. 252 have been met.
 - (b) Multiple units have been placed in a grain bag and the unit production for each unit has been separated by one of the methods allowed in Para. 253 (e.g., load records) and all of the criteria in Para. 253 have been met, such production may be used to settle the claims.
 - (c) Part of the grain stored in the bag(s) has been removed and sold, and part of the grain remains in the grain bag(s), settle the claim based on the settlement sheets for the sold production and measurement of production remaining in the grain bags. For quality adjustment of grain, refer to subparagraph A (2) above.
- (3) The AIP may determine production from acceptable feed records as outlined in Para. 220 to settle the claim when all or part of the grain in the grain bags has been fed. However, if there are no acceptable feed records, the full per-acre guarantee must be applied to the applicable acres.
- (4) If by the time the adjuster makes the farm visit to determine the amount of production in the grain bags, the grain in the bags has been moved to a permanent farm storage structure (e.g., bin), the AIP may determine the production in the permanent farm storage structure, provided the unit(s) from which the production was harvested can be identified and the AIP is satisfied that all production for the unit has been established. For quality adjustment of grain, refer to subparagraph A (2) above and Para. 178 A (4) (d) if the insured requested to delay measurement of the grain for up to 180 days after the EOIP.

255. Rounding Rules

A. Rounding Computations

Carry out computations to one digit beyond the digit to be rounded.

B. Rounding Rules

If the last digit is 4 or less, disregard; if 5 or more, round upward. Refer to example below.

Example: Bushel fractions are to be rounded to tenths:

100.04 bushels - Record as 100.0 bushels

100.66 bushels - Record as 100.7 bushels

294. Commingled Production

This procedure applies to commingled production in storage structures or conveyances used to transport the harvest production. It also applies to sold production shown on settlement sheets that has not been or cannot be separated by unit. Production from the landlord's and tenant's share of the crop unit that is stored in the same structure is not considered commingled production. Refer to Para. 212 C.

A. Different Types of Commingled Production

- (1) Harvested production from insured acreage commingled with harvested production from uninsured acreage;
- (2) Harvested production from more than one crop year is commingled;
- (3) Harvested production from acreage of a reported unit and from acreage of an unreported unit is commingled;
- (4) Harvested production from two or more OUs are commingled;
- (5) Harvested production from BUs and/or from different policies/counties are commingled;
- (6) Harvested production from different practices/types, or having separate coverage levels with separate APH yields within a unit is commingled;
- (7) Harvested production from two or more units with separate coverage levels for irrigated and non-irrigated practices are commingled; or
- (8) Harvested production from an EP unit with an irrigated practice is commingled with an EP with a non-irrigated practice.

B. Separated Commingled Production

If the AIP is satisfied the insured has complied with Para. 253 instructions for the method selected by the insured to separate commingled production stored within the same storage structure or within the same truck load (or other conveyance; refer to definition in Exhibit 2), the following procedures do not apply.

C. Unsatisfactory Records or No Records

This procedure does not apply when there are unacceptable records of multiple entities that have stored their production in the same storage structure with one or more uninsured entities. In this instance, there is no way of applying the following procedures since uninsured producers do not have liability. Therefore, because there were no acceptable records to separate the production, the insureds failed to prove their losses and the indemnities on these units must be denied.

294. Commingled Production (Continued)

C. Unsatisfactory Records or No Records (continued)

When subparagraph B above does not apply and the insured does not have satisfactory records or no records are available (Satisfactory records would include weighed production as detailed in Para. 252 and records of each weighed load of production sold or commercially stored, identified by unit.), handle as instructed below:

- (1) Production from insured/uninsured acreage. Prepare the claim to show all production as being from the insured acreage. In the narrative section, explain that the reported production is commingled production from insured and uninsured acreage.
- (2) Production from current and prior crop year. Prepare the claim to show all production as being from the current crop year acreage. In the narrative section of the claim explain that the reported production is commingled from current crop year and prior crop year production.
- (3) Production from acreage of a reported unit and from acreage of an unreported unit. If it is determined that the unreported unit and the reported units were **OU**s, then allocate the amount of production from the commingled reported unit and unreported unit in accordance with (5) below. Once the amount of production for the unreported unit has been determined, follow the procedures for allocating the harvested allocated production from the unreported unit to the reported units, as stated in Para. 295 below.
- (4) Production from two or more **OU**s. If production from two or more separate **OU**s is commingled, such commingling renders any such unit determination void for the current and succeeding crop year (refer to the CIH). The approved APH yields for each commingled unit are retained for the current crop year and succeeding crop year but will be processed on the acreage report and claim form (Production Worksheet) under the same unit. Any remaining **OU**s that were not commingled will retain their **OU** structure.
 - (a) Determine which **OU**s were commingled. If there were other **OU**s that were not commingled, combine only the commingled **OU**s into one **OU**. If ALL **OU**s were commingled, combine all **OU**s into applicable **BU** structure(s).
 - (b) The claim form will be prepared with separate lines representing the guarantees, approved yields, and production to count for each of the units commingled. **The total commingled production will be allocated to each OU in proportion to the liability (do not include share) for the harvested insured acreage of the commingled units.**
 - (c) The CIH outlines the eligibility of commingled **OU**s for the next crop year.
 - (d) **The revised APH form and revised acreage report must be approved by the AIP's approving official.**

294. Commingled Production (Continued)

C. Unsatisfactory Records or No Records (continued)

- (5) Commingled harvested production from **BU**s and or from different policies/counties. The total commingled production will be allocated to each **BU** in proportion to the liability (do not include share) for the harvested insured acreage of the commingled units. Prepare separate claims for each **BU** that has been commingled. This may involve more than one policy; e.g., **BU**s from two different policies (policy for each county or policy for the landlord and tenant). Liability is hereafter called dollar coverage or coverage (cov.).
- (a) Use the following formula to allocate production to each commingled **BU** in proportion to the dollar liability for the harvested insured acreage:
- (i) For each **BU**, multiply the per-acre dollar coverage for the insured acreage X the number of harvested acres = unit dollar coverage for harvested acres (U Coverage.) (Refer to (b) below for dollar coverage calculation instructions.
 - (ii) Total the unit coverage's for only harvested acreage from all commingled units to obtain the Total Commingled Unit Coverage (TCU Cov. for only harvested acres from all commingled units).
 - (iii) Divide the unit coverage's for only the harvested acres by the TCU Cov. for only the harvested acres from all commingled units to obtain the Commingled Production Factor (CPF) (four-place factor).
 - (iv) For each commingled unit: multiply the total harvested production (insured's and shareholder's share) from all commingled units times the CPF to obtain the apportioned production for each commingled **BU**.
- (b) Determine Per-acre Dollar Coverage, as follows:
- (i) For APH crops with insurance plan codes 01 and 90: Alfalfa seed, almonds, avocados (FL), barley, buckwheat, canola, corn, cotton (AUP and ELS), cranberries, cultivated wild rice, dry beans, dry peas, flax, forage production, grain sorghum, Hawaii Tropical Fruit (bananas, coffee, papaya), millet, mint, mustard, oats, olives, peaches, peanuts, pistachios, popcorn, potatoes, rice, rye, safflowers, soybeans, sugar beets, sugarcane, sunflowers, processing sweet corn, tobacco (all crop codes), FM tomatoes, canning & processing tomatoes, and wheat:
 - (A) Approved APH yield X insured's coverage level (if certified seed potatoes with 125% acreage limitation or with the 110T acreage limitation take the preceding result X Yield Conversion Factor.) = Per-acre Guarantee.

294. Commingled Production (Continued)

C. Unsatisfactory Records or No Records (continued)

- (B) $\text{Per-acre guarantee (X Guarantee Reduction Factor, if acreage late planted) X price election (projected price if applicable)} = \text{Per-acre Coverage.}$
- (ii) For APH crops with insurance plan code 90: blueberries, cabbage, AZ citrus fruit, all CA citrus crops (except navel oranges), TX citrus fruit, dry beans, dry peas, figs, grapes, green peas, macadamia nuts, onions, pears, plums, potatoes, processing beans, prunes, stonefruit, table grapes, and walnuts:

 - (A) $\text{Approved Yield X insured's coverage level X Option Historical Packout Factor (X Guarantee Reduction Factor, if acreage late planted)} = \text{Per-Acre Guarantee (all listed crops except cabbage and potatoes (certified seed).}$
 - (B) For cabbage (except processing) and potatoes (certified seed) with the 125 % acreage limitations: $\text{Approved APH Yield X insured's coverage level X Yield Conversion Factor} = \text{Per-Acre Guarantee.}$
 - (C) $\text{Per-acre guarantee X insured's price election} = \text{Per-acre Coverage.}$
- (iii) For crops with dollar plan of insurance (plan code 50): Florida citrus, forage seeding, peppers, raisins, fresh market sweet corn, and fresh market tomatoes:

 - (A) $\text{The Reference Maximum Amount from the actuarial documents X the insured's coverage level (X the insured's elected price election factor for Florida Citrus only)} = \text{the Per-acre Dollar Amount of Insurance.}$
 - (B) $\text{Per-acre Dollar Amount of Insurance X price election} = \text{Per-acre Coverage.}$
- (iv) For crops with fixed dollar amount of insurance (insurance plan code 51): chile peppers:

 - (A) $\text{Actuarial document dollar amount X Guarantee Reduction Factor} = \text{Per-acre Dollar Amount of Insurance}$
 - (B) $\text{Per-acre Dollar Amount of Insurance} = \text{Per-acre Coverage.}$
- (v) For crops with Dollar Amount of Insurance (Insurance plan code 46): California avocados:

294. Commingled Production (Continued)

C. Unsatisfactory Records or No Records (continued)

Unit 0001-0002BU: \$4160 (U Cov. for only the harvested acres in the unit)
÷ \$12,680 (TCU Cov. for only the harvested acres from all commingled
units) = .3281 (CPF)

Unit 0001-0003BU: \$4800 (U Cov. for only the harvested acres in the unit)
÷ \$12,680 (TCU Cov. for only the harvested acres from all commingled
units) = .3785 (CPF)

Step 4: Unit 0001-0001BU: 5000.0 bu. (TOTAL of only harvested Prod. from all
commingled units) X .2934 (CPF)
= 1467.0 bu. to be allocated to unit 0001-0001BU.

Unit 0001-0002BU: 5000.0 bu. (TOTAL of only harvested Prod. from all
commingled units) X .3281 (CPF)
= 1640.5 bu. to be allocated to unit 0001-0002BU.

Unit 0001-0003BU: 5000.0 bu. (TOTAL of only harvested Prod. from
all commingled units) X .3785 (CPF)
= 1892.5 bu. to be allocated to unit 0001-0003BU.

- (c) Completing the Claim Form for **BU**s that Are Commingled:
- (i) Enter “Commingled Production” in the heading.
 - (ii) Prepare Parts I and II in the usual manner, except for farm-stored production; enter the allocated gross production for the unit in the column for gross production.
 - (iii) Enter the following in the narrative of each commingled unit claim or on a Special Report attached to the claim form:
 - (A) Total the harvested production from all commingled **BU**s and the calculations used to arrive at the allocated production for each commingled unit.
 - (B) Explain the reasons given by the insured for the commingling of production.
- (6) **Commingled production from different practices/types/coverage levels having separate APH yields within a unit:** Prorate commingled production which cannot be separated with satisfactory records to each practice/type in proportion to the liability on the harvested acreage for each practice/type. (Separate line entries are required on the claim form in the harvest production part of the claim. (See applicable crop handbook.) **Refer to example below for formula to prorate production in proportion to the unit liability.**

294. Commingled Production (Continued)

C. Unsatisfactory Records or No Records (continued)

(a) **Example:** Unit 0001-0001BU having practices with different APHs

Step 1: LINE 1: 10 acres of harvested production (003 dryland practice) X
45.0 bu. (harvest Guar.) = 450.0 bu. (line guarantee (Line Guar.))

LINE 2: 15.0 acres of harvested production (002 irrigated practice) X
80.0 bu. (harvest guarantee) = 1,200.0 bu. (Line Guar.)

Step 2: 450.0 bu. (Line 1 Guar.) + 1200.0 bu. (Line 2 Guar.) = 1650.0 bu.
unit guarantee (U Guar. for the harvested production from more than
one practice having different APHs commingled for the unit)

Step 3: 450.0 bu. (Line 1 Guar.) ÷ 1650.0 bu. (U Guar. for the harvested
production from more than one practice having different APHs
commingled for the unit) = .2727 Commingled Production (CP)
Factor.

1200.0 bu. (Line 2 Guar.) ÷ 1650.0 bu. (U Guar. for the harvested
production from more than one practice having different APHs
commingled for the unit) = .7273 CP Factor.

Step 4 1500.0 bu. (TOTAL the harvested production for practices
commingled) X .2727 (Line 1 CP factor) = 409.0 harvested bu. to be
allocated for line 1 (003 dryland practice).

1500.0 (TOTAL harvested prod.) X .7273 (Line 2 CP factor) =
1091.0 harvested bu. to be allocated for line 2 (002 irrigated
practice).

(b) Completing the Claim Form:

(i) Enter "Commingled Production" in the heading.

(ii) Prepare Parts I and II in the usual manner, except for farm-stored
production; enter the allocated gross production for each
practices/types/**coverage levels** on separate lines in Part II of the claim
form as instructed in the individual crop handbooks.

(iii) Enter the following in the narrative of each commingled unit claim or on a
Special Report attached to the claim form:

(A) Total the harvested production from all commingled
practices/types/**coverage levels** and the calculations used to arrive at
the allocated production for each commingled unit.

294. Commingled Production (Continued)

C. Unsatisfactory Records or No Records (continued)

(B) Explain the reasons given by the insured for the commingling of production.

- (7) If production from an irrigated EP is commingled with production with a non-irrigated EP, such commingling renders any such unit determination void for the current crop year only. The total commingled production will be allocated to each irrigated and non-irrigated practice in proportion to the liability (do not include share) for the harvested insured acreage of the commingled units. The APH databases for each commingled EP are retained, but will be processed on the revised acreage report and Production Worksheet under the same EU. When commingling occurs, the descriptor on the revised acreage report will be revised from EP back to EU (or to unit structure that the insured qualifies for).
- (a) The Production Worksheet will be prepared with separate lines representing the applicable practices, guarantees, approved yields, and production to count for the commingled EPs.
 - (b) The revised acreage report must be approved by the AIP's approving official.
 - (c) The CIH outlines the eligibility of commingled EUs for the next crop year.
 - (d) The revised APH form and revised acreage report must be approved by the AIP's approving official.

295. Unreported Units

A. General Instructions

- (1) If the insured fails to report all units (acreage that could have been established as a separate unit), the insured's share of production from the acreage in the unreported unit will be allocated to the acreage in the REPORTED unit(s) in proportion to the liability (do not include share) on the insured acreage on each reported unit.
- (2) If an insured reports zero acres for a unit and it is determined that there are insurable acres, it will be considered to be an unreported unit. If an insured reports uninsurable acreage on the acreage report that is determined to have been a unit of insurable acreage, the unreported unit procedure will apply.

295. Unreported Units (Continued)

A. General Instructions (continued)

- (3) No production from unreported units will be allocated to prevented planting acreage or otherwise affect any prevented planting payment. The calculation examples in subparagraph D below show how the production is proportioned to the liability. No premium will be charged for the acreage on the unreported unit (s).
- (4) Production from the unreported unit (s) is allocated to reported units of the same crop in the SAME county, unless the "county" definition in the policy/endorsement or a Written Agreement specifies otherwise.
- (5) Production from the unreported unit (s) can only be established from harvested and/or appraised production. If no production has been harvested and/or appraised from an unreported insurable unit and this unit is destroyed prior to the adjuster's knowledge of its existence, potential production cannot be assessed for this unreported unit. At the time an unreported unit is discovered, appraise unreported unit acreage any time it is suspected or known that the crop will not be harvested or production will be harvested and stored in such a manner that the production cannot be established at a later date. The appraised production from the unreported unit will be allocated to the reported unit(s).

B. Inform the Insured

Advise the insured that production from the unreported unit WILL NOT be counted for APH purposes for the reported unit even though it will be apportioned to it; however, the unreported unit production will be counted for APH purposes for the unreported unit.

C. When Claim Can Be Finalized

Claims CANNOT be finalized until the production (preferably harvested rather than appraised) from unreported units is established for allocation.

D. Calculation Instructions

Calculate the production from the unreported acreage unit, as follows:

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

If there is an unreported unit of an insurable type that has a different unit of measure (harvested with that unit of measure) than the reported unit, convert the harvested production from the unreported unit to the unit of measure of the reported unit types. For example: There is an unreported unit of corn silage type (harvested silage production) and reported units of corn grain type (both types insurable in the county). In this case, follow the calculation instructions in the CIH for converting harvested corn silage production unit of measure (tons) to corn grain unit of measure (bushels).

295. Unreported Units (Continued)

D. Calculation Instructions (continued)

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

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

Example: An unreported unit consisting of 50 acres with 1500.0 bushels of harvested production was found when completing a final loss inspection. It was determined that the insured had a 50 percent share in the unreported unit. The insured's share in the reported unit was 75 percent.

Step 1 - 1500.0 bu. X .500 = 750.0 bu. share of unreported unit.

Step 2 - 750.0 bu. (insured's production share of unreported unit) ÷ .750 (share percent of reported unit) = 1000.0 bu. to be allocated to the reported unit.

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299. Corrected Claims (Continued)

A. General Information (continued)

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

B. When to Prepare a Corrected Claim

Prepare a corrected claim only when you are authorized by your AIP to do so, and in accordance with the following tolerances below. (For types of corrected claims for which dollar tolerance apply, AIPs are not required to correct claims that are below the dollar tolerances but they may if they wish to do so.) There is no time limit for when a corrected claim can be prepared. Even though the reason for the corrected claim is not discovered until the subsequent crop year(s), the corrected claim will be prepared if it is to be corrected in accordance with the procedures in Para. 299.

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

299. Corrected Claims (Continued)

B. When to Prepare a Corrected Claim (continued)

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

C. Labeling Claim as “Corrected Claim.”

Write “CORRECTED CLAIM” in the heading on all copies of the claim and prepare it in accordance to the applicable **LASH**.

D. Documentation

Document on a Special Report why the corrected claim was prepared. The insured and adjuster shall sign all documents prepared. If the insured refuses to sign, document the reason for the refusal on a Special Report. Submit the corrected claim and Special Report to the person or office designated by the AIP. Document on the Special Report at least the following:

- (1) The circumstance(s) which resulted in erroneous data (production, acreage, share, etc.) on the original claim;
- (2) Insured's explanation for reporting incorrectly;
- (3) The name of the person finding the error and the manner used to establish the correct information. Determine if the insured was deliberately withholding or concealing production or other information;
- (4) Calculations of indemnity from original and corrected claim in narrative or on a Special Report. Include documentation of contract indemnity to show that the corrected claim was prepared in accordance to the FCIC approved tolerances for a policyholder within a county; and
- (5) All other pertinent information.

300. Documenting Insured’s Death after Insurance Attached and There is a Claim

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

Acronyms and Abbreviations

The following table provides the acronyms and abbreviations used in this handbook.

Approved Acronym/Abbreviation	Term
ACT	Federal Crop Insurance Act (Pub. L. 104-127)
AIP	Approved Insurance Provider
APH	Actual Production History
AR	Acreage Report
ARD	Acreage Reporting Date
ARPI	Area Risk Protection Insurance
ASA	American Society of Agronomy
BP	Common Crop Insurance Policy Basic Provisions
BU	Basic Unit
CAT	Catastrophic Risk Protection Endorsement
CC	Continuous Cropping
CCC	Commodity Credit Corporation
CCD	Contract Change Date
CEPP	Commodity Exchange Price Provisions
CES	Cooperative Extension Service
CFO	Compliance Field Office (of Risk Management Agency)
CFR	Code of Federal Regulations
CIH	FCIC-18010 Crop Insurance Handbook
CLU	FSA Common Land Unit (field)
CP	Crop Provisions
CPF	Commingled Production Factor
CRP	Conservation Reserve Program
CSREES	Cooperative State Research, Education, and Extension Service
CWC	Chemical Weed Control
DF	Discount Factor
DO	Dollar Amount of Insurance
DSSH	FCIC-24040 Document and Supplemental Standards Handbook
EIN	Employers Identification Number
EDP	Electronic Data Processing
EOIP	End of the Insurance Period
EU	Enterprise Unit
EP	Enterprise Unit by Irrigated and Nonirrigated Practices
EXH	Exhibit
FAC	Following Another Crop
FAD	Final Agency Determination
FCI	Federal Crop Insurance
FCIC	USDA Federal Crop Insurance Corporation
FGIS	USDA Federal Grain Inspection Service (of GIPSA)
FM	Foreign Material
FN	Farm Number

Acronyms and Abbreviations (Continued)

Approved Acronym/Abbreviation	Term
FPD	Final Planting Date
FSA	USDA Farm Service Agency
GFP	Good Farming Practice
GIPSA	USDA Grain Inspection, Packers, and Stockyards Administration
GIS	Geographical Information System
GPA	Guarantee Per Acre
GPS	Global Positioning System
IBR	Intertilled Between Rows
IRR	Irrigated
IRS	Internal Revenue Service
ITIN	Individual Tax Identification Number
ITS	Ineligible Tracking System
H	Harvest
LAC	Loss Adjustment Contractor
LAF	Liability Adjustment Factor
LAM	FCIC-25010 Loss Adjustment Manual Standards Handbook
LASH	Loss Adjustment Standards Handbook (individual crop LASHs)
LPD	Late Planting Date
LP	Late Planting
LPP	Late Planting Period
LRR	Late Reporting Reduction
MI	Misreported Information
NAD	National Appeals Division
NAICC	National Alliance of Independent Crop Consultants
NAP	FSA Non-Insured Assistance Program
NFAC	Not Following Another Crop
NIBR	Not Intertilled Between Rows
NIRR	Non Irrigated
NOP	National Organic Program
NPS	No Practice Specified
NRCS	USDA Natural Resources Conservation Service
OC	Organic Certified
OFPA	Organic Foods Production Act of 1990 (7 U.S.C. 6502.)
OT	Organic Transitional
OU	Optional Unit
PAR	Paragraph
PASD	RMA, Product Administration and Standards Division
PASS	Policy Acceptance and Storage System
PM	RMA, Product Management
POA	Power of Attorney
PP	Prevented Planting

Acronyms and Abbreviations (Continued)

Approved Acronym/Abbreviation	Term
PRD	Production Reporting Date
P/T	Practice/Type
PW	Production Worksheet (also known as claim for indemnity form or claim form)
QAF	Quality Adjustment Factor
RAN	RMA Assigned Number
RIV	Reduction In Value
RMA	Risk Management Agency
RMSD	RMA, Risk Management Services Division
RO	RMA, Insurance Services Regional Office
RSA	Representative Sample Area
RSC	Representative Sample of Crop
SBI	Substantial Beneficial Interest
SCD	Sales Closing Date
SCP	Simplified Claim Process
SF	Summer Fallow
SP	Special Provisions
SRA	Standard Reinsurance Agreement
SSN	Social Security Number
TIN	Tax Identification Number
UH	Unharvested
USDA	United States Department of Agriculture
USGSA	United States Grain Standards Act
USWA	United States Warehouse Act
WA	Written Agreement
WAH	FCIC-24020 Written Agreement Handbook
WFRP	Whole-Farm Revenue Protection
WU	Whole Farm Unit
YP	Yield Protection
ZMV	Zero Market Value

Terms and Definitions

Abandonment. Refer to Para. 194.

Acceptable Determined Acres. Refer to Para. 201.

Acreege Report means a report required by the BP that contains, in addition to other required information, the insured's share of all acreage of an insured crop in the county whether insurable, not insurable, or uninsured.

Acreege Reporting Date means the date contained in the SP or as provided in the BP by which insureds are required to submit acreage reports.

Actual Production History means a process used to determine production guarantees in accordance with 7 CFR part 400, subpart G.

Actual Yield means the yield per acre for a crop year calculated from the producer's production records and/or claims for indemnities. The actual yield is determined by dividing total production (which includes harvested and appraised potential production) by planted (insurable) acres, (unless production from uninsurable acreage is commingled with production from insurable acreage).

Actuarial means the statistical computation of probable risks and rates according to recorded facts. Includes all related documents.

Actuarial Documents means the information for the crop year which is available for public and published on RMA's website, and which shows available crop insurance plans, coverage levels, information needed to determine amounts of insurance, prices, premium rates, premium adjustment percentages, practices, particular types or varieties of the insurable crop, insurable acreage, and other related information regarding crop insurance in the county.

Additional Coverage means a level of coverage greater than CAT.

Additional Price Election means a price election released subsequent to the release of the price election and at least 15 days prior to the SCD that is based on additional data or information that has become available after the initial price election release and allows a more accurate price projection to be made. The additional price election must be higher than the price election.

Adjuster. Refer to "Loss Adjuster." Also known as claims adjuster.

Administrative Fee means the amount an insured must pay for each CAT policy and additional coverage policy for each crop year as specified in the BP and CAT Endorsement.

Agent means the individual licensed by the State in which an eligible crop insurance contract is sold and serviced for the reinsurance year, and who is under contract with the AIP, or its designee, to sell and service such eligible crop insurance contracts.

Terms and Definitions (Continued)

Late Planted means acreage initially planted to the insured crop after the FPD or as provided in some CP, during the LPP or if due to an insured cause occurring within the insurance period for PP coverage and PP provisions are applicable to the insured crop, the acreage is prevented from planting by the FPD or during the LPP (if applicable for the crop), but is planted after the LPP (FPD if a LPP is not applicable).

Late Planting Coverage. Refer to Para. 312.

Late Planting Period means for CP providing automatic late-planting coverage, this is the period that begins the day after the FPD for the insured crop and ends 25 days after the FPD, unless otherwise specified in the CP or SP. For acreage planted during the LPP, coverage is reduced according to the CP (or SP, if applicable).

Legal Description means a specified section, township, and range (or parts thereof) as identified by a land survey.

Legal Entity. Refer to “Person” and Para. 25.

Level Election means the percentage of coverage selected by the insured from those offered by FCIC that is used to determine the production guarantee, premium, and dollar amount of insurance.

Liability means the insured’s total amount of insurance, value of the insured’s production guarantee, or revenue protection guarantee for the unit determined in accordance with the Settlement of Claim provisions of the applicable CP.

Note: However, for the purpose of determining a LAF, share will be excluded from liability.

Liability Adjustment Factor means when the dollar claim (determined) liability (based on the actual information determined by the adjuster (excluding share) and recorded on the claim form) is greater than the dollar acreage report liability (based on the acreage information reported by the insured (excluding share)), divide the dollar acreage report liability by the dollar claim liability **on the under-reported line**; e.g., acreage report liability of \$1557 divided by claim (determined) liability of \$2000 = .778500 LAF (1557/2000 = .778500 rounded to six places) **will apply to that line ONLY on the claim form.**

Loss Adjuster means an individual who is licensed by a State, or has passed a proficiency testing program approved by FCIC, as applicable, and who verifies information affecting the coverage and makes factual determinations regarding the existence or amount of loss under an eligible crop insurance contract.

Loss Ratio means the ratio of paid indemnities to net premium expressed as a percentage (i.e., 1.10, etc.).

Terms and Definitions (Continued)

Management of a Crop means a person or persons who exercise control of the day-to-day operation (controls what and when to plant, till, cultivate, irrigate, fertilize, spray, and harvest) of producing and marketing the crop.

Measuring Wheel means an instrument composed of a handle, wheel, and counter that is used to measure ground area. As the wheel is moved along the ground, the counter measures the number of revolutions of the wheel and then is converted to acreage measurements.

National List (Organic) means a list of allowed and prohibited substances as provided in OFPA and published by USDA Agriculture Marketing Service for the NOP.

National Organic Program means the program authorized by the OFPA for implementing regulations.

National Resources Conservation Services means an agency of the USDA, or successor agency.

Native Sod means land on which the plant cover is composed principally of native grasses, grass like plants, forbs, or shrubs suitable for grazing and browsing, and that has never been tilled, or the producer cannot substantiate that the ground has ever been tilled, for the production of an annual crop as of the date of enactment of the Agricultural Act of 2014 (February 7, 2014).

Negligence means the failure to use such care as a reasonably prudent and careful person would use under similar circumstances.

New Crop Program means the offering of insurance or reinsurance coverage by FCIC on a crop that has not previously been entitled to insurance or reinsurance coverage.

Next Level Supervision means a person authorized by the AIP to supervise employees, agents, contractors, or other functions as assigned by the AIP.

Non-Contiguous means acreage of an insured crop that is separated from other acreage of the same insured crop by land that is neither owned by the insured nor rented by the insured for cash or a crop share. However, acreage separated by only a public or private right-of-way, waterway, or an irrigation canal will be considered as contiguous.

Non-Insured Assistance Program covers non-insured commercial crops or other agricultural commodities (except livestock) for which CAT Coverage is not available and that is produced for food or fiber. NAP provides coverage similar to what CAT coverage would be if the crop were insurable under multiple peril crop insurance.

Nonorganic Farming Practice means a practice commonly recognized in a conventional farming operation by which synthetic pesticides and fertilizers are used.

Nonsynthetic (Natural) means a substance originated from mineral, plant or animal matter that does not undergo a synthetic process.

Terms and Definitions (Continued)

Transferor means an insured who transfers an insured right to an indemnity to another party.

Transitional Acreage means acreage on which organic farming practices are being followed that does not yet qualify to be designated as organic acreage.

Uninsured Acres means uninsurable acreage and insurable acreage that is not insured in accordance with the CP.

Uninsurable Acreage means acreage of an insured crop that does not meet the policy requirements for insurance.

Unit means the insurable acreage of the insured crop in the county taken into consideration when determining the approved APH yield, production guarantee/amount of insurance, and the amount of any indemnity (loss payment). Each insured crop's unit structure is defined in the policy and/or respective endorsement.

Unrated Land means land which is not rated on the actuarial map or actuarial listing, requiring a Written Agreement (sometimes known as unclassified or uninsurable).

Varying Share means a landlord-tenant agreement that allows for different crop shares within the same unit.

Verifier means an individual or organization authorized by FCIC to verify APH records and data furnished by the insured to the AIP in order to calculate and determine the approved APH yield.

Verify means to, determine by an on-site inspection, whether information submitted is true and accurate through independent means in accordance with procedures. With respect to certifications, asking the provider of the information whether the information is true and accurate does not constitute verification. Information from independent third parties or independent documentation must be obtained.

Vertically Integrated Producer means a producer is vertically intergrated when all stages of production of a crop, from acquisition of materials to the retailing or use of the final product, are controlled by one person, or by different persons that are related. Refer to the CIH.

Void means when the policy is considered not to have existed for a crop.

Whole Farm Unit means all insurable acreage of all the insured crops planted in the county in which the insured has a share on the date coverage begins for each crop for the crop year and for which the whole-farm unit structure is available.

Written Agreement means a document designed to provide crop insurance for insurable crops when coverage or rates are unavailable or to modify existing terms and conditions in the crop insurance policy when specifically permitted by the policy. ROs are authorized to conduct the underwriting and approve or deny requests for WA on behalf of the FCIC.

Terms and Definitions (Continued)

Yield Protection means a plan of insurance that only provides protection against a production loss and is available only for crops for which revenue protection is available.

Yield Protection Guarantee (Per Acre) means when yield protection is selected for a crop that has revenue protection available, the amount determined by multiplying the production guarantee by the insured's projected price.

Zero Acreage Report means an acreage report filed by an insured that certifies that the insured does not have a share in insurable acres of the crop for that crop year.

Round Bin Conversion Chart (Continued)

ROUND BIN CONVERSION CHART: CONVERTING CIRCUMFERENCE TO DIAMETER: SQUARE FOOT FACTOR CHART						
FACTOR FOR DETERMINING GROSS CUBIC FEET IN ROUND STRUCTURES						
144.4-144.6	46.0	1661.9		152.2-152.5	48.5	1847.5
144.7-144.9	46.1	1669.1		152.6-152.8	48.6	1855.1
145.0-145.2	46.2	1676.4		152.9-153.1	48.7	1862.7
145.3-145.6	46.3	1683.7		153.2-153.4	48.8	1870.4
145.7-145.9	46.4	1690.9		153.5-153.7	48.9	1878.1
146.0-146.2	46.5	1698.2		153.8-154.0	49.0	1885.7
146.3-146.5	46.6	1705.5		154.1-154.4	49.1	1893.5
146.6-146.8	46.7	1712.9		154.5-154.7	49.2	1901.2
146.9-147.1	46.8	1720.2		154.8-155.0	49.3	1908.9
147.2-147.4	46.9	1727.6		155.1-155.3	49.4	1916.7
147.5-147.8	47.0	1734.9		155.4-155.6	49.5	1924.4
147.9-148.1	47.1	1742.3		155.7-155.9	49.6	1932.2
148.2-148.4	47.2	1749.7		156.0-156.2	49.7	1940.0
148.5-148.7	47.3	1757.2		156.3-156.6	49.8	1947.8
148.8-149.0	47.4	1764.6		156.7-156.9	49.9	1955.7
149.1-149.3	47.5	1772.1		157.0-157.2	50.0	1963.5
149.4-149.6	47.6	1779.5				
149.7-150.0	47.7	1787.0				
150.1-150.3	47.8	1794.5				
150.4-150.6	47.9	1802.0				
150.7-150.9	48.0	1809.6				
151.0-151.2	48.1	1817.1				
151.3-151.5	48.2	1824.7				
151.6-151.8	48.3	1832.3				
151.9-152.1	48.4	1839.8				

Notice of Prevented Planting or Notice of Damage or Loss Standards

A. General Information

- (1) The following provides the standards for a notice for PP and notice of loss for planted acres. It also provides the form standards for a Notice of Prevented Planting or Notice of Damage or Loss form if a form is utilized to record the notices.
- (2) A separate Notice of Prevented Planting Form may be used rather than combining with the Notice of Damage or Loss Form for planted crops. However, the statements in subparagraph B and the following items listed in subparagraph D below are required for Items (1)-(10), (13)-(18), (20)-(21), and (23)-(28).

B. Required Statements and Other General Form Requirements

The Privacy Act and Non-Discrimination statements are required statements that must be printed on the form or provided as a separate document. These statements are not shown in the example form in this Exhibit. The current Non-Discrimination Statement and Privacy Act Statement can be found on the RMA website at <http://www.rma.usda.gov/regs/required.html> or successor website. For additional signature and distribution requirements for these statements, refer to section 8 of the DSSH. Also, refer to the DSSH for other requirements general to all forms; e.g., point size of font, submission requirements for forms approval, etc.

C. Insured's Notice of Loss

- (1) The insured can provide notice via telephone, e-mail, postal service, fax, in person, or by using a Notice of Loss form as described in subparagraph D below. If the agent/AIP receives the notice from the insured by phone or e-mail and documents such notice on a phone log, claim form, claims log, claim registry, automated notice system to open claims, etc., the policy requirement for confirming the notice of loss in writing will be considered fulfilled (Refer to Para.41).
- (2) However, if the notice of loss is not recorded on a form, the following is required:
 - (a) A title that identifies that this is notice of loss information, and
 - (b) For notices for:
 - (i) Planted acres: The information for the items identified as “(substantive),” excluding items 27-28, in subparagraph D below.
 - (ii) PP: The information for the items identified as “(substantive),” excluding items 27-28, in subparagraph D below.
- (3) The notice form or the required notice information must be retained in the insured's file folder or in the AIP electronic database or electronic files retained for the insured.

FGIS' (or Applicable State or Other Entity's) FM and Dockage Definitions (Continued)

CROP	FGIS Dockage Definition (State definition, as specified) (Conspicuous Admixture or Admixture, if applicable).	FGIS FM Definition (State or other entity, as specified)
Rye	Dockage: All matter other than rye that can be removed from the original sample by use of an approved device in accordance with procedures prescribed in FGIS instructions. Also, underdeveloped, shriveled, and small pieces of rye kernels removed in properly separating the material other than rye and that cannot be recovered by properly rescreening and recleaning.	FM: All matter other than rye that remains in the sample after the removal of dockage.
Safflowers	Dockage: All material other than whole safflower seed that can be easily removed with a cleaning device and by handpicking and also includes underdeveloped, shriveled, and small pieces of safflower seed that cannot be recovered by properly recleaning. There are no definitions for admixture, conspicuous admixture, or stones.	FM: No definition (N/A)
Sorghum, Grain	Dockage: All matter other than sorghum that can be removed from the original sample by use of an approved device according to procedures prescribed in FGIS instructions. Also, underdeveloped, shriveled, and small pieces of sorghum kernels removed in properly separating the material other than sorghum.	FM: All matter, except sorghum, which passes over the number 6 riddle and all matter other than sorghum that remains on the top of the 5/64 triangular-hole sieve according to procedures prescribed in FGIS instructions.
Soybeans	Dockage: No definition (N/A)	All matter that passes through an 8/64 round-hole sieve and all matter other than soybeans remaining in the sieved sample after sieving according to procedures prescribed in FGIS instructions.
Sunflower Seed Non-Oil (Confectionary)	Dockage: All material other than whole confectionary sunflower seeds containing kernels that you can remove by using handsieving and by handpicking a portion of the sample. Admixture: Consists of all material other than confectionary sunflower seed which you can remove from a test portion by handseiving and handpicking. Consider empty hulls and part of seed as confectionary sunflower seed. The major difference between admixture and dockage is that hulls and pieces of hulls are not included in admixture. Consequently, the percentage of admixture is lower than the percentage of dockage. There are no definitions for conspicuous admixture or stones.	FM: No definition (N/A)
Sunflower Seed – Oil	Dockage: No definition (N/A)	FM: All matter other than whole sunflower seeds containing kernels that can be removed from the original sample by use of an approved device and by handpicking a portion of the sample according to procedures prescribed in FGIS instructions.
Wheat	Dockage: All matter other than wheat that can be removed from the original sample by use of an approved device according to procedures prescribed in FGIS instructions. Also, underdeveloped, shriveled, and small pieces of wheat kernels removed in properly separating the material other than wheat and that cannot be recovered by properly rescreening or recleaning.	FM: All matter other than wheat that remains in the sample after the removal of dockage and shrunken and broken kernels.

Calculation Sequence of Liability Adjustment Factor LAF and 1ST/2ND Crop Reduction

A. General Information

- (1) Refer to Para. 37 for information on LAF, and Exhibit 2 for definition of LAF.
- (2) Refer to Para. 111 for information on 1st/2nd Crop Reduction.
- (3) **The liability used to determine the LAF for a replanting payment, prevented planting payment, and an indemnity payment is a separate liability for each type of payment and is determined on a line-by-line basis on the claim form. The same LAF WOULD NOT apply to all indemnity payment calculations (i.e., the liability for a replanting payment, a prevented planting payment, and an indemnity payment with the same unit number are not combined). They are kept separate in the same manner that each payment type is a separate payment.**

B. Calculation Sequence of LAF and 1st/2nd Crop Reduction

- (1) Indemnity Payment:

Step 1 **Yield and Revenue Protection**

Guarantee Per Acre^{2/} X Price Election or Harvest Price Amount X Determined Acreage X LAF = Loss Guarantee Amount

Other applicable crops under the BP

Acre Stage Guarantee Amount^{1/} X Determined Acreage X LAF = Loss Guarantee Amount.

Step 2 **Yield and Revenue Protection**

Production to Count Quantity X Price Election or Harvest Price Amount = Revenue Conversion Production To Count

Step 3 **Yield and Revenue Protection**

Loss Guarantee Amount – Revenue Conversion Production To Count = Unit Deficiency Quantity

Other applicable crops under the BP

Loss Guarantee Amount minus Production to Count Quantity = Production Loss (Unit Deficiency Quantity).

Step 4 **Yield and Revenue Protection**

Unit Deficiency Quantity X Insured Share Percent = Preliminary Indemnity Amount

Other applicable crops under the BP

Unit Deficiency Quantity X Price Election Amount X Stage Price Percent Factor^{2/}, if applicable X Insured Share Percent = Preliminary Indemnity Amount.