United States
Department of
Agriculture

GENERAL STANDARDS HANDBOOK

Federal Crop
Insurance
Corporation

2020 and Succeeding Crop Years

FCIC-18190
(06-2019)

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United States Department of Agriculture
Risk Management Agency
Kansas City, Missouri 64133

TITLE: 2020 General Standards Handbook	**NUMBER:** FCIC 18190
EFFECTIVE DATE: 2020 and Succeeding Crop Years	
SUBJECT: 2020 General Standards Handbook	**ISSUE DATE: June 28, 2019**
	OPI: Product Administration and Standards Division
	APPROVED: ***/s/ Richard Flournoy*** Deputy Administrator for Product Management

REASON FOR ISSUANCE

This handbook provides the official FCIC approved standards for policies administered by AIPs under the General Administrative Regulations, 7 CFR Part 400; Common Crop Insurance Policy Regulations, Basic Provisions, 7 CFR § 457.8 including the Catastrophic Risk Protection Endorsement, 7 CFR Part 402 and the Actual Production History Regulation 7 CFR Part 400 Subpart G; the Area Risk Protection Insurance Regulations, 7 CFR Part 407; Stacked Income Protection Plan; the Rainfall and Vegetation Index Plans; and the Whole Farm Revenue Protection Pilot Policy for the 2020 and succeeding crop years for crops with a contract change date of June 30, 2019, or later.

This issuance obsoletes Bulletin MGR-19-010.

SUMMARY OF CHANGES

Listed below are the changes to the 2020 FCIC 18190 General Standards Handbook with significant content change. Minor changes and corrections are not included in this listing.

REFERENCE	DESCRIPTION OF ADDITIONS, DELETIONS, CHANGES OR CLARIFICATIONS
Throughout	Updated links in document
Para. 1G.	Added contact e-mails for Private Product Reimbursements, FAD/IoP requests, Non-Reinsured Supplemental Policy reviews, and Private Product Submissions. Added information for Policy Issue Log and instructions on FAD/IoP requests.
Para. 212	Added language for inadvertent errors for SBI reporting requirement. Also added an example for when SBI percent could exceed 100 percent.
Para. 253	Add language for signature authority for Partnerships
Part 3	Added VFR procedures to address 2018 Farm Bill changes
Part 4, Section 1	Added native sod procedure to address 2018 Farm Bill changes.
Para. 803C	Added Annual Forage small grain exception for duplicate policy exceptions
Para. 804C	Added Annual Forage to allow for the Dual Use Option
Para. 806A	Removed references to Rainfall Index policies and added exceptions for allowing insureds to purchase and retain for NAP and AF, PRF and Apiculture. Also added that NAP indemnities will be revenue to count for WFRP policies.
Para. 806B	Removed LGM Dairy and FSA Margin Protection Program for Dairy
Para. 807	Updated CAT Administrative fee amount from 2018 Farm Bill changes and added that both the transferee and transferor are jointly responsible for administrative fees when there is a transfer of coverage and right to indemnity.
Para. 814	Added language regarding electronic communication for change in Section 4(d) and 33 of the 2020 BP.
Para. 838	Added how the protection factor applies to 2018 Farm Bill native sod changes.
Para. 842C	Added how the premium subsidy reduction applies to 2018 Farm Bill native sod changes.
Para. 847	Clarified that good experience discounts do not transfer to another person when a policy transfers.
Para. 851	Added example for clarification of requirement for policy changes in counties with dual SCD counties for policy changes.
Para. 853D	Added that a transferee's rights include the right to receive notifications that an insured would receive that are outlined in the ITS Handbook.
Para. 871	Added information on deadline for documentation for Organics plans
Para. 872D	Added Table to clarify the importance of and when to provide the required documents to the AIP.
Exh. 1A	Added acronyms: MCEU, NISH, NRS, PPSH, and VFR. Adjusted acronym: EPLPPS
Exh. 1B	Added definitions: Affiliate, De Minimis Acres, Non-Reinsured Supplemental, Otherwise Harvested, Policy Issue Log, Postmarked, and Veteran Farmer/Rancher. Changed definitions: Cropland Acreage, Personally Identifiable Information, Production Reporting Date – CCIP, Sales Closing Date, Second Crop and Substituted Yield.
Exh. 8A	Updated the policy limits for livestock policies, added Dairy Revenue Protection, Margin Protection, and updated other policy provisions.

CONTROL CHART

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Remove	All	All	All	All	All	All
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FILING INSTRUCTIONS

This handbook replaces the FCIC-18190 General Standards Handbook, dated June 26, 2018. These amendments are effective upon approval and until obsoleted.

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PART 1 GENERAL INFORMATION AND RESPONSIBILITIES

1 General Information

A. Purpose

The FCIC is a wholly-owned government corporation established by the Federal Crop Insurance Act, 7 U.S.C. 1501. Its purpose is to promote the national welfare by improving the economic stability of agriculture through a sound system of crop insurance and providing the means for the research and experience helpful in devising and establishing insurance. RMA is charged with regulation and oversight of the Act and the administration of the crop insurance program on behalf of FCIC.

This handbook provides the official FCIC approved standards for policies administered by AIPs under the General Administrative Regulations, 7 CFR Part 400; Common Crop Insurance Policy Regulations, Basic Provisions, 7 CFR § 457.8 including the Catastrophic Risk Protection Endorsement, 7 CFR Part 402 and the Actual Production History Regulation 7 CFR Part 400 Subpart G; the Area Risk Protection Insurance Regulations, 7 CFR Part 407; Stacked Income Protection Plan; the Rainfall and Vegetation Index Plans; and the Whole Farm Revenue Protection Pilot Policy for the 2020 and succeeding crop years. These general administrative procedures apply across all plans of insurance unless otherwise modified by program specific directives.

This handbook provides general information that may apply to pilot programs or private insurance products submitted under the authority of the Federal Crop Insurance Act, e.g., Section 508(h) or 523(d), unless the guide for such program or product modifies the GSH for applicability.

B. Source of Authority

Federal programs enacted by Congress and the regulations and policies developed by RMA, USDA, and other Federal agencies provide the authority for program and administrative operations; and basis for RMA directives. Administration of the Federal crop insurance program is authorized by the following.

(1) The Federal Crop Insurance Act, 7 U.S.C. 1501

(2) The Food Security Act of 1985, 16 U.S.C. 3801 et seq.

(3) Controlled Substance Act of 1970, 21 U.S.C. 801 et seq.

(4) Personal Responsibility and Work Opportunity Reconciliation Act of 1996, 42 U.S.C. 653a

(5) Privacy Act of 1974, 7 U.S.C. 552a

(6) Agriculture General Administrative Regulation, 7 CFR part 400

(7) Highly Erodible Land Conservation and Wetland Conservation, 7 CFR part 12

(8) Standard Reinsurance Agreement and Livestock Price Reinsurance Agreement

C. Related Procedural or Directive Handbooks

The following table provides directives and/or handbooks closely related to this handbook. However, other RMA approved handbooks may refer to this handbook and be applicable.

Handbook	RELATION/PURPOSE
Appendix III	Standards, instructions, and information for electronic data reporting of policyholder, commodity, and other information submitted by AIPs as required by the SRA, LPRA, or other policy and procedure.
CIH	This handbook provides the official FCIC-issued underwriting standards for policies covered under the Common Crop Insurance Policy Basic Provisions and Area Risk Protection Insurance, including the Catastrophic Risk Protection Endorsement and Supplemental Coverage Option; and the Actual Production History Regulation G.
DSSH	Provides form standards and procedures for use in the sales and service of crop insurance contracts. Provides submission and review procedures for non-reinsured supplemental policies. AIP forms must meet the form standards as provided in the DSSH. The DSSH provides the substantive elements for AIP form development including conflict of interest, nondisclosure, and Privacy Act statements, whereas, the CIH provides the instructions for form completion.
ITS	Provides instructions for administration of the ineligible tracking system.
LAM	Identifies loss adjustment standards and requirements for determining production or revenue and adjusting crop insurance claims.
NISH	Provides instructions for administration of the nursery crop provisions.
RI/VI	Procedures and information for administering the RI/VI plans of insurance.
STAX	Procedures for administering STAX (cotton only).
WAH	Provides standards and instructions for handling of actuarial change requests and WAs.
WFRP	Provides information, procedures, and instructions for administering WFRP.

D. Regulatory or Procedural Conflict

If there is a conflict in procedural application; the following take precedence.

(1) Federal Crop Insurance Act and any FAD interpreting the Act

(2) The CAT Endorsement, as applicable, and any FAD interpreting the CAT Endorsement

(3) Written Agreement, as applicable

(4) The Special Provisions and actuarial documents

(5) Crop endorsements/options and any FAD interpreting the crop endorsement/option if published at 7 CFR part 457

(6) Crop Provisions and any FAD interpreting the Crop Provisions

(7) Basic Provisions and any FAD interpreting the Basic Provisions

(8) Administrative regulations (7 CFR part 400) and any FAD interpreting the administrative regulations

(9) Manager's Bulletins and PM Informational Memorandums

(10) Plan specific directives such as the Crop Insurance Handbook/WFRP Pilot Handbook/STAX Underwriting Standards Handbook/Rainfall and Vegetation Index Insurance Standards Handbook, as applicable to the policy's plan of insurance

(11) General Standards Handbook

(12) Prevented Planting Standards Handbook

(13) Crop LASH Handbooks

(14) Loss Adjustment Manual

E. Procedural Issuance Authority

This handbook is written and maintained by:

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

For applicable RMA Regional or Compliance office contacts referenced throughout this handbook, refer to www.rma.usda.gov/en/RMALocal/Field-Offices/Regional-Offices or www.rma.usda.gov/en/RMALocal/Field-Offices/Regional-Compliance-Offices

F. Procedural Questions for the General Standards Handbook

(1) Questions regarding procedures in this handbook are to be directed:

(a) to the AIP, if not resolved, then
(b) through appropriate channels within the AIP to RMA.

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

(2) If a perceived error is identified, notify RMA in writing at the address contained in the preceding paragraph, by using the Policy Issue Log, or by email at rma.kc.gsh@rma.usda.gov. The writing must 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 slip-sheet to the GSH or a memorandum/bulletin. Conversely, if RMA determines the error identified as not to be significant, correction will be included in the subsequent issuance of the GSH.

(3) FCIC Policy and Procedural Interpretations may be submitted pursuant to 7 CFR Part 400, Subpart X and Manager's Bulletin 05-018, or subsequent publication.

G. RMA Contacts for AIPs

To ensure policy or procedural questions submitted to RMA are received by the appropriate group, use the Policy Issue Log, or the applicable RMA group email account, as provided below.

The Policy Issue Log and RMA group email accounts are established for AIP use only. Agents and insureds must submit questions to their respective AIPs.

Once an AIP obtains access to the Policy Issue Log, the Policy Issue Log will be used for submitting policy and procedural questions regarding the subject matter areas below for which the Policy Issue Log is the first RMA contact listed.

SUBJECT MATTER	REFERENCE LOCATION	RMA CONTACT
Basic & Crop Provisions	Regulatory Policy	Policy Issue Log or rma.kc.pab@rma.usda.gov
Category B, C & D Crops; ARPI	CIH	Policy Issue Log or rma.kc.cih@rma.usda.gov
Conservation Compliance	GSH	Policy Issue Log or conservation@rma.usda.gov
General Administrative	GSH	Policy Issue Log or rma.kc.gsh@rma.usda.gov
Ineligibility	ITS	rma.debt.management@rma.usda.gov
Livestock	LRP/LGM/Dairy	Policy Issue Log or rma.kc.livestock@rma.usda.gov
Loss Adjustment	Loss Adjustment Manual	Policy Issue Log or rma.lam@rma.usda.gov
Margin Protection	MP Handbook	Policy Issue Log or rma.kc.marginprotection@rma.usda.gov
Nursery	NISH	Policy Issue Log or rma.kc.nursery@rma.usda.gov
Prevented Planting	PPSH	Policy Issue Log or rma.pp.lah@rma.usda.gov
Prices		PDFeedback@rma.usda.gov
Rainfall Index; Apiculture; Annual Forage	RI/VI Handbook	Policy Issue Log or rma.kcviri@rma.usda.gov
Rates		actuarial@rma.usda.gov
Written Agreements	WA Handbook	Policy Issue Log or rma.kc.wah@rma.usda.gov
Whole Farm Revenue Protection	WFRP Handbook	Policy Issue Log or rma.wfrp@rma.usda.gov
508(h) Private Product Reimbursements	Subpart V	reimbursements@rma.usda.gov
FAD/IoP requests	Subpart X	SubpartX@rma.usda.gov

1 General Information (continued)

G. RMA Contacts for AIPs (continued)

SUBJECT MATTER	REFERENCE LOCATION	RMA CONTACT
Non-Reinsured Supplemental Policy reviews	Subpart V; 7 CFR. § 400.713	DeputyAdministrator@rma.usda.gov
Concept Proposal and 508(h) Private Product Submissions	Subpart V; 7 CFR. § 400.701 to 400.712	DeputyAdministrator@rma.usda.gov

Note: All FAD/IoP requests shall be e-mailed to SubpartX@rma.usda.gov; or faxed to (816) 926-3049; or delivered by certified or overnight delivery to: the Deputy Administrator, Risk Management Agency, United States Department of Agriculture, Beacon Facility, Stop 0801, Room 421, P.O. Box 419205, Kansas City, MO 64141-6205.

2 Responsibilities

AIPs must use standards, procedures, methods and instructions as authorized by FCIC in the sale and service of policies. Each AIP is responsible for using RMA approved procedures. Procedures herein must be administered on a policy basis.

3 Requesting Information from FSA

AIPs have access to FSA information through CIMS. If that access is not sufficient or appears questionable, the agent/AIP may either complete a FSA 426 form to obtain the most recent years FSA 578 and maps from the applicable FSA county office, or obtain such information from the insured.

The FSA 426 form is used to request the producer's most current year's FSA 578 printouts and hard copy of maps. In certain cases, the FSA 426A may be used to request data from years prior to the most recent year. The agent/AIP representative must be sure to indicate the year(s) for which information is requested.

4 Title VI of the Civil Rights Act of 1964

The USDA prohibits discrimination against its customers. Title VI of the Civil Rights Act of 1964 provides that "No person in the United States shall, on the ground of race, color, or national origin, be excluded from participation in, be denied the benefits of, or be subjected to discrimination under any program or activity receiving Federal financial assistance." Therefore, programs and activities that receive Federal financial assistance must operate in a non-discriminatory manner. Also, a recipient of RMA funding may not retaliate against any person because he or she opposed an unlawful practice or policy, or made charges, testified or participated in a complaint under Title VI.

4 Title VI of the Civil Rights Act of 1964 (continued)

It is the AIPs' responsibility to ensure that standards, procedures, methods and instructions, as authorized by FCIC in the sale and service of crop insurance contracts, are implemented in a manner compliant with Title VI. Information regarding Title VI of the Civil Rights Act of 1964 and the program discrimination complaint process is available on the RMA public website at www.rma.usda.gov/en/About-RMA/Who-We-Are/Hidden/Office-of-the-Administrator/Office-of-Civil-Rights/Program-Discrimination

5-200 (Reserved)

201 Eligible Persons

To be eligible, the applicant must meet all the following.

A. Competence

An individual is considered to be competent unless a court has declared the individual incompetent. A judicially declared incompetent individual may apply for insurance only if a court-appointed guardian signs the policy documents.

If an individual is judicially declared incompetent:

(1) the AIP must obtain and maintain in the insurance file a copy of the declaration; and
(2) Para. 231 is applicable.
(3) Evidence must be provided to the AIP that an insurable share exists for the judicially declared incompetent individual before the AIP may accept the Application.

If incompetency is dissolved:

(1) evidence of the dissolution (e.g., court judgment) must be provided to the AIP; and
(2) a new application is required.

B. Legal Emancipation

(1) For individuals less than 18 years of age or where emancipation has not been conferred by a court, to be eligible for crop insurance:

(a) a minor must provide evidence an insurable share exists; and
(b) a parent or court-appointed guardian must co-sign the Application and other applicable policy documents.

(2) When a parent or court-appointed guardian co-signs the application:

(a) an acknowledgement guaranteeing payment of the annual premium must be included with the application; and

(b) a written statement describing the farming operation and the insurable share must be provided.

(3) For CAT coverage only, a minor who is competent to enter into a legally binding contract may insure without a cosigner; however, if not competent to enter into a legally binding contract, a parent or court-appointed guardian must co-sign the application.

(4) When the minor attains the age of legal majority or is conferred legal emancipation by the court, his/her existing contract is dissolved and a new Application is required. See Part 2, Section 3 for applicable entity status changes.

C. Insurable Share of Crop

D. Applicable Identification Number and Person Type

E. Eligibility

Must not be ineligible per the procedures in Para. 202.

202 Ineligible Persons

An ineligible person is a person who is denied participation in any program administered under the Act. See the ITS Handbook to determine impact of ineligibility of insureds and SBIs. A person may be determined to be ineligible if the following applies.

A. Delinquent Debt

Any person with a delinquent debt to the FCIC or an AIP is ineligible until the debt is satisfied. A delinquent debt is a debt that is not satisfied on or before the date of delinquency, such as the termination date, due date contained in a written payment agreement, or due date specified in the notice to the person of the amount due.

B. Disqualification, Suspension, or Debarment

Any person who has been disqualified under section 515(h) of the Act, or has been debarred or suspended under 7 CFR Part 400, Subpart R, 2 CFR Part 180 or 2 CFR Part 417, or successor regulations, is ineligible for the specified period of disqualification, suspension, or debarment.

C. Conviction-Controlled Substance

The Food Security Act of 1985, as amended, provides that any person who is convicted under Federal or state law of planting, cultivating, growing, producing, harvesting, or storing a controlled substance in any crop year will be ineligible for USDA benefits from the beginning of the crop year of conviction and the four subsequent consecutive crop years.

D. Not a U.S. Citizen, Non-Citizen National, or Qualified Alien

An individual who is not a U.S. citizen, U.S. non-citizen national, or a qualified alien is ineligible to participate in any program administered under the Act according to PRWORA.

203-210 (Reserved)

Section 2: Reporting and Verification Requirements

211 Identification Number(s)

To obtain insurance, the applicant must report the correct person type (e.g., individual, spousal, joint venture, partnership, corporation, etc.) and the correct applicable identification number.

A. Identification Number Reporting

Each person type, identified in section 4 of this Part, requires either a(n) SSN and/or EIN, or RAN to be reported. Insurance will not be provided to persons who fail to report their SSN, EIN, or RAN, as applicable, by the SCD. An incorrectly reported identification number may result in a voided policy. See Para. 213.

Each identification number is to be used only by the person to whom it was assigned, and in accordance with the person type procedures in Section 4 of this Part. If an incorrect SSN/EIN is certified or an insured receives an indemnity, PP payment or replant payment and the SSN/EIN is not correct; the insured may be subject to civil, criminal, or administrative sanctions.

B. Social Security Number (SSN)

A SSN is an acceptable identification number. In limited situations, a SSN may have been provided to a person who is not a qualified alien entitled to federal benefits. If an AIP is aware of an insured or SBI in this situation, the AIP must follow procedures in Para. 211E.

Example: SSN cards which state, "VALID FOR WORK ONLY WITH DHS AUTHORIZATION" and "NOT VALID FOR EMPLOYMENT"

The SSN is a 9-digit number issued by the United States Social Security Administration to an individual for purposes of section 205(c)(2)(A) of the Social Security Act. The 9-digit number consists of 3 parts. The first set of 3 digits is called the area number, the second set of 2 digits is called the group number, and the final set of 4 digits is called the serial number.

The SSN is acceptable if it is used only by the person to whom it was assigned and in accordance with the person type procedures in Section 4 of this Part.

Exception: Joint Ventures, LLCs, and Revocable Trusts may use an individual member's SSN. The individual must also be reported as a SBI with his/her SSN.

C. Employer Identification Number (EIN)

An EIN is an acceptable identification number. Also known as a Federal Employer Tax Identification Number, the EIN is used to identify a business entity.

The EIN is acceptable if it is used only by the person to whom it was assigned and in accordance with the person type procedures in Section 4 of this Part.

D. Individual Taxpayer Identification Number (ITIN)

An ITIN is not an acceptable identification number. An ITIN is a tax processing number issued by the Internal Revenue Service for federal tax reporting purposes. The ITINs are issued to individuals who are required to have a U.S. taxpayer identification number, but who do not have, and are not eligible to obtain a SSN from the Social Security Administration and are not intended to serve any other purpose.

The ITIN is a nine-digit number that begins with the number 9 and has a range of 70-88 in the fourth and fifth digit. Effective in 2011, the range was extended to include 900-70-0000 through 999-88-9999, 900-90-0000 through 999-92-9999 and 900-94-0000 through 999-99-9999.

E. RMA Assigned Number (RAN)

A RAN is an acceptable identification number. A RAN is issued by RMA to those individuals who demonstrate that they are entitled to Federal benefits in accordance with the Personal Responsibility and Work Opportunity Act of 1996 (PRWORA). A RAN may also be assigned to a Bureau of Indian Affairs allotment that does not have an identification number.

(1) RAN Issuance

If an applicant or an applicant's SBI is ineligible to obtain a SSN or an EIN, a RAN may be requested from RMA. RMA will issue a RAN if the applicant or applicant's SBI can demonstrate the applicant or applicant's SBI is a qualified alien entitled to Federal benefits in accordance with the PRWORA.

For BIA trust allotments only, AIPs may issue a RAN in accordance with these procedures when the BIA trust allotment does not have an EIN.

(2) Qualified Alien

To be considered a qualified alien under PRWORA, the individual must demonstrate they are:

(a) an Alien who is lawfully admitted for permanent residence under the Immigration and Nationality Act;

(b) a Refugee who is admitted to the United States;

(c) an Alien paroled into the U.S. for at least one year;

(d) an Alien whose deportation was withheld;

(e) an Alien granted conditional entry pursuant to section 203(a)(7) of the Immigration and Nationality Act (8 USC 1153(a)(7)) as in effect **prior** to April 1, 1980;

E. RMA Assigned Number (RAN) (continued)

(f) a Cuban/Haitian Entrant; or

(g) an Alien who has been battered or subjected to extreme cruelty.

(3) RAN Request for Qualified Alien

To request a RAN for a qualified alien the following must be completed.

(a) The qualified alien must:

(i) demonstrate they are/were a qualified alien eligible to receive Federal benefits by the SCD of the crop year for which a RAN is requested;

(ii) submit a Request for an RMA Assigned Number to the AIP;

(iii) provide all applicable documentation substantiating qualified alien status in accordance with PRWORA as provided in Exh. 2 and as specified in subparagraph (b) below to the applicable AIP;

The AIP must receive the request and supporting documentation no later than the SCD, or by the date specified by the AIP, if the RAN is being requested to provide a correction after discovery of an error; and

(iv) meet all other policy requirements, e.g., have an insurable share, not be ineligible, etc.

(b) The AIP must:

(i) review the documentation provided by the person who applies for federally reinsured and subsidized crop insurance benefits to determine if such evidence conforms to the requirements specified in Exh. 2;

(ii) obtain fully legible copies (front and back) of the original immigration documents as provided in Exh. 2;

(iii) forward the Request for an RMA Assigned Number and supporting documentation within 30 days of the applicable SCD or of the date established by the AIP, when the RAN is being requested to provide a correction after discovery of an error. See Para. 215; and

(iv) until RAN is provided by RMA, handle in accordance with the following.

(A) If the person is the applicant or insured, the policy cannot be transmitted.

E. RMA Assigned Number (RAN) (continued)

(B) If the person is a SBI to the applicant or insured, the amount of coverage for all crops included on the Application must be reduced proportionately by the percentage of interest of that person in the applicant or the insured.

(c) RMA will:

(i) review the Request for an RMA Assigned Number and supporting documentation; and

(ii) assign a RAN if documentation conclusively demonstrates that the requestor is a qualified alien within 30 days of receipt of the request and supporting documentation; or

(iii) deny the request within 30 days of the receipt of the request and supporting documentation.

RMA reserves the right to request additional information in review of the requestor's request. If more information is requested by RMA, a decision to accept or deny the request will be issued to the AIP within 30 days of receipt of the additional information.

(4) The Request for a RMA Assigned Number

The Request for a RMA Assigned Number must be completed and signed by the AIP and the requestor. Once completed the Request must be forwarded to the Director of RMA PASD by email at directorpdd@rma.usda.gov or by mail to the address provided in Part 1, Para. 1.

Submitted supporting documentation must be legible and in color. The supporting documentation must be in color either by scanning the documents or providing color copies. If a color copy of the required documentation is not provided, the Request will automatically be rejected for failure to timely submit all required documentation and a RAN will not be assigned.

If the supporting documentation appears to be altered or counterfeit, or if the requestor presents documentation that does not conform to the standards as provided in Exh. 2, the AIP must:

(a) annotate the request indicating such concerns; and
(b) complete INS Form G-845 Document Verification Request and attach fully legible copies (front and back) of the original documents and forward to RMA.

Failure to timely submit a Request for a RMA Assigned Number and supporting documentation will be subjected to the procedures in Para. 213.

E. RMA Assigned Number (RAN) (continued)

(5) RAN Request for Indians Represented by BIA

Prior to issuance of a RAN for a BIA allotment, the AIP must obtain a copy of the BIA trust agreement and process the Application in the same manner as an irrevocable trust.

The AIP does not have to submit a Request for a RMA Assigned Number to RMA for BIA allotments. The AIP is to make its determination of the BIA eligibility and assign a number in accordance to subparagraph (6) below. See Para. 258C for further information regarding BIA allotments held under trust.

(6) RAN Assignment

(a) If it is determined by RMA that the applicant or applicant's SBI is a qualified alien in accordance with PRWORA, RMA will issue a RAN. If a RAN cannot be assigned to the:

(i) applicant, then no policy can be issued.
(ii) applicant's SBI, the amount of coverage for all crops on the Application will be reduced proportionately by the percentage interest the SBI has in the applicant.

(b) For BIA allotments, AIPs will establish a nine-digit number. This number must be established as follows:

(i) the first two digits identify the FIPs state code;
(ii) the next three digits identify the FIPs county code; and
(iii) the last four digits identify the allotment number (e.g., 0006).

(c) If a RAN is assigned by RMA, any applicable LRR to the AIP will be considered for a waiver, and policy correction must be initiated by the AIP, as necessary, to reflect the insurable interest in the policy.

(7) RAN Expiration

For non-citizen qualified aliens, a RAN is temporary, and will expire either when the qualified alien becomes a U.S. citizen and is assigned a SSN, or the documentation provided to support qualified alien status expires. For BIA trust allotments only, the RAN has no expiration.

If a RAN expires and:

(a) the applicant or the applicant's SBI receives an admittance extension from the USCIS, of which renews the individual's qualified alien status, then the applicant or applicant's SBI must resubmit a Request for a RMA Assigned Number as per the procedures in Para. (3) above.

E. RMA Assigned Number (RAN) (continued)

(b) after resubmitting a Request for a RMA Assigned Number:

(i) if the applicant no longer qualifies for a RAN, then a policy will not be issued.

(ii) if the applicant's SBI does not qualify for a RAN, then the amount of coverage for all crops on the Application will be reduced proportionately by the percentage of interest the SBI has in the applicant.

(c) the non-citizen is admitted for permanent residency (conditional or unconditional), or becomes a U.S. citizen, the person must use the SSN received if applicable, or must resubmit a Request for RMA Assigned Number to be used until such number is received.

Once the SSN is received it must be used. The policy must be corrected at the time the valid SSN is received by the person. LRR waivers are applicable.

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

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

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

Failure to report the expiration may adversely affect the insured's ability to continue coverage as outlined in Para. 213.

(8) RANs for SBI of a Business Entity

Obtaining insurance as a business entity cannot be used to defeat the purpose of PRWORA. If a business entity only has one individual with a SBI in the entity and it is determined that the business entity was formed in order to defeat the requirements of PRWORA, the entity is to be treated as an individual; therefore, no insurance will be provided.

If any individual belonging to the entity does not qualify for federal benefits under PRWORA, then the entity's insurable interest must be reduced proportionately. If an individual is eligible to receive federal benefits, then the individual's share of the business entity is insurable.

212 Substantial Beneficial Interest (SBI)

A. Requirements

By the SCD, for both new and carryover insureds, all persons (both foreign and domestic) with an interest of at least 10 percent in the insured/applicant must be listed and the applicable identification number provided on the policy/application. A policy will be void if it does not include all persons with a SBI in the applicant or insured. See Para. 214. See also subparagraph C below.

Exception: If an insured can prove that the error in not reporting a SBI was inadvertent and that when the insured provides the SBI name and identification number there were not disproportionate benefits received (e.g., SBI was eligible), the policy will not be void

The spouse of any individual applicant/individual insured will be presumed to have a SBI in the applicant or insured, even if the spouses qualify for separate policies in accordance with Para. 251C.

Exception: If the spouses can prove they are legally separated or otherwise legally separate under the applicable state dissolution of marriage laws, then separate polices may be available. See Para. 251C.

Any child of an individual applicant/individual insured is not considered to have a SBI in the applicant or insured unless the child has a separate legal interest in such person.

B. SBI Information Changes

If any SBI information changes after the SCD for the previous crop year, the following is applicable.

(1) The application must be revised by the SCD for the current crop year.

(2) If such information changes less than 30 days before the SCD for the current crop year, the Application must be revised by the SCD of the next crop year.

(3) If the insured fails to provide such revisions, the procedures in Para. 214 apply.

C. SBI Examples

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

C. SBI Examples (continued)

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

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

Example: M, Inc. is owned by S&W Partnership. S&W Partnership is owned by two individuals, each with 50 percent ownership in S&W Partnership. Therefore, the SBIs for M, Inc., would include S&W Partnership at 100 percent, and both individuals with ownership in S&W partnership at 50 percent each, for a total SBI percentage of 200 percent.

(2) There are two corporations that each has a 50 percent interest in the insured. Each corporation is comprised of two foreign partnerships. Two of the foreign partnerships have a 50 percent interest in one corporation and the other two foreign partnerships have a 50 percent interest in the other corporation. Each of the four foreign partnerships is comprised of two individuals, each having a 50 percent interest in the respective foreign partnership.

In this example, each individual would be considered to have a 12.5 percent interest in the applicant/insured. The corporations, foreign partnerships and individuals, whether foreign or domestic, must be reported as having a SBI in the applicant/insured.

213 Unreported or Incorrect Identification Numbers

A. Failure to Report

If the application does not contain the applicant's SSN or EIN, then:

(1) the application will not be accepted, and
(2) no insurance will be provided for the year of application.

B. Incorrect Identification Numbers

If the Application contains an incorrect SSN or EIN for the applicant, then:

(1) the Application will be considered not to have been accepted;

(2) no insurance will be provided for the year of Application and for any subsequent crop years, as applicable; and

(3) such polices will be void unless the applicable SSN/EIN is corrected.

B. Incorrect Identification Numbers (continued)

The AIP may incur a LRR for identification number changes. For further information regarding LRRs, AIP should contact RSD.

If an incorrect SSN/EIN is certified or an insured receives an indemnity payment, PP payment, or replant payment and the SSN/EIN is not correct, the insured may be subject to civil, criminal, or administrative sanctions.

C. Failure to Correct Incorrect Identification Numbers

The policy will be void if the applicant:

(1) does not correct the incorrect number; or
(2) corrects the incorrect number, but:

(a) the applicant does not prove that any error was inadvertent. (Simply stating an error was inadvertent is not sufficient to prove the error was inadvertent); or

(b) the AIP determines:

(i) the incorrect number would have allowed the insured to obtain disproportionate benefits;

(ii) the applicant is ineligible to participate in the crop insurance program; or

(iii) the applicant could avoid an obligation or requirement under any state or federal law.

214 Reported, Unreported or Incorrect SBI Identification Numbers

A. SBI Identification Number(s) Provided

For both new and carryover policies, insurance will be provided if the correct identification number(s) for all SBIs is provided. If the person, with a SBI, is ineligible for insurance, the amount of coverage for all crops included on the Application will be reduced proportionately by the percentage of interest the SBI has in the applicant/insured.

B. Failure to Report or Correct

For both new and carryover policies, if the applicable identification number(s) of any person(s) with a SBI in the applicant/insured is not included on the Application or are incorrect, the policies for all crops on the Application will be void if:

(1) the identification number is not corrected or provided;

B. Failure to Report or Correct (continued)

(2) the insured cannot prove that any error or omission was inadvertent. (Simply stating an error was inadvertent is not sufficient proof the error or omission was inadvertent); or

(3) the AIP determines:

(a) the incorrect number would have allowed the insured to obtain disproportionate benefits;

(b) the SBI is ineligible to participate in the crop insurance program; or

(c) the applicant/insured/SBI could have avoided an obligation or requirement under any state or Federal law.

215 Correction After Discovery – Inadvertently Misreported Identification Numbers

When an AIP discovers an inadvertently incorrect identification number for an insured or an inadvertently incorrect or unreported identification number for a SBI more than 60 days after the applicable SCD then:

(1) The AIP must notify the insured in writing of the incorrect or unreported identification number(s); and

(2) Establish a deadline for submitting the corrected or unreported identification number(s).

Failure by the insured to correct or provide the identification number by the AIP's established deadline results in policy voidance. A policy that has been voided after the established deadline has expired and cannot be reinstated. See also Part 5 for Correction of Errors procedures and Part 8 for policy voidance procedures.

216-230 (Reserved)

Section 3: Person Status Changes

231 Death, Disappearance or Judicial Declaration of Incompetence

A. Married Individuals

(1) If the named insured dies, disappears, or is judicially declared incompetent, the policy will default to the spouse if all the following are met.

(a) The spouse was included on the policy as having a SBI in the named insured;
(b) The spouse has a share of the crop; and
(c) The named insured's share does not convert to an estate or is not otherwise legally transferred to a person other than a spouse.

Changes such as, coverage level, price election/percent of price, etc., cannot be made after the sales closing date. To ensure retention of policy elections, the policy should remain in the name of the named insured through the end of the current crop year and changed to the name of the surviving spouse in the subsequent crop year in RMA systems.

(2) If a married insured dies, disappears, or is judicially declared incompetent, and the share converts to an estate or is otherwise legally transferred to a person other than a spouse; or if the spouse was not included on the policy as having a SBI in the named insured or the spouse did not have a share in the crop, and the event(s) occurs:

(a) More than 30 days before the cancellation date:

(i) the policy is automatically cancelled as of the cancellation date; and
(ii) a new Application must be submitted; or

(b) 30 days or less before the cancellation date, or after the cancellation date:

(i) the policy will continue in effect through the crop year immediately following the cancellation date; and

(ii) be automatically canceled as of the cancellation date immediately following the end of the insurance period for the crop year, unless cancelled by the cancellation date prior to the start of the insurance period.

A new Application must be submitted prior to the SCD for coverage for the subsequent crop year, and any indemnity will be paid to the person(s) determined to be beneficially entitled, and such person(s) must comply with all policy provisions and pay the premium.

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

B. Unmarried Individuals

If an unmarried insured who dies, disappears, or is judicially declared incompetent, and the event(s) occurs:

(1) More than 30 days before the cancellation date:

(a) the policy is automatically cancelled as of the cancellation date; and
(b) a new Application must be submitted; or

(2) 30 days or less before the cancellation date, or after the cancellation date:

(a) the policy will continue in effect through the crop year immediately following the cancellation date; and

(b) be automatically canceled as of the cancellation date immediately following the end of the insurance period for the crop year; unless cancelled by the cancellation date prior to the start of the insurance period.

A new Application must be submitted prior to the SCD for coverage for the subsequent crop year, and any indemnity will be paid to the person(s) determined to be beneficially entitled, and such person(s) must comply with all policy provisions and pay the premium.

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

C. Legal Business Entities

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

(1) More than 30 days before the cancellation date:

(a) the policy is automatically cancelled as of the cancellation date; and
(b) a new Application must be submitted; or

(2) 30 days or less before the cancellation date, or after the cancellation date:

(a) the policy will continue in effect through the crop year immediately following the cancellation date; and

(b) be automatically canceled as of the cancellation date immediately following the end of the insurance period for the crop year; unless

(c) canceled by the cancellation date prior to the start of the insurance period.

C. Legal Business Entities (continued)

A new Application must be submitted prior to the SCD for coverage for the subsequent crop year, and any indemnity will be paid to the person(s) determined to be beneficially entitled, and such person(s) must comply with all policy provisions and pay the premium.

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

232 Other Causes

A. Dissolution Before the Cancellation Date

For all person type status changes other than death, disappearance, or judicially declared incompetence, if the insured entity dissolves before the cancellation date, the policy is automatically canceled by the cancellation date prior to the start of the insurance period and a new Application must be submitted by the SCD.

B. Dissolution On or After the Cancellation Date

For all person type status changes other than death, disappearance, or judicially declared incompetence, if the insured entity dissolves on or after the cancellation date the policy will:

(1) will continue through the crop year immediately following the cancellation date; and
(2) be automatically canceled as of the cancellation date immediately following the end of the insurance period for the current crop year; unless canceled by the cancellation date before insurance attaches.

A new Application must be submitted prior to the SCD of the subsequent crop year. Any indemnity, replant payment, or PP payment will be paid to the person(s) determined to be beneficially entitled, such person(s) must comply with all policy provisions and pay the premium.

C. Reporting of Dissolution

The remaining member(s) or beneficiaries of the insured entity must report the event no later than the next cancellation date.

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

233-250 (Reserved)

Section 4: Person Types

251 Individuals

A. Individual—Unmarried

This person type is a natural person, including but not limited to a citizen of the United States, an alien lawfully admitted for permanent residence, a non-citizen national or a non-resident alien as defined by the Immigration and Nationality Act as amended, 8 USC 1452. See also Para. 211E.

(1) Reporting Requirements

The individual applicant must be an eligible person and must report a SSN/RAN. An individual with an EIN must report as an Individual Operating as a Business.

When more than one member of a family in the same household applies for insurance, or the applicant resides in the household of an insured, each applicant must provide evidence and a signed statement demonstrating separate insurable shares. Separate insurable shares are not applicable to spouses unless all the criteria noted in Para. 251C is met. See also Para. 212A.

(2) The Application

The Application covers only the individual's share; including the individual's share as a co-owner, joint operator, or partner provided the co-ownership, joint operation, or partnership is not insured separately. See Para. 252 for Landlord/Tenant requirements.

Exception: The application may cover a Landlord/Tenant if the requirements of Para. 252 are met.

B. Individual—Married

The spouse of a married insured is presumed to have a SBI of at least 50 percent in the insured individual, unless legally separated or otherwise legally separate under the applicable state dissolution of marriage laws.

On the Application, one spouse is reported as the insured and the other spouse is reported as a SBI. The failure to report a spouse as a SBI with the spouse's identification number by the applicable SCD will void the policy if the following applies.

(1) The identification number is not provided.

(2) The insured cannot prove the omission was inadvertent (simply stating the omission was inadvertent is not sufficient to prove the omission was inadvertent).

B. Individual— Married (continued)

(3) The AIP determines the omitted identification number:

(a) would have allowed the insured to obtain disproportionate benefits;
(b) the SBI is ineligible to participate in the crop insurance program, or
(c) the insured or the insured's SBI could avoid an obligation or requirement under any state or Federal law.

C. Separate Policies for Spouses

Generally, any acreage or interest by or for a spouse will be considered to be included in a married individual's policy (spousal), unless the spouses can prove each have a separate farming operation. If the spouses can demonstrate each has a separate insurable interest from the other spouse, then separate policies are acceptable.

Spouses must document with distinct and identifiable written records proving separate farming operations.

Separate farming operations require all, but are not limited to, the following.

(1) Separate land (transfers of acreage from one spouse to another is not considered separate land)

(2) Separate capital

(3) Separate inputs

(4) Separate accounting

(5) Separate maintenance of proceeds

The Application must be submitted by the SCD, and each spouse must have a spousal policy with the other spouse reported as a SBI. If there is not any evidence of misrepresentation or fraud, separate policies for each spouse will be issued.

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

Exception: Separate policies are not allowed for joint operations between spouses. Spousal joint ventures must be reported as a married individual or individual operating as a business policy, as appropriate.

D. Individual Operating as a Business

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

For a policy to be issued to an individual operating as a business the following requirements must be met:

(1) Must provide an EIN. If an EIN is not provided, then the person must be insured as an individual (non-spousal or spousal) reporting a SSN or RAN.

(2) Must meet the requirements of Para. 251A or B.

(3) Must not be a corporation or other legal entity.

(4) The application must be signed by the owner or authorized representative of the business. Upon request, the insured must be able to provide written documentation identifying the authorized representative of the business.

(5) The individual/married individuals SSN/RAN must be reported and be listed as a SBI.

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

E. Joint Tenancy and Survivorship Interest

This person type includes real property held by two or more persons jointly; each party has equal rights of possession and income. On the death of one joint tenant, his interest transfers to the benefit of the survivors in equal shares, without court proceedings.

Joint and survivorship interests are applicable in “community property” states in which a husband and wife have a joint and survivorship interest in the insurable acreage, and in states where such an interest may be created by deed.

For a policy to be issued to individuals with joint and survivorship interests all persons must meet the requirements in Para. 251A or B and sign the application.

Exception: When persons are husband and wife, or when a statement is prepared and signed by both parties designating either party as the authorized representative for the other, one party may sign the application.

E. Joint Tenancy and Survivorship Interest (continued)

The Application is completed in the name of the joint and survivorship interest, such as John W. Doe, James C. Smith.

252 Landlord-Tenant

Any person(s) may insure a landlord's and/or a tenant's share. When insuring either share the Application must clearly state the tenant will insure the landlord's share or the landlord will insure the tenant's share. Landlords/tenants are to be reported on the insured's policy as a SBI. The Landlord/Tenant and the applicable identification number must be listed on the insured person's application even if their share is less than 10 percent. Additionally, the percentage shares of all persons must be shown in the remarks section of the Acreage Report or documented and attached to the Acreage Report.

The person who is insuring the other's share must provide and the AIP must maintain written evidence of the other party's approval, such as the lease agreement or POA. If a person is sharing with multiple landlords/tenants and requests to insure the landlord's/tenant's share, only one policy is allowed. If the tenant or landlord has a separate policy for that crop/county, they cannot be insured under another person's policy.

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

If the other person insured the crop under an insurance plan that used APH to determine the per acre production guarantee the previous crop year, the production history of the other person for the appropriate locations must be transferred to, reported by and used by the insured. Each separate share arrangement with different landlords or tenants qualifies as a BU.

253 Partnerships

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

Crops to be insured under the partnership are those in which the partnership has a share and allows only one policy; however, if the entire share of the partnership is not to be insured, a policy to cover the share of an individual/married individual holding an interest in the partnership may be obtained. The Application also covers any other individual/married individual person type interest the applicant may have.

253 Partnerships (continued)

A. Identification Number

For a Partnership to obtain insurance an EIN is required and must be reported. All persons with a SBI in the partnership must be listed and the SSN/EIN/RAN of each SBI provided. If two or more persons do not have a SBI in the partnership, documentation must be obtained from the insured verifying a single SBI or no SBI. The death, judicial declaration of incompetence, or withdrawal of a partner terminates the partnership, unless a written partnership agreement provides otherwise.

B. Signature

The Application must be signed by a member of the Partnership.

254 Joint Ventures

This person type, which includes co-ownerships and joint operations, is similar to a short-term partnership in which parties of two or more persons jointly engage in the farming operation. Generally, each person contributes land, labor, or machinery; share in the expenses and divide profits in terms of their invested interest. Like a partnership, this person type can involve any type of business transaction, and the persons involved can be individuals, groups of individuals, companies, or corporations. However, unlike the partnership person type, no person(s) is authorized to bind any other person(s) to any business transaction. Spousal joint ventures are not recognized for crop insurance purposes. A spousal joint venture must be reported as an individual operating as a business policy.

Crops to be insured under a joint venture are those in which the joint venture has a share and allows only one policy; however, if the entire share of the joint venture is not to be insured, a policy to cover the share of an individual/married individual holding an interest in the joint venture may be obtained. The Application also includes any other individual/married individual person type interest the applicant may have.

For a joint venture to obtain insurance the following is required.

A. Identification Number

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

Example: Individual A and Individual B form AB joint venture. No EIN is obtained; therefore, the Application should identify AB joint venture with Individual A's or Individual B's SSN; two SBIs reported with Individual A's SSN and Individual B's SSN.

B. SBI Reporting

All persons with a SBI in the person must be listed and the SSN/EIN/RAN of each SBI provided.

B. SBI Reporting (continued)

(1) If an EIN is provided, at least two SBIs must be also be provided. If two or more persons do not have a SBI in the joint venture, documentation must be obtained from the insured verifying a single SBI or no SBI.

(2) If a member's SSN is provided, at least one SBI must be provided, unless there are no persons with a SBI in the joint venture.

C. Signature

The Application must be signed by all parties or by the authorized representative. If an authorized representative signs the Application, a written agreement must be executed by the members of the joint venture giving the representative the authority to sign on behalf of all parties. The agreement is to be maintained by the AIP.

D. Dissolution

The death, judicial declaration of incompetence or withdrawal of one of the parties terminates the joint venture. See Para. 833 for policy cancellation guidelines.

E. Co-Ownership, Joint Property, and Other Concurrent Ownership Arrangements

There are various forms of concurrent real estate property arrangements that may affect the crop insurance policy or farming operation, such as Tenancy In Common, Tenants by Entirety, or Joint Tenants with Rights of Survivorship (see also Para. 251E). The AIP must determine whether this real estate property arrangement affects the ownership of the crop. If so, then it must determine whether the type of arrangement is properly classified.

Generally, these types of property ownership arrangements that affect the ownership of the crop are to be reported as a Joint Venture, unless the ownership is between spouses. If the real estate property arrangement is between spouses and this arrangement affects the ownership of the crop, then Para. 251 applies.

255 Corporations

This person type is a legal entity created and governed under the laws of the state in which it was formed whose existence is independent of its shareholders with the intent to provide goods and services for a profit.

Includes, but is not limited to, publicly- or privately-held C or S Corporation, such as a domestic C corporation, a private cooperative corporation, or a wholly-owned foreign corporation. This business type does not include corporations that can be classified as nonprofit or tax-exempt organizations. The corporation may insure its share as landlord, owner-operator, operator, or tenant.

255 Corporations (continued)

For a corporation to obtain insurance the following is required.

(1) An EIN must be established, used, and reported.
(2) All persons with a SBI in the corporation must be listed and the applicable identification number of each SBI provided. If at least one person does not have a SBI in the corporation, documentation must be obtained from the insured verifying there is not a person with a SBI. Changing shareholders does not affect the continuity of the policy.

The Application must be signed by a person authorized by the corporation to bind the corporation into contracts. Upon request, the insured must be able to provide written documentation from the corporation identifying the authorized representative of the corporation. The insured must provide to the AIP, in writing, the state in which the articles of incorporation/organization are filed.

256 Limited Liability Companies (LLC)

This person is a legal entity created and governed under the laws of the state in which it was formed by filing articles of organization as an LLC. LLCs can elect to be taxed as a corporation, or choose to be a "pass-through" entity which eliminates being double taxed. Owners are referred to as members, not partners or shareholders; the number of members is unlimited and may be individuals, corporations, partnerships, joint ventures, other LLCs, etc.

For a LLC to obtain insurance, an EIN must be used and reported, if it has been established for the LLC. If an EIN has not been established for the LLC, a SSN of an owner must be reported. All persons with a SBI in the LLC must be listed on the Application and the SSN/EIN for each SBI provided. If at least one person does not have a SBI in the LLC, documentation must be obtained from the insured verifying there is not a SBI.

Changing members does not affect the continuity of the policy, unless specified by the LLC's operating agreement. If the operating agreement provides that changing members would affect the continuity of the LLC, and therefore the continuity of the policy, then Para. 833 A-C applies.

The Application must be signed by a person authorized to bind the LLC into contracts. Upon request, the insured must be able to provide written documentation from the LLC identifying the authorized representative of the LLC.

257 Estates

This person type is a legal entity created and governed under the laws of the state in which it was formed as a result of an individual's death. The decedent's estate is a separate legal entity for federal tax purposes.

The estate pays any debts owed by the decedent and then distributes the balance of the estate's assets to the beneficiaries of the estate. The estate exists until the final distribution of the assets is made to the heirs and other beneficiaries.

For an estate to obtain insurance an EIN must be established, used, and reported. If the estate does not possess an EIN, then the AIP must contact the personal representative and determine the appropriate person type and revise the policy, as applicable. The Application provides coverage for the share owned by the estate and must be signed by the personal representative of the estate.

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

258 Trusts

This person type is an arrangement through which trustees take title to property for the purpose of protecting or conserving it for the beneficiaries under the ordinary rules applied in chancery or probate courts.

A trust is a legal entity created during an individual's lifetime (inter vivos) or at the time of his or her death under will (testamentary). The person who creates the trust is called the grantor or settlor.

For crop insurance purposes, the commonly recognized trusts include irrevocable, revocable, and BIA allotment trusts. State law and the trust instrument establish whether a trust is revocable or irrevocable.

A. Irrevocable Trusts

This person type is a legal entity created and governed under the laws of the state in which it was formed where legal title/interest is transferred from the settlor or grantor to the trustee for the benefit of the designated beneficiary(ies). This trust cannot be modified, amended, canceled or revoked at any time by the settlor without the permission of the beneficiary.

For an Irrevocable Trust to obtain insurance, an EIN must be used and reported. If the irrevocable trust does not possess an EIN, the AIP must contact the trustee and determine the appropriate person type and revise the policy accordingly.

If the individual/married individual operates both as an individual/married individual and as an irrevocable trust, both operations must be reported under separate and distinct policies.

Example: One individual/spousal policy and one irrevocable trust policy, but not one individual/spousal policy with one irrevocable trust reported as SBI.

B. Revocable Trusts

This person type is a legal entity created and governed under the laws of the state in which it was formed where legal title/interest is transferred from the settlor or grantor to the trustee for the benefit of the designated beneficiary(ies). This trust may be modified, amended, canceled, or revoked at any time by the grantor. The grantor of a revocable trust has a SBI in the trust.

B. Revocable Trusts (continued)

For a Revocable Trust to obtain insurance, an EIN must be used and reported, if it has been established. If an EIN has not been established, then a SSN/RAN must be reported. Additionally, the following may be applicable.

(1) If the individual/married individual operates both as an individual/married individual and as a revocable trust both operations must be reported under the individual/married individual policy. The revocable trust must be listed as a SBI to the individual/married individual policy.

(2) If operating as an individual and a revocable trust, the revocable trust's interest would be covered by the individual policy. The revocable trust must be listed as a SBI to the individual policy.

If both spouses each have a revocable trust, each trust must be covered under the individual/married policy, unless the criteria for separate policies has been met. The revocable trust must be listed as a SBI to the individual/married individual policy.

C. Bureau of Indian Affairs Trust Allotments and Indian Tribal Ventures

Native American land is frequently held in trust by the Bureau of Indian Affairs or a Tribal governing body and leased to operators. Often BIA trusts are referred to as allotments, identified by an allotment number. A separate policy is required for each allotment with different individual owners.

Native American land, held under trust, is processed in the same manner as land held in an irrevocable trust. The name of the trust is the named insured. If the BIA Lease Agreement requires that the operator of the leased land purchase crop insurance on behalf of the trust, a copy of that agreement will serve as sufficient documentation in lieu of a POA granting the operator that authority.

Linkage to other USDA farm program benefits for individual Native Americans who own parcels of an allotment are established by that trust.

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

D. Trust Application

The Application must be signed by the administrator or fiduciary/trustee appointed to administer the business affairs of the trust. The Application extends to only the trust's interest. This extension does not include the interest of the beneficiaries to the trust.

259 Other Persons

The following person types may insure their respective shares and must report an EIN.

A. Receiver or Liquidator

Receivers or liquidators may insure crops under their administration. The Application must be signed by the person authorized by the court to administer business of the receivership.

B. State/Local Government

This person type is the government at state-level or lower, such as the government of a state of the United States, a state agency, county government, or city government.

The Application must be signed by the person having authority to enter into a binding contract for the State/Local Government.

C. Public Schools

This person type includes primary, elementary, or secondary, open and free to all children of a particular district where the school is located. This type also includes colleges and/or universities which are directly administered under the authority of a governmental body or which receive a predominant amount of its financing from public funds.

The Application must be signed by the person having authority to enter into a binding contract for the public school.

D. Non-Profit or Tax-exempt Organizations

This person type is a legal entity created and governed under the laws of the state in which it was formed that is a tax-exempt or non-profit organization, generally a corporation that does not distribute earnings to its members. This type includes, but is not limited to, churches, charities, private schools, and clubs.

To act as a representative for any principal, a person (individual, etc.) must provide evidence of authority (preferably a POA) or a signed statement indicating where such authority can be verified. If authority is by verbal agreement, a statement is required from the principal for verification. The Application must be signed by the person having authority to enter into a binding contract for Non-Profit or Tax-Exempt Organization.

260-300 (Reserved)

PART 3 BEGINNING/VETERAN FARMERS AND RANCHERS (BFR)/(VFR)

301 Beginning Farmer and Rancher (BFR) Qualifications

To be a BFR for crop insurance purposes, an individual must not have actively operated and managed a farm or ranch in any county, in any state, with an insurable interest in a crop or livestock as an owner-operator, landlord, tenant, or sharecropper for more than 5 crop years (10 for WFRP), excluding any crop year the BFR was under the age of 18, in post-secondary studies, or on active duty in the U.S. military, as provided in subparagraph C. Other USDA programs may have different BFR qualifications and benefits.

A. Must be an Individual

Only an individual person (i.e., a single human being) can be a BFR.

Exception: An entity that is not an individual may be eligible for BFR benefits when all SBI holders in the entity qualify as a BFR.

Example 1: The insured is an individual – married policy and is eligible for BFR benefits if both spouses qualify as BFRs.

Example 2: The insured is a corporation whose only SBI is an individual who produced corn and raised livestock for 2 crop years qualifies as a BFR. The corporation is eligible for BFR benefits until the individual no longer qualifies as a BFR or the corporation gains other SBI(s) who are not BFR(s).

Example 3: The insured is an individual who insures his/her landlord's share on his/her policy. The landlord has produced crops for more than 5 crop years. Because the landlord is ineligible for BFR, the insured will also be ineligible for BFR if he insures the landlord's share.

Example 4: The insured is a partnership whose SBIs include an individual (who qualifies as a BFR) and a corporation, which has 3 SBIs who are individuals. The individuals with a SBI in the corporation must qualify as BFRs for the corporation to qualify for BFR benefits and subsequently the partnership to qualify for BFR benefits.

B. Insurable Interest

An insurable interest in any crop or livestock includes any interest as an individual, or as a SBI holder in another person, who has an insurable interest in any crop or livestock, and may exclude any crop year's insurable interest earned as indicated in Subparagraph C.

Insurable interest in any crop or livestock exists regardless of whether such crop or livestock was insured, was insurable or whether the person had participated in a USDA program. For the purposes of determining whether an individual has an insurable interest in a crop or livestock for BFR eligibility, the crop year for:

B. Insurable Interest (continued)

(1) insurable annual crops is the same as the crop year in the applicable insurance policy, regardless of whether the crop or livestock is insured. For uninsurable crops, the crop year is the period within which the crop is normally grown, regardless of whether or not it is actually grown, and designated by the calendar year in which the insured crop is normally harvested.

(2) insurable perennial crops is when the crop has reached production minimums or insurable age. For uninsurable perennial crops, it is when the tree vine or bush produces a crop that is of such a value to be commonly harvested and marketed for the area as determined by local agriculture experts.

(3) insurable livestock is the same as the crop year in the applicable insurance policy, regardless of whether the livestock is insured. For uninsurable livestock, the crop year is the twelve-month period, beginning July 1, and ending the following June 30, which is designated by the calendar year in which it ends.

If all acres of a crop(s) are prevented from planting, then the individual would not have an interest in the crop. If partial acreage is prevented from planting and there is some planted acreage, the individual would have an insurable interest in the crop. An interest in acreage enrolled in CRP or other USDA programs where a crop is not being produced is not considered an insurable interest in a crop.

Example 1: An individual has held a 20 percent interest in a corporation for the past two years during which the corporation has grown corn. The individual has had an insurable interest in a crop for 2 crop years.

Example 2: An individual has held a 20 percent interest in a family corporation for four years during which time the corporation raised feeder pigs. The individual has an insurable interest in livestock for 4 crop years.

Example 3: An individual has held a 50 percent interest in a partnership that raised corn during the 2002 and 2003 crop years; uninsurable dry beans during the 2004-2007 crop years; and feeder pigs during the 2002-2008 crop years. The individual has an insurable interest in crops and livestock for 7 crop years.

Example 4: An individual has only owned 100 acres of cropland enrolled in CRP for the past ten years and has never owned or had an interest in any crop or livestock as an individual or as a SBI to another person. CRP acreage is not considered an insurable interest in a crop or livestock; therefore, the individual has not had an insurable interest.

B. Insurable Interest (continued)

Example 5: An individual has owned a farm and raised carrots and chickens in Iowa during the 2012 and 2013 crop years. Although carrots and chickens are not insurable in Iowa, the individual has an insurable interest in a crop or livestock for the purposes of determining eligibility for BFR. In this situation, the individual has an insurable interest in in a crop or livestock for 2 years.

C. Exclusions from Insurable Interest

(1) An insured may exclude crop years as insurable interest, if the insurable interest in the crop occurred while the insured was:

(a) under the age of 18, which includes any crop year during which a BFR turns 18;

(b) in full-time duty in the active military service of the United States or was the spouse of an individual who is in full-time duty in the active military service of the United States. This includes members of the Reserve Component serving on active duty but does not include National Guard duty, unless it is qualifying National Guard duty during a war or other military operation or national emergency.

Exception: The spousal exclusion only applies to the SBI of individual person types that require spousal reporting.

Qualifying National Guard duty means service on full-time National Guard duty under a call to active service authorized by the President, the Secretary of Defense or the Governor for a period of more than 30 consecutive days in connection with a war, other military operation, or a national emergency declared by the President and supported by Federal funds; and/or

(c) in a post-secondary education program whose curriculum is designed primarily for students who are beyond the compulsory age for high school, such as academic, vocational, and continuing professional education. This excludes avocational classes taken for personal pleasure or hobby and adult basic education programs, such as GED programs.

For the crop year to be excluded when determining the 5 crop years (10 for WFRP) of producing any crop or livestock, the insured must have been enrolled as a student for at least the equivalent of one semester (at least 4 months) of the crop year, not to exceed 5 crop years of post-secondary education. A person may choose not to exclude crop years that are eligible for insurable interest exclusion. For instance, a person farming while attending college classes may choose not to exclude that crop year, even though it qualifies for the exclusion, and could still receive BFR benefits if they qualify as a BFR.

C. Exclusions from Insurable Interest (continued)

Example 1: Parents provide 20 acres to their minor child to participate in a 4-H project and the child produced corn during 4 years of high school, 2002-2005, while under the age of 18. The insurable interest in the crop during these 4 years can be excluded as insurable interest for BFR.

Example 2: An individual held a 20 percent interest in a family corporation that raised corn while he/she attended a 4-year college (fall and spring semesters beginning fall 2007 through spring 2011). In the summer of 2011, the individual returns home (still having a 20 percent interest in the family corporation) and takes over the family farm as an individual (family corporation is dissolved) for the 2012 crop year and produces corn in 2012, 2013 and 2014. Effective in 2015 when BFR benefits are authorized, the individual has 2 crop years of benefits remaining [farming experience for 8 crop years (2007-2014) minus the insurable interest exclusion of 5 crop years (2007-2011) leaves 3 years counting and 2 years remaining].

Example 3: Upon high school graduation in 2015, an individual decides to take over a portion of the family's farming operation in crop year 2016 and attend classes at the community college. These classes meet the criteria for insurable interest exclusion.

(2) To determine whether an individual has an insurable interest in a crop or livestock in a crop and whether the crop year can be excluded:

(a) the crop year is when the person had a financial interest in a crop or livestock and is based on the actual crop or livestock produced, for:

(i) Insurable crops and livestock: crop year is SCD to EOI;

(ii) Uninsurable crops: crop year is planting date to harvest date; and

(iii) Uninsurable livestock: crop year is July 1 to June 30.

(b) Any exclusion must meet criteria in (1) above, i.e., military, education, and 18 years old or younger exclusions.

(c) If the exclusion meets (b) and the exclusionary time overlaps the crop year in (a), the crop year may be excluded. There is not a minimum number of months in a calendar year in which an individual had to have interest in a crop or livestock must have been in place in order to consider it a year of having interest. A crop or livestock crop year is counted as a year of an insurable interest in a crop or livestock if the person had a financial risk during the crop year.

C. Exclusions from Insurable Interest (continued)

Example 1: An individual attended college January through May 2017 and planted soybeans in June 2017. The SCD for the policy is March 15. The crop year begins with the SCD and ends with the EOI. The student attended a semester of four months, which overlapped the crop year, meeting the procedural criteria for exclusion. Since the individual met one of the exclusion criteria during the crop year, the crop year may be excluded.

Example 2: An individual was enrolled in college from September 2013 to June 2014 and produced corn in crop years 2013 and 2014. In this example, the corn crop year begins on March 15 (SCD) and ends December 15 (EOI). The person met the 4-month college exemption and the time attending college overlapped both the 2013 and 2014 crop years for corn; therefore, both crop years may be excluded.

Example 3: An individual was in college from September 2014 through June 2015 and during that time had a herd of beef cattle. In this example, the person met the 4-month college exclusion and the crop years are excluded as provided in the following table:

COMMODITY/CY	CROP YEAR	COLLEGE EXCLUSION	OVERLAP
Corn CY 2014	March 2014 to Dec 2014	Sept. 2014 to June 2015	Yes
Corn CY 2015	March 2015 to Dec 2015	Sept 2014 to June 2015	Yes
Livestock CY 2015	June 2014 to June 2015	Sept 2014 to June 2015	Yes

Example 4: An individual having an interest in livestock from December 2016 through January 2017 is considered one crop year since the livestock crop year is July 1, 2016, to June 30, 2017.

Example 5: An individual having an interest in livestock from March 2016 through August 2016 is considered two crop years since the livestock crop year in this example is July 1, 2016, to June 30, 2017. An interest between March 2016 and August 2016, is two crop years.

Example 6: An insured has been a SBI in the family farm (Corporation A) prior to going to college and joining the military. After discharge from the military, the insured has decided to begin farming on his/her own.

C. Exclusions from Insurable Interest (continued)

Dates Producing Any Crop or Livestock			
From	To	Crop Year	Type of Crop(s)/Livestock
March 2008	November 2012	2008-2012	Corn
January 2013	December 2013	2013	Corn
August 2014	December 2015	2015	Wheat
January 2016	June 2017	2016, 2017	Cattle

Dates of Exclusion			
From	To	Crop Year(s)	Type of Exclusion
July 1993	July 2011	1993-2011	Under 18
January 2012	May 2014	2012-2014	Military
August 2015	December 2015	2015	College

The insured identified an insurable interest in a crop or livestock for 9 years less the allowable exclusions for 7 of the 9 crop years. Therefore, the insured would be eligible for 3 crop years of BFR benefits.

Crop Years Crop or Livestock Produced	Number of Years Producing Crop or Livestock	Crop Years Excluded	Number of Years Excluded	Number of Years Considered when Determining BFR
2008-2012	5	2008-2012	5	0
2013	1	2013	1	0
2015-2017	3	2015	1	2
Total Years	9		7	2

Note: Even though a BFR excludes crop years under the exclusion allowances, any production history for excluded crop years are included in the APH database, in accordance with APH procedures.

D. Nationwide Basis

BFR applies to individuals on a nationwide basis and not for each state, county and crop. This means that if the crop or livestock is produced anywhere in the country and the individual has an insurable interest it counts toward BFR status.

E. New Producer Not Excluded

BFR does not prevent an insured from also qualifying as a new producer on a crop/county basis. Consult the applicable new producer procedures.

F. Limitation of BFR Benefit

Once an individual has 5 crop years of an insurable interest in any crop or livestock, including being a SBI in another person who has an insurable interest in any crop or livestock, the producer is no longer entitled to BFR benefits.

A crop year in which BFR benefits are received cannot be excluded from insurable interest.

G. BFR Status is Continuous

BFR status is continuous once an individual elects and qualifies for BFR. BFR status ends only when the individual or, in the case of an entity any one or more of the SBIs, has:

(1) actively operated and managed a farm or ranch in any county, in any state, with an insurable interest in any crop or livestock as an owner-operator, landlord, tenant, or sharecropper for more than 5 crop years;

(2) exhausted all 5 crop years of BFR benefits; or

(3) canceled the BFR Application.

Note: When there is a Transfer of Coverage and Right to Indemnity, the BFR eligibility will continue on the policy for the year of transfer regardless of whether the transferee is a BFR and as such, the transferee would get the BFR subsidy unless it is determined that the Transfer of Coverage and Right to Indemnity is an attempt to circumvent BFR eligibility requirements.

302 Veteran Farmer and Rancher (VFR) Qualification

A Veteran Farmer or Rancher is an individual who has served on active duty in the United States Army, Navy, Marine Corps, Air Force, and Coast Guard, including the reserve components, was discharged or released under conditions other than dishonorable, and:

(1) has not operated a farm or ranch;

(2) has operated a farm or ranch for not more than five years; or

(3) is a veteran who has first obtained status as a veteran during the most recent five-year period, even if that veteran has previously operated a farm or ranch for more than five years.

A person, other than an individual, may be eligible for veteran farmer or rancher benefits if all substantial beneficial interest holders qualify as a veteran farmer or rancher. A spouse's veteran status does not impact whether an individual is considered a veteran farmer or rancher.

A. Must be a Veteran

To be a veteran, an individual must have:

(1) Served in the United States Army, Navy, Marine Corps, Air Force, and Coast Guard, including the reserve components. Reserve components means the Army Reserve; the Navy Reserve; the Marine Corps Reserve; the Air Force Reserve; the Coast Guard Reserve; the Army National Guard of the United States; and the Air National Guard of the United States;

(2) Served in the active military, naval, or air service, which includes:

(a) active duty, which means:

- full-time duty in the Armed Forces, other than active duty for training;
- full-time duty (other than for training purposes) as a commissioned officer of the Regular or Reserve Corps of the Public Health Service
  - on or after July 29, 1945,
  - before that date under circumstances affording entitlement to "full military benefits", or
  - at any time;
- full-time duty as a commissioned officer of the National Oceanic and Atmospheric Administration or its predecessor organization the Coast and Geodetic Survey
  - on or after July 29, 1945, or
  - before that date:
    - while on transfer to one of the Armed Forces,
    - while, in time of war or national emergency declared by the President, assigned to duty on a project for one of the Armed Forces in an area determined by the Secretary of Defense to be of immediate military hazard, or
  - in the Philippine Islands on December 7, 1941, and continuously in such islands thereafter, or
  - at any time;
- service as a cadet at the United States Military, Air Force, or Coast Guard Academy, or as a midshipman at the United States Naval Academy; and

A. Must be a Veteran (continued)

- authorized travel to or from such duty or service;

(b) any period of active duty for training during which the individual concerned was disabled from a disease or injury incurred or aggravated in the line of duty; and

(d) any period of inactive duty training during which the individual concerned was disabled:

(i) from an injury incurred or aggravated in the line of duty; or
(ii) from an acute myocardial infarction, a cardiac arrest, or a cerebrovascular accident occurring during such training; and

(3) be discharged or released under conditions other than dishonorable including:

(a) retirement from the active military, naval, or air service, or

(b) the satisfactory completion of the period of active military, naval, or air service for which a person was obligated at the time of entry into such service in the case of a person who, due to enlistment or reenlistment, was not awarded a discharge or release from such period of service at the time of such completion thereof and who, at such time, would otherwise have been eligible for the award of a discharge or release under conditions other than dishonorable.

Exception: An entity that is not an individual and, therefore, cannot be a veteran may be eligible for VFR benefits only when all substantial beneficial interest (SBI) holders in the entity qualify as a VFR, unless the SBI is a spouse of the veteran. A spouse's VFR status does not impact whether an individual is considered a VFR.

Example 1: The insured is an individual – married policy and is eligible for VFR benefits even if the spouse does not qualify as a VFR.

Example 2: The insured is a corporation whose only SBI is an individual who qualifies as a VFR. The corporation is eligible for VFR benefits until the individual no longer qualifies as a VFR or the corporation gains other SBI(s) who are not VFR(s).

Example 3: The insured is a veteran who insures her landlord's share on her policy. The landlord is not a veteran. Because the landlord is ineligible for VFR, the insured will also be ineligible for VFR, if she insures the landlord's share.

A. Must be a Veteran (continued)

Example 4: The insured is a partnership whose SBIs include an individual (who qualifies as a VFR) and a corporation, which has 3 SBIs who are individuals. The individuals with SBIs in the corporation must qualify as VFRs for the corporation to qualify for VFR benefits and subsequently the partnership to qualify for VFR benefits.

B. Nationwide Basis

VFR applies to individuals on a nationwide basis and not for each state, county and crop. This means that if the veteran is an operator on a farm or ranch anywhere in the country it will count when determining VFR status when VFR status is based on the number of years the veteran has operated a farm or ranch.

C. New Producer Not Excluded

VFR does not prevent an insured from also qualifying as a new producer on a crop/county basis. Consult the new producer procedures contained in the FCIC 18010 Crop Insurance Handbook (CIH) Part 17 Section 5.

D. VFR Status is Continuous

VFR status is continuous once a veteran applies and qualifies for VFR. VFR status ends only when the VFR application is cancelled by the sales closing date or the veteran, or any one or more of the SBIs in the case of an entity, no longer qualifies as a VFR due to:

(1) operating a farm or ranch for more than 5 years when an individual qualified for VFR by operating a farm or ranch for not more than 5 years; or

(2) being first discharged from the Armed Forces for more than 5 years when an individual qualified for VFR by being first discharged from the Armed Forces for not more than 5 years.

Note: When there is a Transfer of Coverage and Right to Indemnity, the VFR eligibility will continue on the policy for the crop year of transfer regardless of whether the transferee is a VFR and as such, the transferee would get the VFR subsidy, unless it is determined that the Transfer of Coverage and Right to Indemnity is an attempt to circumvent VFR eligibility requirements.

E. Insured qualifies for both VFR and BFR

If an insured qualifies for both VFR status and BFR status, the insured must choose which program they wish to receive benefits under. Insured cannot receive benefits under VFR and BFR at the same time.

F. Limitation of VFR Benefit

An individual is no longer considered a VFR or entitled to VFR benefits if the individual has:

(1) operated a farm or ranch for more than 5 years, if VFR qualification is based on operating a farm or ranch for not more than 5 years; or

Note: Years of operating a farm or ranch cannot be excluded due to being under the age or 18, in full-time duty in active military service of the United States and/or in a post-secondary education program when determining VFR status.

(2) been discharged from active military service for more than 5 years, if VFR qualification is based on being first discharged from active military service for not more than 5 years.

Note: The limitation of not more than 5 years after discharge is based on the first date of discharge, if individual has been discharged multiple times. The 5-year time period does not start over if an individual returns to active duty status and is subsequently discharged.

Example: Jane is discharged from Army active military duty on July 19, 2020, and is now part of the Army National Guard. Jane meets the VFR criteria of being discharged not more than 5 years from the date of first discharge. On June 14, 2022, Jane's unit of the Army National Guard is activated by the President of the United States and stays in active duty status until they are discharged on June 13, 2024. The date of discharge for determining Jane's VFR status remains July 19, 2020, and her eligibility to receive VFR benefits will continue through July 18, 2025.

303 Requesting BFR or VFR

A. Deadline

To be eligible for BFR or VFR and have BFR or VFR status apply to the current crop year, an individual must complete the BFR or VFR Application by the applicable SCD for the crop year.

BFR or VFR status will not apply to any crops with a SCD prior to completion of the BFR or VFR Application. If an insured misses the deadline, the insured may request BFR or VFR by submitting a BFR or VFR Application by the next applicable SCD. For example, if an insured does not request BFR or VFR for a fall planted crop but does request and qualify for BFR or VFR on or before the spring SCD, the BFR or VFR would receive benefits for the spring crop but not the fall crop.

A. Deadline (continued)

Example: In a dual SCD county, the insured has a wheat policy and plants fall wheat and applies for BFR or VFR after the fall SCD but prior to the spring SCD. BFR or VFR benefits would not apply to spring wheat because changes cannot be made to the wheat policy after the fall SCD when fall wheat is planted.

Example: In a dual SCD county, the insured has a wheat policy, does not plant fall wheat and applies for BFR or VFR after the SCD but prior to the spring SCD. BFR or VFR benefits could apply to spring wheat.

B. Insureds with an EIN

If an insured is a person with an EIN, all individuals with a SBI in the insured must be qualified as a BFR for the insured to receive BFR benefits. Likewise, all individuals with a SBI in the insured with an EIN must be a VFR for the entity to receive VFR benefits (see Para. 302 for exception for spouses of VFRs). The business entity with an EIN does not complete a BFR or VFR Application. Each individual that is part of a policy, whether the insured or a SBI, must complete a separate BFR or VFR Application and must separately qualify as a BFR or VFR for the policy to receive BFR or VFR benefits. If an insured has a landlord/tenant policy, both must qualify as a BFR or VFR for the policy to be eligible for BFR or VFR benefits if the tenant/landlord will be insuring the other's share.

C. Documentation

(1) For BFRs, documentation for excluded years of insurable interest must be provided by the individual at the time of BFR application. Such documentation may include a driver's license to substantiate age; military records to substantiate active military service; and transcripts to substantiate post-secondary education.

(2) For VFRs, documentation must be provided by the individual at the time of VFR application. Such documentation for military records to substantiate active military service and discharge, include, but are not limited to:

- DD 214,
- DD 215 (corrected DD 214),
- DD 256 (Reservist),
- NGB 22 (National Guard or Air National Guard), and
- NGB 22a (corrected NGB 22).

Note: If qualifying for VFR by using the date of discharge as a qualifier and the individual has multiple dates of discharge, use the earliest date of discharge.

D. Application Only Required for Initial Crop Year

The BFR or VFR Application is only required to be completed the initial crop year that BFR or VFR is requested. The initial BFR or VFR Application will be used for subsequent crop years.

Exception: An amended BFR Application is required to update the status of the BFR when there is a change in the exclusions of insurable interest in any crop or livestock or to correct any misreported information. For example, when an insured in the Army Reserves goes on active duty or to correct any misreported information (e.g., a year of producing the crop was not reported).

An amended VFR Application is required to update the status of the VFR to correct any misreported information (e.g., a year of producing the crop was not reported).

See Para. 504E for more information regarding corrections.

If the BFR or VFR has multiple policies with different AIPs for the same crop year, only one BFR or VFR Application must be completed. However, the individual must provide a copy of that BFR or VFR Application to each AIP. The individual must also provide a copy of the BFR or VFR Application to any other AIP in subsequent crop years if the insured changes or adds new AIP(s), while the individual remains qualified as a BFR or VFR.

The AIP that accepts the initial BFR or VFR Application must verify the BFR or VFR status (see Para. 304) and provide a copy of the BFR or VFR Application to any subsequent assuming AIP.

304 AIP Verification of BFR or VFR Status

A. Verification of Application

The AIP that accepts the BFR or VFR Application must verify BFR or VFR status no later than the ARD.

Exception: BFR or VFR status must be verified no later than 30 days after the applicable SCD for crops where the SCD and ARD are on the same date and no later than the applicable SCD for livestock products.

(1) For VFRs, AIPs must verify the individual:

(a) meets the definition of a veteran using documentation provided by the insured. See 303C above for acceptable documentation.

A. Verification of Application (continued)

(b) has not been initially discharged from active military, naval, or air service for more than 5 years, if the individual qualifies as a VFR because he/she first obtained status as a veteran during the most recent five-year period. Use the same documentation as described in para. 303C to verify the date of discharge.

Note: If qualifying for VFR by using the date of discharge as a qualifier and the individual has multiple dates of discharge, use the date of discharge from the earliest issued form to determine eligibility, unless the date of discharge is being corrected in later documentation.

(2) For a VFR, whose VFR status is based on operating a farm for no more than 5 years, or for a BFR, AIPs must verify the individual's BFR or VFR status.

(a) AIPs must use the RMA-provided tools (i.e., CIMS, Policyholder Tracking, CAE Hydra or other subsequently developed tools) as part of the verification of the accuracy of an insured's certification of BFR or VFR status.

(b) In determining a BFR's or VFR's eligibility, the AIP must also consider the information reported by the individual on the BFR or VFR Application, such as crop production that was not insured that must be added to any experience found in RMA provided systems.

(c) Use of RMA-provided systems is sufficient to provide reasonable assurance for insurable interest in crops for BFR or for operating a farm or ranch for VFR when they support the information certified on the BFR or VFR Application.

(d) AIPs may use additional means to verify BFR or VFR status when warranted, such as when the information provided on the BFR or VFR Application is not consistent with RMA systems or AIPs have knowledge that does not support the BFR or VFR Application.

B. Subsequent Policies

For policies where the insured has previously submitted a BFR or VFR Application and has previously qualified for BFR or VFR status, AIPs must verify continued BFR or VFR eligibility for the current crop year. RMA will maintain data reported by AIPs for BFR or VFR eligibility, such as the BFR or VFR Application information and BFR or VFR benefits obtained. AIPs may access RMA- maintained BFR or VFR information to verify whether an insured remains eligible for BFR or VFR benefits in the current crop year, such as policyholder tracking system which would identify any prior year'(s') BFR or VFR benefits received, refer to Appendix III.

C. Documentation

AIPs must maintain documentation substantiating:

(1) for BFRs:

(a) the determination of BFR status in the insured's file. Supporting documentation may include underwriting verification from available RMA-provided systems, documents or phone logs of conversations from county FSA offices, etc.

(b) the crop year(s) of insurable interest exclusions in the insured's file. Supporting documentation may include a driver's license to substantiate age; military records to substantiate active military service; and transcripts to substantiate post-secondary education.

(2) for VFR, the determination of VFR status in the insured's file. Supporting documentation may include copies of the documents listed in Para. 303C.(2), if used in making the determination of VFR status.

305 AIP Acceptance

A. Explanation of Statements

The AIP must ensure the qualification requirements and certification statements have been explained to the individual. AIPs must advise the individual of his/her responsibility to provide the approved BFR or VFR Application to any additional or subsequent AIPs.

B. Determining Number of Years of Benefits

(1) For BFR, using the information provided by the individual, the AIP must determine the number of eligible crop years for BFR benefits.

(a) To determine the number of eligible crop years:

(i) count the number of crop years in which the individual had an insurable interest in any crop or livestock;

(ii) subtract the eligible number of crop years excluded on the BFR application;

(iii) subtract the resulting number from 5 (which is the maximum number of crop years for which BFR Benefits are available). This result is the number of remaining eligible crop years for BFR benefits.

(b) The AIP will identify on the BFR Application the number of eligible crop years for BFR benefits. (See example provided in Para. 301C.) The AIP must verify any crop year exclusions based on the documentation outlined in Para. 304C.

B. Determining Number of Years of Benefits (continued)

(c) When a policy includes a named insured and one or more SBIs, each of the individuals must complete a separate BFR Application and each must separately qualify as a BFR. If all individuals qualify as BFRs, the insured will receive BFR benefits equal to the individual with the **fewest** number of remaining BFR benefit crop years.

Example 1: A partnership has two SBIs, both are individuals. Each SBI completes a BFR Application. The first SBI qualifies for 4 crop years of BFR benefits and the second SBI qualifies for 2 crop years of BFR benefits. The partnership policy is eligible for 2 crop years of BFR benefits.

Example 2: Both spouses on an individual–married policy complete a BFR Application. One spouse qualifies for 5 crop years of BFR benefits, and the other spouse qualifies for 1 crop year of BFR benefits. The policy will be eligible to receive 1 crop year of BFR benefits.

(2) For VFR, using the information provided by the individual, the AIP must determine the number of years the VFR will qualify for benefits. If qualifying for VFR based on:

(a) the number of years of operating a farm, count the number of years in which the individual operated a farm or ranch and subtract the resulting number from 5. This result is the number of remaining eligible years for VFR benefits. For example, a veteran has operated a farm for 3 years (2017, 2018, 2019). The VFR is eligible to receive 2 years of VFR benefits through crop year 2021.

(b) the date of first discharge from active military, naval, or air service in the Armed Forces, the insured is eligible for 5 years starting with the first sales closing date after the date of discharge. For example, an insured is discharged from the Army on October 31, 2019. The insured will be eligible to receive VFR benefits through October 30, 2024.

Note: VFR benefits are limited to the first 5 years after the first date of discharge when eligibility is based on this qualifier, regardless of whether the VFR operates a farm or not. For example, the insured is discharged October 31, 2019 but doesn't farm until the 2022 crop year, the insured is only eligible for the 2022-2024 crop years with sales closing dates prior to October 30, 2024, for a total of 3 years of benefits.

(c) The AIP will identify on the VFR Application the number of eligible crop years for VFR benefits.

B. Determining Number of Years of Benefits (continued)

(d) When a policy includes a named insured and one or more SBIs, each of the individuals must complete a separate VFR Application and each must separately qualify as a VFR (see spousal exception in Para. 302B(3)). If all individuals qualify as VFRs, the insured will receive VFR benefits equal to the individual with the **fewest** number of remaining VFR benefit crop years.

C. Approving/Disapproving BFR or VFR Applications

The AIP must approve or reject the BFR or VFR Application no later than the ARD.

Exceptions: For those crops where the SCD and ARD are on the same date, the AIPs must approve or reject the BFR or VFR Application no later than 30 days after the SCD date. For livestock products, the AIPs must approve or reject the BFR or VFR Application no later than the SCD date.

If the individual does not qualify as a BFR or VFR or if any certified information is inaccurate and the inaccurate information was not corrected by the SCD, the AIP shall:

(1) notify the individual:

(a) he/she does not qualify as BFR or VFR, including the reason;

(b) that administrative fee(s) and any applicable premium must be paid in accordance with the policy terms or the policy will be terminated and the person will become ineligible for insurance coverage;

(c) of any changes to the approved APH yield due to non-BFR or VFR status;

(d) provide a copy of the notice to the insured, when the individual is not the named insured (e.g., the individual is a SBI to the insured); and

(2) terminate the policy and the individual becomes ineligible for insurance coverage, if the administrative fee and/or premium is not paid according to policy terms.

D. Submission of BFR or VFR Application

AIPs must submit the BFR or VFR Application to RMA's systems (see Appendix III).

Note: AIPs may only submit an Application for VFR or BFR Benefits. An insured is not eligible for both at the same time.

E. Inaccurate Information on Application

When the AIP determines any information on the BFR or VFR Application is inaccurate, the individual may amend the BFR or VFR Application and eligibility will be recalculated if the AIP determines there is no evidence of fraud or misrepresentation. In such instances, an amended BFR or VFR Application must be submitted to RMA when an initial BFR or VFR Application was previously submitted.

If the individual does not amend the BFR or VFR Application, the AIP must submit an amended BFR or VFR Application to RMA through PASS in accordance with Appendix III. Any penalties for misreporting, concealment, fraud or misrepresentation under the terms of the policy may apply.

306 BFR or VFR Benefits

VFR benefits are the same as BFR benefits; therefore, the procedures regarding the application of BFR benefits apply to VFRs as well. However, the qualifications for VFR and BFR, and any applicable exceptions for the benefits, are different; therefore, the programs are not interchangeable. The following benefits apply to insureds who are eligible for BFR or VFR benefits:

A. Administrative Fee Waiver

All CAT and additional coverage policy's administrative fees will be waived.

B. Additional Premium Subsidy

VFRs will receive an additional premium subsidy that is 10 percentage points greater than the premium subsidy identified in the actuarial documents. Any plan of insurance with premium subsidy qualifies for the additional VFR premium subsidy. For example, LGM Cattle and Swine do not have premium subsidy so these products are not eligible for VFR additional premium subsidy.

Note: An insured cannot receive BFR or VFR benefits at the same time, i.e., they are not entitled to two 10 percentage point increases in premium subsidy.

C. Use of Another Person Production History

Use of another person's production history for the specific acreage transferred to the BFR or VFR where the BFR or VFR was previously involved in the decision making or physical activities of a farm or ranch operation (see CIH Para. 1508 for more information) for CCIP policies.

D. Increase in the Percent of T-Yield Used for Yield Adjustment

An increase, from 60 to 80 percent of the applicable transitional yield (T-Yield), in the substituted yield for Yield Adjustment when replacing a low actual yield due to an insured cause of loss for CCIP policies (see CIH Part 12 Section 3 for more information).

307-400 (Reserved)

PART 4 NATIVE SOD and CONSERVATION COMPLIANCE

Section 1: Native Sod

401 General Information

Provisions regarding native sod acreage are contained in the Agricultural Act of 2014 (2014 Farm Bill) and the Agriculture Improvement Act of 2018 (2018 Farm Bill). Native sod acreage tilled under the 2014 Farm Bill remains under the provisions of the 2014 Farm Bill, and native sod acreage tilled after enactment of the 2018 Farm Bill falls under the provisions of the 2018 Farm Bill. The 2014 Farm Bill was in effect from February 8, 2014, through December 20, 2018, and the 2018 Farm Bill took effect beginning on December 21, 2018. The following procedures are identified as to which Farm Bill(s) they are associated with.

402 Applicability of Native Sod Acreage (2014 Farm Bill)

These procedures apply to native sod acreage (refer to WAH Para. 73 for acceptable documentation that may be used to substantiate that the acreage does not qualify as native sod acreage):

(1) tilled and planted for the production of an annual crop (see CIH Exhibit 17M for a list of applicable annual crops) beginning February 8, 2014, and ending on December 20, 2018, for counties in Iowa, Minnesota, Montana, Nebraska, North Dakota, and South Dakota;

(2) when more than five acres are tilled in the county, cumulatively across crop years (insurance years for WFRP);

Example 1: In crop year 2017, a producer tills four acres of native sod acreage and plants soybeans in County A. In crop year 2018, the producer tills another two acres of native sod and plants corn in County A. Since the producer exceeded five native sod acres in crop year 2018, all tilled native sod acreage in crop year 2018 is subject to the reduction in benefits.

Any native sod acreage tilled by the producer in County A in subsequent crop years will be subject to the reduction in benefits.

Example 2: In crop year 2017, a producer in County A tills four acres of native sod and plants winter wheat. The producer tills an additional two acres of native sod in the spring and plants corn. Since the producer exceeded five native sod acres during the crop year, all acres are subject to the reduction in benefits, including the retroactive reduction in benefits to fall wheat.

(3) until the native sod acreage has four crop years (insurance years for WFRP) of planting;

(4) regardless of whether the acreage is later transferred to a different person during the first four crop years (insurance years for WFRP) of planting; and

(5) for the following insurance plans:

(a) ARPI Policy – Annual Crops;
(b) CCIP – Annual Crops;
(c) Rainfall Index (RI) Plan Annual Forage;
(d) Supplemental Coverage Option Endorsement; and
(e) WFRP Policy – Annual Crops.

403 Applicability of Native Sod Acreage (2018 Farm Bill)

These procedures apply to native sod acreage (refer to WAH Para. 73 for acceptable documentation that may be used to substantiate that the acreage does not qualify as native sod acreage):

(1) tilled beginning December 21, 2018, for the production of an insured crop, for counties in Iowa, Minnesota, Montana, Nebraska, North Dakota, and South Dakota;

(2) when more than five acres are tilled in the county, cumulatively across crop years (insurance years for WFRP);

Example 1: In crop year 2019, a producer tills four acres of native sod acreage and insures soybeans in County A. In crop year 2020, the producer tills another two acres of native sod and insures corn in County A. Since the producer exceeded five native sod acres in crop year 2020, all tilled native sod acreage in crop year 2020 is subject to the reduction in benefits.

Any native sod acreage tilled by the producer in County A in subsequent crop years will be subject to the reduction in benefits.

Example 2: In crop year 2020, a producer in County A tills four acres of native sod and insures winter wheat. The producer tills an additional two acres of native sod in the spring and insures corn. Since the producer exceeded five native sod acres during the crop year, all acres are subject to the reduction in benefits, including the retroactive reduction in benefits to fall wheat.

(3) until the native sod acreage has four crop years (insurance years for WFRP) of an insured crop within the first 10 crop years after initial tillage;

(4) regardless of whether the acreage is later transferred to a different person during the first four crop years (insurance years for WFRP) of an insured crop within the first 10 crop years after initial tillage; and

(5) for all insurance plans.

404 Insurability of Native Sod Acreage (2014 Farm Bill and 2018 Farm Bill)

Native sod acreage is typically uninsurable the initial year of crop production (depending on the insurance plan policy provisions) unless an exception applies. Under the CCIP-BP, native sod acreage can be insured in the initial year of crop production if the insured requests insurance and meets the requirements of the SP statement allowing insurance without a WA, where applicable, or by receiving a New Breaking WA for the native sod acreage (see WAH Para. 73).

For acreage tilled under the 2014 Farm Bill, if native sod acreage is uninsured the initial year the acreage is tilled and planted, these procedures will apply to the remaining three crop years of planting, provided the native sod acreage is insurable and the crop planted is insurable under the terms of the policy in the remaining three crop years of planting.

For acreage tilled under the 2018 Farm Bill, these procedures will apply until the native sod acreage has four crop years of an insured crop. If the native sod acreage does not have four crop years of an insured crop within the first 10 crop years after initial tillage of the native sod acreage, these procedures will no longer apply beginning with the 11th crop year after initial tillage of the native sod acreage.

405 What Counts as a Crop Year of Planting (2014 Farm Bill)

Any crop year in which an annual, perennial, or biennial crop is planted on the native sod acreage, regardless of whether the crop is insurable, will count towards fulfilling the first four crop years of planting. A combination of annual and perennial/biennial crops may be utilized to fulfill the first four crop years of planting (as the perennial/biennial crops do not require planting each year, the years that the perennial/biennial crop remains on the acreage count as a crop year of planting). Supporting documentation substantiating the planting of a perennial, biennial, uninsurable annual, or uninsured annual crop must be provided to the AIP by the producer to be able to count that year(s) as a crop year of planting.

Example 1: A producer converts the native sod acreage to a perennial crop and leaves that crop for two crop years. In the third and fourth crop year, the producer tills and plants the acreage to an annual crop. For the third and fourth crop year of planting, the annual crop is subject to the reduction in benefits.

Example 2: A producer converts the native sod acreage to an annual crop the initial crop year. In the second crop year, the producer tills and plants the acreage to a perennial crop and leaves the perennial crop on the acreage for three crop years. The producer is subject to the reduction in benefits for the annual crop the first crop year but is no longer subject to the reduction in benefits if converted to an annual crop after the three crop years the perennial crop remained on the acreage as the first four crop years of planting have been completed.

406 Partial Field Planting and Relation to a Crop Year of Planting (2014 Farm Bill)

For purposes of fulfilling the first four crop years of planting, native sod will be tracked at the FN/Tract/Field (CLU) level. Any native sod acres within a CLU that are initially tilled and planted within a given crop year will count as one of the first four crop years of planting for these acres. For the native sod acres that had initially been tilled and planted in a given crop year, planting at least 50 percent of those same native sod acres in any subsequent crop year continues to count as an additional year of planting for all native sod acres within a CLU. If, however, all native sod acreage within a CLU is not initially tilled and planted in a given crop year, the first year the additional native sod acreage is tilled and planted starts the first four crop years of planting for those additional native sod acres.

Example 1: A producer has an 80-acre field (CLU) comprised completely of native sod acreage. In the initial year of tilling the native sod acreage, all 80 acres are planted to corn. In the second year, the producer plants the North 40 acres to soybeans and leaves the South 40 acres idle. In the third year, the producer plants the South 40 acres to corn and leaves the North 40 acres idle. In the fourth year, the producer plants all 80 acres to soybeans. All four years on the full 80 acres count towards fulfilling the first four crop years of planting.

Example 2: A producer has an 80-acre field (CLU) comprised completely of native sod acreage. In the initial year of tilling the native sod acreage, the North 40 acres are planted to corn, and the South 40 acres are not tilled. The North 40 acres begin counting the first four crop years of planting, but the South 40 acres will not begin counting the first four crop years of planting until those native sod acres are tilled and planted.

In the second year, if the South 40 acres are tilled and planted but the North 40 acres are not planted, the South 40 acres will count as the first year towards the first four crop years of planting requirement for those acres. The North 40 acres that were not planted in the second crop year would still only have one year of planting count toward the four years.

407 What Counts as a Crop Year of Insurance (2018 Farm Bill)

Any crop year in which a crop is insured on the native sod acreage under an additional coverage policy will count toward fulfilling the four crop years of an insured crop (CAT coverage does not count as a crop year of insurance toward the four crop years of an insured crop). A combination of annual and perennial/biennial crops may be utilized to fulfill the first four crop years of an insured crop. In addition, a year that the native sod acreage is insured but prevented from being planted will count toward fulfilling the four crop years of an insured crop.

407 What Counts as a Crop Year of Insurance (2018 Farm Bill) (continued)

Example: A producer tills native sod acreage in April 2019 and plants and insures wheat on this native sod acreage in the 2020 crop year. In June 2020, the producer harvests the wheat and subsequently plants a perennial grass on the native sod acreage to insure under PRF. The producer insures the perennial grass under PRF for the 2021, 2022, and 2023 crop years. In the spring of 2024, the producer converts the perennial grass back to a spring crop and insures the spring crop under a NB WA. Since the producer insured the native sod acreage for the 2020, 2021, 2022, and 2023 crop years, the producer received the native sod reduction in benefits for four crop years. Beginning with the 2024 crop year this acreage is no longer considered native sod and is not subject to the native sod reduction in benefits.

408 Native Sod Acreage Tracking (2014 Farm Bill and 2018 Farm Bill)

RMA will track native sod acreage using program indicator codes to determine when the insured exceeds five acres of native sod cumulatively, and the reduction in benefits apply. The AIP is to report the program indicator code of "DM" on each native sod acreage line when the total cumulative native sod acreage is five acres or less in the county. In determining the cumulative native sod acreage, all native sod acreage tilled in the county since February 8, 2014, will be used to determine total native sod acreage tilled.

(1) For insureds that exceeded five acres of tilled native sod acreage in the county under the 2014 Farm Bill (beginning February 8, 2014 and ending on December 20, 2018):

(a) for the native sod acreage tilled under the 2014 Farm Bill, the AIP is to report the program indicator code of "NS" on each native sod acreage line; and

(b) for any native sod acreage tilled under the 2018 Farm Bill (beginning on December 21, 2018), the AIP is to report the program indicator code of "N8" on each native sod acreage line.

(2) For insureds that exceeded five acres of tilled native sod acreage in the county under the 2018 Farm Bill (beginning on December 21, 2018), the AIP is to report the program indicator code of "N8" on each native sod acreage line.

Note: If an insured tilled five native sod acres or less under the 2014 Farm Bill and tilled additional native sod acres under the 2018 Farm Bill, so that the cumulative native sod acres exceeded five acres, the program indicator code of "N8" applies.

Example: An insured tills four native sod acres in the fall of 2018 which is under the 2014 Farm Bill and less than five cumulative native sod acres. The insured tills another four native sod acres in the spring of 2019 which now exceeds five cumulative tilled native sod acres while under the 2018 Farm Bill. Since the insured exceeded the five cumulative native sod acres under the 2018 Farm Bill, program indicator code of "N8" applies.

(3) The appropriate program indicator code is reported for native sod acreage when the total cumulative native sod acreage is greater than five acres in the county, even if the producer did not exceed five native sod acres in the county for the current crop year.

(4) If the AIP incorrectly reports the program indicator code of "DM," PASS will notify the AIP of the error and will not accept the record until the correct program indicator code of "NS" or "N8" is reported.

409-450 (Reserved)

Section 2: Conservation Compliance

451 Conservation Compliance Program Overview

A. Highly Erodible Land Conservation (HELC) and Wetland Conservation (WC)

HELC and WC provisions aim to reduce soil loss on erosion-prone lands and to protect wetlands for the multiple benefits they provide. The Food Security Act of 1985, as amended by the Agricultural Act of 2014, provides that, unless exempted, persons are ineligible for any portion of the premium paid by the Federal Crop Insurance Corporation (FCIC) for a policy or plan of insurance, including Catastrophic Risk Protection (CAT) policies, under the Federal Crop Insurance Act if they:

(1) produce an agricultural commodity on a field that is determined to be highly erodible, as determined by the Natural Resources Conservation Service (NRCS), unless the production of an agricultural commodity on such land is in compliance with an approved conservation plan;

(2) plant an agricultural commodity on a wetland that was converted after February 7, 2014; or

(3) convert a wetland after February 7, 2014, by draining, dredging, filling, leveling, or any other means for the purpose, or to have the effect, of making the production of an agricultural commodity possible on such converted wetland.

For HELC and WC purposes, an "agricultural commodity" is any crop planted and produced by annual tilling of the soil, including one-trip planters and sugarcane. The provisions apply to eligibility for USDA benefits, including premium subsidy for Federal crop insurance, but the benefit itself does not have to be based on an agricultural commodity.

Example: Insured A's farming operation includes oats, wheat, corn, perennial native grass pasture, cattle, blueberries, and pears. Insured A insures all the commodities except oats and pasture. Insured A plants the oats on highly erodible land without a NRCS approved conservation plan for the land. Planting oats, an agricultural commodity, on highly erodible land without an approved conservation plan is a violation of the HELC provision. Insured A will be ineligible for premium subsidy on all policies, including wheat, corn, cattle, blueberries and pears, because of the HELC violation.

Refer to Para. 457 for exemptions that provide extra time to comply with HELC and WC provisions.

B. Approved Insurance Provider (AIP) and Agent Responsibility

AIPs and crop insurance agents cannot make any determinations regarding an insured's compliance with the HELC and WC provisions. In addition, AIPs and crop insurance agents cannot sign forms or documents, including form AD-1026, used to make HELC and WC determinations on behalf of an insured, unless they have a valid power of attorney to act on behalf of the insured.

A. Eligibility for Crop Insurance

The HELC and WC provisions apply to the eligibility for Federal crop insurance premium subsidy paid by FCIC, not a person's eligibility to obtain crop insurance. A person may obtain crop insurance without being in compliance with the HELC and WC provisions but, such person will not be eligible for any premium subsidy on any policy or plan of insurance, including CAT policies.

B. Eligibility for Premium Subsidy

To be eligible for premium subsidy for any policy or plan of insurance, a person must:

(1) have a completed and signed form AD-1026, Highly Erodible Land Conservation and Wetland Conservation Certification, on file with the Farm Service Agency (FSA) for the reinsurance year on or before the premium billing date for their crop insurance policy;

(2) be in compliance with the HELC and WC provisions of the Food Security Act of 1985, as amended, and the regulations at 7 CFR part 12; and

(3) pay any equitable contribution by the due date, if required by NRCS.

Any affiliated person (as determined by FSA in accordance with FSA's procedures) of a producer requesting benefits subject to HELC and WC provisions must also be in compliance with those provisions. If an affiliated person has a farming interest (as owner, operator, or other producer on any farm), the affiliated person must also file Form AD-1026 certifying compliance with HELC and WC provisions.

It is the person's responsibility to ensure they have a completed and signed form AD-1026 on file with FSA and they are in compliance with the HELC and WC provisions. If a producer has an HELC or WC violation, eligibility for premium subsidy will be based on final determinations, including all administrative appeals, made by FSA and NRCS. Neither RMA, FCIC, AIP, or any employee, agent, or contractor thereof, will make any determination regarding whether a person has form AD-1026 on file or is in compliance with the HELC and WC provisions.

For HELC and WC purposes, administrative appeals include appeals made according to 7 CFR § 12.12, and appeals to the National Appeals Division, but do not include any judicial review or appeal, or any other legal action.

See Para. 453 for information about form AD-1026 and exceptions to the AD-1026 certification requirement.

C. Reinsurance Year(s) of Ineligibility

Reinsurance year means a 1-year period beginning July 1 and ending on June 30 of the following year, identified by reference to the year containing June.

C. Reinsurance Year(s) of Ineligibility (continued)

Unless an exemption applies, ineligibility for premium subsidy for a violation of the HELC or WC provisions will begin the first reinsurance year subsequent to the date of a final determination of a violation, including all administrative appeals.

Example: On March 9, 2018, NRCS determines Insured B is in violation of the HELC provisions, and provides Insured B applicable appeal rights. On May 11, 2018, Insured B has exhausted all administrative appeals and the NRCS determination of a HELC violation is final. Insured B will be ineligible for premium subsidy on all policies and plans of insurance for the 2019 reinsurance year. That includes all policies with a sales closing date between July 1, 2018 and June 30, 2019.

See Para. 457 for situations when additional time is provided for persons to develop conservation or mitigation plans. See Para. 458 for exemptions that may result in a person remaining eligible for premium subsidy the subsequent reinsurance year after the date of a final determination of a violation.

453 Form AD-1026 Certification of Compliance

A. Certification of Compliance

Form AD-1026 is the form a person must complete, sign, and file with FSA to be eligible for premium subsidy on any policy or plan of insurance. The form is not farm or crop specific, but covers all land in all states and counties in which the person has an interest. Therefore, a person only completes one form for all their acreage. Form AD-1026 is a continuous certification, which means that once it is accurately completed and filed with FSA, it remains effective and a person does not have to refile or update the form again, unless there are changes to the operation or new activities that occur or are planned to occur that affect the person's certification. See Subparagraph B for more information about updating form AD-1026.

Each person seeking eligibility for premium subsidy must complete, sign, and file form AD-1026 with FSA.

Example: A producer has one farming operation they operate as an individual and another separate farming operation they operate as a corporation. The "individual" and the "corporation" are separate persons, each with a unique tax identification number. Each person, the individual and the corporation, must complete, sign, and file separate AD-1026 forms if each person wishes to be eligible for premium subsidy.

It is the person's responsibility to ensure they have an accurately completed and signed form AD-1026 on file with FSA. FSA will assist persons with completing and understanding form AD-1026 and its appendix.

A. Certification of Compliance (continued)

A person must have a completed and signed form AD-1026 on file with FSA for the reinsurance year to be eligible for premium subsidy any policy or plan of insurance that falls within the reinsurance year. A person who does not have form AD-1026 on file with FSA by the premium billing date for their crop insurance policy will be ineligible for premium subsidy on such policy unless an exception applies or USDA subsequently determines a form AD-1026 was timely filed for the reinsurance year.

Example: 1: Producer B files form AD-1026 for the reinsurance year prior to the premium billing date for their 2018 reinsurance year policy. Producer B will be eligible for premium subsidy on their 2018 reinsurance year policy.

Example 2: Producer C does not have form AD-1026 on file with FSA as of the premium billing date for their 2018 reinsurance year policy. Producer C can purchase the 2018 reinsurance year policy; however, the producer will be ineligible for premium subsidy and will be billed the full unsubsidized premium amount for the policy.

Example 3: As of the premium billing date for producer D's 2018 reinsurance year policy, RMA could not confirm form AD-1026 was on file with FSA. Producer D will be billed full unsubsidized premium for the policy. However, producer D believes they have timely filed form AD-1026 and the AIP submits a review request to RMA in accordance with Par. 459. After further research, RMA is able to verify with FSA that form AD-1026 was timely filed for the 2018 reinsurance year. Producer D will be considered eligible for premium subsidy for the 2018 reinsurance year policy and the premium due will be revised to reflect premium subsidy.

Exception 1: A person who does not have form AD-1026 on file with FSA by the premium billing date for the reinsurance year may be eligible for premium subsidy if the person certifies they meet the conditions for person's new to farming, new to crop insurance, a new entity or have not previously been required to sign a form AD-1026. See Para. 455 for more information about this exception.

Exception 2: A person that has not filed an AD-1026 for the reinsurance year by the premium billing date may be eligible for premium subsidy for the reinsurance year if they provide information necessary for the person's filing of a form AD-1026 if the person:

(1) is unable to file a form AD-1026 due to circumstances beyond the person's control, as determined by FSA; or

(2) files form AD-1026 in good faith and FSA subsequently determines that additional information is needed, but the person is unable to comply due to circumstances beyond their control, as determined by FSA.

A. Certification of Compliance (continued)

RMA will regularly obtain FSA's automated AD-1026 records indicating all persons who have a completed and signed form AD-1026 for the reinsurance year. Those records, in combination with FSA's HELC and WC compliance records, obtained from FSA prior to the beginning of the reinsurance year will determine a person's eligibility for premium subsidy for the reinsurance year. AIPs may obtain producers' premium eligibility status by July 1 and eligibility will be updated throughout the reinsurance year as updated AD-1026 filing information is obtained from FSA. Appendix III contains information on procedures for obtaining this information. See Para. 454 for information about FSA's HELC and WC compliance records.

B. Updating Previously Filed AD-1026

Form AD-1026 is a continuous certification, which means that once it is accurately completed and filed with FSA it remains effective and a person does not have to refile or update the form unless there are changes to the operation or new activities that occur or are planned to occur that affect the person's certification. If a person is determined to be in violation of HELC or WC provisions and to have exhausted all administrative appeals or quit participating in USDA benefit programs, and changes are subsequently made to the operation to come into compliance, form AD-1026 must be updated and filed with FSA to regain eligibility for premium subsidy.

A person who fails to notify FSA of any change that could alter their status as compliant with the HELC or WC provisions and is subsequently determined, by FSA or NRCS, to have committed a violation of the WC provisions after June 1, 2015, will be required to pay NRCS an equitable contribution.

The amount of equitable contribution will be determined by NRCS based on the severity of the violation, but will **not** exceed the total amount of Federal crop insurance premium subsidy paid by FCIC on behalf of the person for all policies and plans of insurance for all years in which the person is determined to have been in violation. A person who fails to pay the full equitable contribution amount by the due date determined by NRCS will be ineligible for premium subsidy on any policy or plan of insurance beginning with the subsequent reinsurance year. The person will be ineligible for premium subsidy for the entire reinsurance year even if full payment of the equitable contribution amount is received by NRCS during the reinsurance year.

454 HELC and WC Compliance Records

Compliance with the HELC and WC provisions is determined by FSA and NRCS. Determinations are recorded in FSA's automated HELC and WC compliance records. Each year RMA will obtain, between June 1 and July 1, a list of all producers who are ineligible for premium subsidy because of HELC and WC violation. Beginning July 1 of the reinsurance year, AIPs may request information on their insured's premium subsidy eligibility status. Information for requesting such information is contained in Appendix III.

454 HELC and WC Compliance Records (continued)

It is the person's responsibility to ensure they are in compliance with the HELC and WC provisions. A person who is not in compliance with the HELC and WC provisions, and has exhausted all administrative appeals at the time RMA receives FSA's automated HELC and WC compliance records, will be ineligible for premium subsidy on all policies and plans of insurance for the entire subsequent reinsurance year. See Para. 457 for situations when additional time is provided to comply with a conservation or mitigation plan, and Para. 458 for exemptions that may apply.

Example: Insured D has had form AD-1026 on file with FSA for several years. On March 9, 2018, NRCS determines Insured D is not complying with the approved conservation plan for their highly erodible land. On May 11, 2018, Insured D has exhausted all administrative appeals and the NRCS determination of a HELC violation is final. FSA updates their HELC and WC compliance records to indicate Insured D is not in compliance with the HELC provisions and all administrative appeals have been exhausted. Insured D will be ineligible for premium subsidy on all policies and plans of insurance for the 2019 reinsurance year.

455 Exception to the AD-1026 Requirement

A person must have a completed and signed form AD-1026 on file with FSA by the premium billing date for the reinsurance year to be eligible for premium subsidy on any policy or plan of insurance that falls within that reinsurance year. However, a person who certifies they meet the conditions for persons new to farming, new to crop insurance, a new entity, or have not previously been required to sign an AD-1026 will be considered eligible for premium subsidy for the initial reinsurance year to allow adequate time to properly file an AD-1026.

A person (individual or legal entity) who meets the exception criteria must sign the applicable conservation compliance certification statement to be eligible for this one-time exception. The conservation compliance certification statement must be signed by the later of the premium billing date or 60 days after a transfer is approved for transferees who are the beneficiaries of a Transfer of Coverage and Right to Indemnity or because of death, disappearance, or determined judicially incompetent.

AIPs are not responsible for verifying the person meets the terms of the statement, but the AIP must advise the insured they must sign one of the applicable statements to qualify for the exception. The insured is solely responsible for the accuracy of their certification.

AIPs must maintain the signed conservation compliance certification statement in accordance with SRA record retention requirements. AIPs are not required to request additional information or documentation to verify the certification. The conservation compliance certification statement selected by the insured will be communicated to RMA in accordance with procedures contained in Appendix III. FSA does not review or approve these conservation compliance certification statements and cannot provide any relief for failure to timely sign. See the DSSH for the applicable conservation compliance certification statements that must be signed by those eligible for the exception.

For a person who signs an applicable compliance conservation certification statement for a given reinsurance year to remain eligible for premium subsidy in a subsequent reinsurance year, the person must file form AD-1026 certifying compliance with HELC and WC at a USDA Service Center FSA office for the subsequent reinsurance year. Form AD-1026, which can be found at: www.farmers.gov/sites/default/files/documents/Form-AD1026-Highly-Erodible-Land.pdf, should be provided to the person at the same time an applicable conservation compliance certification statement is provided. The person should be advised that the AD-1026 must be filed at the person's local USDA Service Center FSA office, which can be found at: offices.sc.egov.usda.gov/locator/app

456 SBIs, Landlord-Tenant Policies, Transfers of Coverage, and Death/Disappearance/ Judicially Declared Incompetence of Named Insured

A. Reduced Premium Subsidy for Ineligible Substantial Beneficial Interest (SBI) Holder

A SBI is not required to complete an AD-1026 unless they are determined to be an affiliated person by FSA in accordance with FSA's procedures. However, an insured person's premium subsidy will be reduced when any person with a SBI in the insured person is not in compliance with the HELC and WC provisions. The amount of reduction will be commensurate with the SBI held in the insured person. The amount of interest held in the insured person will be determined according to the policy provisions of the insured person.

Example: Insured E has four SBIs, each with a 25 percent interest. Insured E has a completed and signed form AD-1026 on file and is in compliance with the HELC and WC provisions. However, one of the SBI holders is not in compliance with the HELC or WC provisions. Insured E's premium subsidy amount for that policy will be reduced by 25 percent.

B. Ineligible Landlord or Tenant on a Landlord-Tenant Policy

A person may insure their landlord's or tenant's, as applicable, share on the insured's policy. The application must clearly state the tenant will insure the landlord's share or the landlord will insure the tenant's share. Landlords/tenants are to be reported on the insured's policy as a SBI. The landlord/tenant and the applicable identification number must be listed on the insured person's application even if their share is less than 10 percent.

The landlord or tenant, as applicable, being insured on the other's policy will be reported as a landlord/tenant type SBI on the insured person's policy. The named insured's premium subsidy will be reduced on the policy for which the landlord/tenant is insured when the landlord/tenant, as applicable, is not in compliance with the HELC and WC provisions.

The amount of reduction will be commensurate with the ineligible person's share listed on the application. It is the person's responsibility to ensure they are in compliance with the HELC and WC provisions.

Example: Tenant A insures Landlord B's share of the crop on Tenant A's policy. Landlord B is listed as a SBI with 25 percent share. Tenant A has a completed and signed form AD-1026 on file and is in compliance with the HELC and WC provisions. Landlord B is not in compliance with the HELC or WC provisions because of a violation on another piece of land. Tenant A's premium subsidy amount for that policy will be reduced by 25 percent.

C. Transfer of Coverage and Right to an Indemnity

A Transfer of Coverage and Right to an Indemnity is used to transfer insurance coverage and the right to any subsequent indemnity from one insured person to another person. Both the transferor and transferee must have form AD-1026 on file with FSA for the reinsurance year (unless the transferor or transferee is eligible for and signs the applicable conservation compliance certification statement in accordance with Para. 455), and both must be in compliance with the HELC and WC provisions for either to be eligible for premium subsidy on the portion of the policy that is transferred.

D. Death/ Disappearance/Judicially Declared Incompetence for Married Individuals

See Para. 231 for details on impact to a policy for a married individual when the named insured dies, disappears or is judicially declared incompetent.

If a married individual and named insured dies, disappears, or is judicially declared incompetent …	**Then for Current Reinsurance Year Premium Subsidy Eligibility…**	**And for Subsequent Reinsurance Year Premium Subsidy Eligibility…**
and spouse is SBI, has a share in crop, and the named insured's share does not convert to an estate or is not legally transferred to a person other than a spouse,	the policy remains under the named insured until the end of the current crop year and the named insured must have timely filed Form AD-1026 for the reinsurance year or signed the applicable conservation compliance certification statement,	the policy is changed to the surviving spouse's name for the subsequent crop year and they must have timely filed Form AD-1026 for the reinsurance year or signed the applicable conservation compliance certification statement.
30 days or less before the cancellation date and spouse is not a SBI, spouse does not have a share in the crop, or the named insured's share converts to an estate or is legally transferred to a beneficiary other than the spouse,	the policy remains under the named insured until the end of the current crop year (unless cancelled prior to the cancellation date – refer to procedure below) and the named insured must have timely filed Form AD-1026 for the reinsurance year or signed the applicable conservation compliance certification statement,	the policy is cancelled as of the cancellation date and if the spouse submits a new application for the subsequent crop year, they must have timely filed Form AD-1026 for the reinsurance year or signed the applicable conservation compliance certification statement.

D. Death/ Disappearance/Judicially Declared Incompetence for Married…(continued)

If a married individual and named insured dies, disappears, or is judicially declared incompetent …	Then for Current Reinsurance Year Premium Subsidy Eligibility…	And for Subsequent Reinsurance Year Premium Subsidy Eligibility…
more than 30 days before cancellation date and spouse is not a SBI, spouse does not have a share in the crop, or the named insured's share converts to an estate or is legally transferred to a beneficiary other than the spouse,	the policy is cancelled and if the spouse submits a new application by the SCD, the spouse must have timely filed Form AD-1026 for the reinsurance year or signed the applicable conservation compliance certification statement,	If the spouse will continue coverage under the new policy for the subsequent crop year, they must have timely filed Form AD-1026 for the reinsurance year.

457 Additional Time to Develop Conservation or Mitigation Plan

A. Persons Subject to HELC for the First Time

Persons subject to the HELC provisions for the first time solely due to the Agricultural Act of 2014 will have five reinsurance years, as provided in 7 CFR part 12, to develop and comply with a conservation plan approved by NRCS before being ineligible for premium subsidy. The additional time to develop and comply with a conservation plan approved by NRCS applies only to persons who were not previously subject to the HELC provisions. The additional time does not apply to any person who had any interest in any land or crop, including an affiliated person (as determined by FSA in accordance with FSA's procedures), which was subject to the HELC provisions before February 7, 2014.

The beginning date of the five-reinsurance year period depends on whether a highly erodible land determination was made on any of the land in the person's farming operation and whether administrative appeal rights have been exhausted for that determination. The five-reinsurance year period begins:

(1) for persons who have no land with an NRCS highly erodible land determination, the start of the reinsurance year (July 1) following the date NRCS makes a highly erodible land determination and the person exhausts all their administrative appeals, if applicable; or

(2) for persons who have any land for which a NRCS highly erodible land determination has been made and all administrative appeals have been exhausted, the start of the reinsurance year (July 1) following the date the person certifies compliance with FSA by filing a completed and signed form AD-1026.

457 Additional Time to Develop Conservation or Mitigation Plan

A. Persons Subject to HELC for the First Time

A person can certify on form AD-1026 that filing the form represents the first time the person has been subject to the HELC and WC provisions. FSA will review historical FSA records to determine if the person was ever subject to the HELC provisions, including as an affiliated person (as determined by FSA in accordance with FSA's procedures). FSA and NRCS will make all needed determinations and verifications. FSA will provide the needed information to RMA. RMA will provide the person's status to the AIP as specified in Appendix III.

Example: Insured F has not had any interest in any land or crop, including as an affiliated person (as determined by FSA in accordance with FSA's procedures), that was subject to the HELC provisions prior to February 7, 2014. The sole reason Insured F is now subject to the HELC provisions is because of the Agricultural Act of 2014. Insured F checks item 8A on form AD-1026, and FSA determines, based on a review of historical records, Insured F was not subject to the provisions prior to February 7, 2014. Insured F will have five reinsurance years to develop and comply with a conservation plan approved by NRCS, if a conservation plan is needed, before being ineligible for premium subsidies. If Insured F has exhausted all their administrative appeals on February 15, 2016, following NRCS's highly erodible land determination, the five reinsurance years starts July 1, 2016.

B. Persons with Prior HELC Violations

Persons who meet all the following criteria, as determined by FSA, will have two reinsurance years, as provided in 7 CFR part 12, to develop and comply with a conservation plan approved by NRCS before being ineligible for premium subsidy.

(1) The person was subject to the HELC provisions any time before February 7, 2014.

(2) Before February 7, 2014, the person stopped participating in all USDA programs subject to the HELC provisions.

(3) The person would have been in violation of the HELC provisions had they continued to participate in those programs after February 7, 2014.

(4) The person is currently in violation of the HELC provisions.

The additional time to develop and comply with a conservation plan approved by NRCS applies only to persons who meet all the criteria. Such persons must consult with FSA to make necessary updates to their AD-1026. FSA and NRCS will make all needed determinations and verifications. FSA will provide the needed information to RMA.

The two reinsurance years begins the start of the reinsurance year (July 1) following the date the person certifies compliance with FSA by filing a completed and signed form AD-1026.

B. Persons with Prior HELC Violations (continued)

Example: Insured G was previously participating in USDA programs that were subject to HELC provisions but stopped participating in all USDA programs subject to HELC provisions in 2012. Insured G would have been in violation of the HELC provisions had they continued to participate in those programs after February 7, 2014, and is currently in violation of the HELC provisions. Insured G consults with the FSA county office to update the AD-1026. Insured G will remain eligible for premium subsidy through the 2017 reinsurance year while they develop and comply with an NRCS-approved conservation plan.

C. Persons Subject to WC for the First Time

A person determined in violation of the WC provisions for converting a wetland after February 7, 2014, will have two reinsurance years after the final determination of violation, including all administrative appeals, to implement all practices in a mitigation plan to remedy the violation before becoming ineligible for premium subsidy, if the person is subject to the WC provisions for the first time solely due to the Agricultural Act of 2014. The additional time to implement all practices applies only to persons who were not previously subject to the WC provisions before February 7, 2014.

Only NRCS can:

(1) determine if a person converted a wetland after February 7, 2014;
(2) provide the date such determination is final, including all administrative appeals; and
(3) determine if a person is implementing all practices in a mitigation plan.

NRCS will provide all needed information to FSA, and FSA will provide it to RMA.

Example: Insured H has not had any interest in any land or crop, including as an affiliated person (as determined by FSA in accordance with FSA's procedures), that was subject to the WC provisions prior to February 7, 2014. The sole reason Insured G is now subject to the WC provisions is because of the Agricultural Act of 2014. Insured G checks item 8A on form AD-1026, and FSA determines, based on a review of historical records, Insured G was not subject to the provisions prior to February 7, 2014. Insured G converted a wetland on March 21, 2015. On August 9, 2015, following the final determination of violation, insured G has exhausted all administrative appeals. Insured G will remain eligible for two reinsurance years beginning with the 2017 reinsurance year to implement all practices in a mitigation plan to remedy the violation.

D. Persons Previously Subject to WC

A person who was subject to the WC provisions before February 7, 2014, and who is determined in violation of the WC provisions for converting a wetland after February 7, 2014, will have one reinsurance year after the final determination of violation, including all administrative appeals, to initiate a mitigation plan to remedy the violation before becoming ineligible for premium subsidy.

Only NRCS can:

(1) determine if a person converted a wetland after February 7, 2014;
(2) provide the date such determination is final, including all administrative appeals; and
(3) determine if a person initiated a mitigation plan to remedy the violation.

NRCS will provide all needed information to FSA, and FSA will provide it to RMA.

Example: Insured G was subject to the WC provisions prior to February 7, 2014. NRCS determines that on August 6, 2015 Insured G converted a wetland. On May 9, 2017, Insured G has exhausted all administrative appeals and the NRCS determination of a wetland conversion violation is final. Insured G has until June 30, 2018, to initiate a mitigation plan to remedy the violation before becoming ineligible for premium subsidies starting with the 2019 reinsurance year.

458 Exemptions

FSA, NRCS, or RMA, as applicable, will notify the person and, if applicable, RMA when any of the following exemptions have been approved. Appendix III contains the process that AIPs will use for determining a person's status after an exemption has been approved.

A. Good Faith Relief for HELC Violations

A person who violates the HELC provisions may remain eligible for premium subsidy if good faith relief is approved by FSA. If FSA approves good faith relief, the person remains eligible for premium subsidy, but USDA program benefits the person would otherwise be eligible to receive for the crop year in violation will be reduced or they may be required to repay an amount determined by FSA.

As a condition of good faith relief, the person must implement the measures and practices necessary to be considered to be actively applying the NRCS approved conservation plan within the period of time required by NRCS. The maximum period of time allowed by statute is one year. A second good faith relief determination cannot be granted on the same violation to extend the one-year maximum period to apply the conservation plan.

Only FSA, in consultation with NRCS, can approve good faith relief.

B. Good Faith Relief for WC Violations

A person who violates the WC provisions may remain eligible for premium subsidy if good faith relief is approved by FSA. As a condition of good faith relief, the person must implement all practices in the NRCS approved mitigation plan to remedy or mitigate the violation. The maximum period of time allowed by statute for crop insurance premium subsidy eligibility purposes is two reinsurance years. A second good faith relief determination cannot be granted on the same violation to extend the two-year maximum period to remedy or mitigate the violation.

Only FSA, in consultation with NRCS, can approve good faith relief.

C. Wetland Conversions Impacting Less than Five Acres

In lieu of ineligibility for premium subsidy due to a wetland conversion occurring after February 7, 2014, for wetland conversion that impacts less than 5 acres of an entire farm, if approved by NRCS, a person may pay a contribution to NRCS in an amount equal to 150 percent of the cost of mitigating the converted wetland.

Only NRCS can:

(1) determine if a person is eligible for this exemption;
(2) determine the amount the person must pay to meet this exemption; and
(3) collect the in-lieu of payment from the person.

A person may use this exemption only one time per farm, as determined by NRCS. NRCS will provide all needed information to FSA, and FSA will provide it to RMA.

D. Wetland Conversion Exemption for Policies Available for First Time

A person may be eligible for premium subsidy on a policy or plan of insurance for an agricultural commodity with a wetland conversion violation if the:

(1) policy or plan of insurance became available to the person for the first time after February 7, 2014, as determined by RMA;

(2) wetland conversion occurred, as determined by NRCS, after February 7, 2014, and before the policy or plan of insurance became available to the person for the first time (i.e. prior to the SCD for the new policy or plan of insurance); and

(3) the person takes steps necessary, as determined by NRCS, to mitigate all wetlands converted after February 7, 2014, in a timely manner, as determined by NRCS, but not to exceed two reinsurance years.

This exemption applies only to the policy or plan of insurance that becomes available to the person for the first time after February 7, 2014, as determined by RMA, and does not exempt or otherwise negate the person's ineligibility for premium subsidy on any other policy or plan of insurance.

For the purposes of this exemption, a policy or plan of insurance is considered to have been available to the person if after February 7, 2014, in any county in which the person had any interest in any acreage, including as a SBI holder, if:

(1) there was a policy or plan of insurance available on the county actuarial documents that provided coverage for the agricultural commodity; or

(2) the person obtained a written agreement to insure the agricultural commodity in any county.

This exemption does not apply to group or area policies or plans of insurance that cover more than one commodity, such as Whole Farm Revenue Protection and Rainfall and Vegetation Index. Changing, adding, or removing options, endorsements, or coverage to an existing policy or plan of insurance will not be considered as a policy or plan of insurance being available for the first time to a person. If it is believed that this exemption may apply, the AIP may submit a review request through the CRM Issue Log in accordance with Para. 459. In addition to the information required in Para. 459, include a statement that the request is being submitted for review to determine if the producer meets the "Wetland Conversion Exemption for Policies Available for First Time" as well as the crop, county, and plan of insurance for which the exemption is being requested.

If an insured converted a wetland after February 7, 2014, but before the sales closing date for a new policy or plan of insurance and is taking steps necessary, as determined by NRCS, to mitigate the wetland, the AIP may submit a request through the CRM-Issue Log for reinstatement of premium subsidy eligibility for the policy by providing the following information:

(1) Producer policy number;
(2) Name of the policy/plan of insurance, crop, county, and state;
(3) Date the wetland was converted; and
(4) The NRCS office which determined the wetland had been converted.

Information about transmitting data regarding persons who may meet this exception is provided in Appendix III.

E. Tenant HELC or WC Planting Exemption – Landlord Refusal

This exemption:

(1) applies only to tenants, operators, or sharecroppers;

(2) applies only to HELC violations and violations for planting or producing an agricultural commodity on a wetland converted after February 7, 2014; and

(3) when applied, results in a reduction in the amount of premium subsidy on all policies and plans of insurance of the tenant/operator/sharecropper rather than ineligibility for all premium subsidy on all policies and plans of insurance.

E. Tenant HELC or WC Planting Exemption – Landlord Refusal (continued)

To be eligible for the exemption, the tenant/operator/sharecropper must establish, to FSA's satisfaction, that:

(1) a conservation or mitigation plan, as applicable, approved by NRCS was obtained for the land;

(2) the landlord refuses to allow the tenant/operator/sharecropper to comply with the plan;

(3) the tenant/operator/sharecropper made a good faith effort to meet the HELC or WC, as applicable, provisions;

(4) the lack of compliance is not part of a scheme or device to avoid compliance with the HELC and WC provisions, as determined by FSA; and

(5) the tenant/operator/sharecropper actively applies the practices and measures of the approved conservation or mitigation plan, as applicable, which are within their control.

Only FSA, in consultation with NRCS, can determine whether a person meets the requirements for this exemption. If FSA approves a person for this exemption, the amount of premium subsidy on all the person's policies and plans of insurance will be reduced instead of the person being ineligible for all premium subsidy on all policies and plans of insurance. The percentage reduction will be determined by comparing the total number of cropland acres on the farm on which the violation occurred to the total number of cropland acres on all farms in which the tenant/operator/sharecropper has an interest, as determined by FSA.

The farms and cropland acres used to determine the premium subsidy reduction percentage will be the farms and cropland acres of the tenant/operator/sharecropper for the reinsurance year in which they are determined ineligible. However, the percentage reduction will be applied to all policies and plans of insurance of the tenant/operator/sharecropper in the reinsurance year subsequent to the reinsurance year in which they are determined ineligible.

If the landlord and tenant/operator/sharecropper are insured under the same policy, the tenant/operator/sharecropper will be ineligible for premium subsidy on that policy in lieu of a percentage reduction on that policy.

FSA will notify RMA when a person meets this exemption and provide the necessary information for determining the percentage reduction.

F. Landlord Exemption - HELC or WC Planting Violation

This exemption:

(1) applies only to landlords/landowners;

(2) applies only HELC violations and violations for planting or producing an agricultural commodity on a wetland converted after February 7, 2014; and

(3) when applied, results in a reduction in the amount of premium subsidy on all policies and plans of insurance of the landlord/landowner rather than ineligibility for all premium subsidy on all polices and plans of insurance.

This exemption will not apply if the:

(1) production of an agricultural commodity on highly erodible land or on a converted wetland by the tenant/operator/sharecropper is required under the terms and conditions of the agreement between the landlord and such tenant/operator/sharecropper and such agreement was entered into after December 23, 1985; or

(2) landlord has acquiesced in such activities by the tenant/operator/sharecropper.

Only FSA, in consultation with NRCS, can determine whether a person meets the requirements for this exemption.

If FSA approves a person for this exemption, the amount of premium subsidy on all the person's policies and plans of insurance will be reduced instead of the person being ineligible for all premium subsidy on all policies and plans of insurance. The percentage reduction will be determined by comparing the total number of cropland acres on the farm on which the violation occurred to the total number of cropland acres on all farms in which the landlord/landowner has an interest, as determined by FSA.

The farms and cropland acres used to determine the premium subsidy reduction percentage will be the farms and cropland acres of the landlord/landowner for the reinsurance year in which they are determined ineligible. However, the percentage reduction will be applied to all policies and plans of insurance of the landlord/landowner in the reinsurance year subsequent to the reinsurance year in which they are determined ineligible.

If the landlord/landowner and tenant/operator/sharecropper are insured under the same policy, the landlord/landowner will be ineligible for premium subsidy on that policy in lieu of a percentage reduction on that policy.

FSA will notify RMA when a person meets this exemption and provide the necessary information for determining the percentage reduction.

G. Landlord-Tenant Examples

Assume: Landlord A has Farm 1 (200 acres) and 2 (100 acres). Tenant B has Farm 3 (400 acres), plus 50% sharecrop agreement on Farm 2

IF...	THEN...
Farm 1 is out of compliance and A and B are both on individual polices	A can receive no premium subsidy, B can receive full premium subsidy
Farm 1 is out of compliance and A and B are both on individual polices on their own land, but have a landlord tenant policy covering Farm 2	A can receive no premium subsidy on the individual policy, B can receive full premium subsidy on the individual policy, and the Landlord tenant policy premium subsidy is reduced by 50% due to SBI ineligibility (6B)
Farm 2 is out of compliance and A and B are both on individual polices on their own land, but have a landlord tenant policy covering Farm 2, no FSA tenant relief granted	No premium subsidy can be received on any policy (A and B are both out of compliance)
Farm 2 is out of compliance and A and B are both on individual polices on their own land, but have a landlord tenant policy covering Farm 2, FSA tenant relief is granted for B at a 20% reduction [100/(100+400)]	A can receive no premium subsidy on the individual policy, B can receive 80% premium subsidy on the individual policy (100% - 20% reduction) for Farm 3, and the Landlord-tenant policy receives no premium subsidy (8E)
Farm 2 is out of compliance and A and B are both on individual polices, FSA tenant relief is granted for B at a 20% reduction [100/(100+400)]	A can receive no premium subsidy, B can receive 80% premium subsidy on both policies (Farm 3 and their 50% share on Farm 2)

459 Determining Eligibility and Requesting Review of Information

A person's eligibility for premium subsidy is based on information obtained from FSA and NRCS. AIPs can inquire about a producer's status using the CRM – Issue Log. AIPs can also submit an error resolution request to RMA through the CRM – Issue Log when a policyholder questions whether there has been a transmission or processing error that may have resulted in an incorrect determination of the person's premium subsidy eligibility. AIPs should allow 30 days after the producer filed the AD-1026 before initiating a review request.

Producers and AIPs may not dispute or appeal to RMA any determination of compliance made by FSA or NRCS that are due to HELC or WC violations. Producers should dispute or appeal such compliance determinations directly with FSA or NRCS, as applicable. Insureds cannot seek arbitration or legal proceedings under the crop insurance policy because of a determination of ineligibility of premium subsidy. To request access to the CRM - Issue Log, send an email containing your full name, AIP affiliation, and reason access is needed to RMAITServiceDesk@rma.usda.gov and copy Conservation@rma.usda.gov. Include a completed Form FCIC-586C along with the request (Form FCIC-586C may be obtained from the RMA IT Service Desk, if needed).

A unique ticket must be generated for each producer for whom you are requesting a review. Select "Conservation Compliance" from the dropdown list as the Issue Type when creating a ticket. When requesting a review, the AIP must provide all the following to RMA, at a minimum:

(1) The policyholder name (First, Last, Business, etc. as applicable) used to file form AD-1026 with FSA must be included as the first entry in the Issue Title field.

(2) The AIP Policy Number(s) (7-digit number, use leading zeros if less than 7) for the person as submitted to RMA per the Appendix III.

(3) The Tax Identification Number – The CRM – Issue log is a secure method for sending personally identifiable information. **IMPORTANT: DO NOT SEND TAX IDENTIFICATION NUMBERS TO THE CONSERVATION@RMA.USDA.GOV EMAIL**.

(4) Tax ID Type Code.

(5) The reinsurance year(s) for which the request is being submitted.

(6) Include the following information in the Description field:

(a) The FSA county office where from AD-1026 is filed.

(b) The date the policyholder signed form AD-1026, if known (if the exact date is unknown provide an approximate date and denote it as such).

(c) A brief description of why the policyholder believes the information is erroneous and any other facts/context that could assist in researching the issue.

Once all information is provided, RMA will perform a review of the applicable data for potential errors in interagency data sharing and data processing. Once the review is complete, the AIP will be notified of the results and any applicable changes or actions taken by RMA, FSA or NRCS.

Example: Insured I is informed they are not eligible for premium subsidy because they do not have form AD-1026 on file with FSA. Insured I believes they do have a properly completed and signed AD-1026 on file with FSA. Insured I provides their AIP their name, county office where they filed form AD-1026, date they signed form AD-1026, and a short description of why they believe the data RMA has is erroneous. The AIP then creates a ticket within the CRM – Issue Log for RMA to review the applicable records received from FSA and NRCS. RMA will review the applicable data and notify AIP of the findings and any actions or changes made to the policyholder's data, if applicable.

460-500 (Reserved)

PART 5 CORRECTION OF ERRORS

501 Authority to Correct Errors

A. General

The AIP is authorized to correct certain errors in information reported by the insured to ensure information is correct and consistent within USDA. Once an AIP determines that an error exists, the AIP may correct the error, within the timeframe specified by these procedures. However, corrections cannot allow the producer to avoid an ineligibility determination or obtain a disproportionate benefit under the crop insurance program or any related program administrated by the USDA. The corrections authorized by these procedures are in addition to those currently authorized by other FCIC policies and procedures.

This Part does not limit or modify any provisions of FCIC policies or procedures that already permitted the correction of certain errors as of the day before February 7, 2014, including, but not limited to, corrections allowed under CCIP and ARPI BPs. Therefore, requirements and deadlines set-forth in this Part only apply to the specific types of corrections that are allowed to be corrected by this Part.

B. Type of Corrections

Within the time frame specified, allowable correction types include the following:

(1) USDA Reconciliation Errors
(2) FSA Conforming Correction Errors
(3) Electronic Transmission Errors

C. Timing of Corrections

The term “in addition to” refers to those corrections not otherwise identified by the policy. If the error is corrected within the applicable deadline, the policy is treated as if no error occurred and the applicable BP continue to control unless it would fall within the authority to correct errors exception.

D. Corrections that Fall within Various Correction Type Categories

A correction may fall within multiple correction type categories. The AIP must determine the correct category and if additional procedures or categories limits the correction.

E. Late Reporting Reductions

Late Reporting Reductions will not be assessed for any authorized error correction made in accordance with these procedures and Appendix III to the SRA. The AIP must document changes that substantiate the correction on the applicable form, e.g., Policy Change form.

502 Correctable Information

The corrections authorized under this procedure are in addition to and/or expand the time frame for, corrections authorized by other RMA policy and procedures, which include, but are not limited to:

A. Basic Policy Information

Any general information about the insured or SBI, including any basic policy information that is reported incorrectly to the RMA or AIP, such as the spelling of insured or insured's SBI name, mailing address, or telephone number may be corrected. These errors may be corrected at any time. Basic policy information does not include information that affects the eligibility of the insured, the insurance guarantee, premium adjustments or indemnity calculations.

B. Person Type

To obtain insurance, the insured must report their correct person type. If the AIP determines that the person type reported by the insured is incorrect, provided no condition in Para. 503 exists, the AIP may correct the person type information in accordance with and as authorized by other applicable procedures.

C. Identification Number

To obtain insurance, the insured must report the correct identification number associated with the person type reported on the application unless an exception has been provided by FCIC procedures. If the AIP determines that the identification number reported by the insured is incorrect, the AIP may correct the identification number in accordance with the CCIP or ARPI BPs and as authorized by other applicable procedures.

D. Clearly Transposed Information or Errors in Information Committed by the AIP or Someone from USDA

Any information reported on the application that is clearly transposed or the insured can provide evidence that the error was committed by the AIP or someone from the USDA must be corrected. These errors may be corrected at any time.

503 Exceptions

The correction types described in Paras. 504 and 505 are allowed in the current crop year if the AIP determines that the corrections do not allow:

(1) the insured or its SBI to obtain disproportionate benefits under the crop insurance program or any related program administered by the USDA;

(2) an ineligible person to participate in the crop insurance program or a person to avoid any ineligibility requirements for crop insurance purposes;

(3) the insured or its SBI to avoid an obligation or requirement under any state or federal law; or

(4) the insured or its SBI to:

(a) obtain, enhance, or increase their insurance guarantee or indemnity payment, if a cause of loss exists or has occurred before any correction has been made, or

(b) avoid premium owed if no loss is likely to occur.

For example, when a producer must elect between USDA programs, such as choosing coverage under ARC or SCO, correction of errors procedures cannot be used to modify such elections. If any one of these exceptions apply, the corrections described in Paras. 504 and 505 must be made by the SCD of the subsequent crop year.

A disproportionate benefit is a benefit greater than what the insured would have received had the erroneous information been reported correctly. If a correction is made retroactively, and it did trigger a benefit for the insured that it was not previously entitled to receive, then the correction cannot be made for the current crop year. If the insured would receive more than the insured would if the correction was not made, the correction does not go into effect until the next crop year.

504 USDA Reconciliation Errors

USDA Reconciliation Errors include errors where AIP or RMA information is determined to be incorrect by information determined correct at any other USDA Agency.

A. Errors on Forms Submitted by the SCD

(1) Authority to Correct

An AIP may determine, through its own internal review or through reconciliation activities with any USDA agency, an error exists in the information reported by the insured on the Application or other forms submitted by the SCD, e.g., the Policy Change form. The AIP is allowed to correct errors in information reported by the SCD to ensure that the information is correct and consistent with the information reported by the insured for any USDA program.

(2) Timing of Correction

Provided no condition in Para. 503 exists, when the AIP determines that an error exists, the AIP may correct the error up to 60 days following the current policy's SCD. If an error is discovered more than 60 days following the SCD, or is not corrected up to 60 days following the SCD or a condition in Para. 503 exists, the error must be corrected by the SCD of the subsequent crop year.

B. Errors on the Acreage Report

(1) Authority to Correct

An AIP may determine, through its own internal review or reconciliation activities with any USDA agency, an error exists in the information reported by the insured on the Acreage Report, or other forms that must be submitted by the ARD. Provided no condition in Para. 503 exists, when the AIP determines information on such forms to be incorrect, the AIP is allowed to correct such errors in order to reflect the information correctly reported by the insured and that is consistent with any USDA program. Procedures for corrections to the Acreage Report contained in the CIH continue to apply, e.g. inspections.

Note: Errors made on the Acreage Report for information that was originally reported on the Application are not provided an additional 30 days following the ARD to make those corrections. For example, an error in the reported identification number on the Application and Acreage Report must be corrected up to 60 days following the SCD. This error cannot be corrected on the Acreage Report.

(2) Timing of Correction

Provided no condition in Para. 503 exists, when the AIP determines that an error exists, the AIP may correct the error up to 30 days following the current ARD. If the error is discovered more than 30 days following the ARD, or is not corrected up to 30 days following the ARD or a condition in Para. 503 exists, the error must be corrected by the SCD of the subsequent crop year, if applicable.

Exception: If the applicant/insured can provide evidence that the error was committed by the AIP or someone from the USDA, the information may be corrected at any time and is not subject to the limitations in Para. 503.

505 Farm Service Agency (FSA) Conforming Corrections

FSA Conforming Correction Errors include errors where the FSA corrects its information and that correction then creates an inconsistency with an AIP's or RMA's information reported by the insured.

A. Authority to Correct

Provided no condition in Para. 503 exists, if the FSA corrects an error of producer reported information in its data, an AIP is authorized to make similar conforming corrections to its data when the AIP determines the FSA correction is accurate. The AIP may not rely on CIMS data without further verification.

Example 1: An AIP discovers that FSA has corrected its data for Joe Farmer, individual reporting a SSN, to Farmer Trust, reporting an EIN. The producer has previously reported to the AIP that he is Joe Farmer, individual, reporting an SSN. Upon further review, the AIP determines that the FSA correction is accurate. In this example, the AIP may make a subsequent conforming correction to its data to be consistent with FSA.

Example 2: An AIP discovers that FSA has corrected its data for Farmer Trust to Joe Farmer, individual, reporting a SSN. The insured has also reported to the AIP as a Farmer Trust with an EIN and Joe Farmer as the sole SBI. Upon further review, the AIP determines that Farmer Trust has the insurable interest because the crop is sold as Farmer Trust. In this example, a change in the AIP's information is not made because its information is correct.

B. Timing of Correction

The AIP must make the conforming correction up to 30 days following the date that FSA corrects its information. If the conforming error correction is not discovered and/or corrected up to 30 days following the FSA correction date, the error must be corrected by the SCD of the subsequent crop year, if applicable. If an error qualifies as both a FSA Conforming Correction Error, as described Para. 505 and an USDA Reconciliation Error, as described in Para. 504, deadline by which such error must be corrected will be either the deadline set-forth in Para. 504 or the deadline set-forth in Para. 505, whichever is later.

506 Electronic Transmission Errors

Electronic Transmission Errors include errors committed by the AIP, or any USDA agency in the electronic transmission of information provided by the insured. The AIP may correct electronic transmission errors made by the crop insurance agent or any other USDA agency to the extent that an agent or AIP relied upon the erroneous information for crop insurance purposes at any time.

507-600 (Reserved)

PART 6 MEDIATION, ARBITRATION, AND JUDICIAL REVIEWS OF AIP DETERMINATIONS

601 General Information

A. Applicability and Purpose

The procedures in this part apply to decisions and determinations made by AIPs only, not determinations made by RMA.

Exception: RMA determinations regarding what constitutes a GFP are provided in Para. 605.

This part provides uniform procedures for:

(1) handling AIP determinations to ensure insureds are provided applicable rights in resolving determinations the insured believes to be incorrect, including the right to mediation, arbitration, or judicial review, when applicable; and

(2) obtaining RMA interpretations and assistance, when applicable, and for reporting disputes with insureds to RMA.

B. Decisions and Determinations

An insured may request mediation or arbitration of any decision or determination made by an AIP except for decisions regarding what constitutes a GFP. AIP decisions regarding what constitutes a GFP are not subject to mediation or arbitration. However, AIPs determinations regarding the amount of assigned production for uninsured causes for an insured's failure to use GFPs are subject to mediation and arbitration.

See Para. 605 for handling disputes regarding AIP decisions of what constitutes a GFP.

C. Options for Resolving Disputes

When an insured and AIP fail to agree on an AIP determination, the disagreement may be resolved through:

(1) mediation according to Para. 602;
(2) arbitration according to Para. 603; or
(3) judicial review according to Para. 604.

If resolution of the dispute is not reached through mediation, or both the insured and AIP do not agree to mediation, the disagreement must be resolved through arbitration according to the rules of the American Arbitration Association.

An insured must complete the arbitration process before seeking resolution of the dispute through judicial review.

D. Disqualified Mediators and Arbitrators

Any mediator or arbitrator with a familial, financial, or other business relationship with any of the following is disqualified from hearing the dispute.

(1) Named insured.
(2) AIP.
(3) Agent of AIP.
(4) Loss adjuster of AIP.

E. Disputes Involving Applicability or Interpretation of Policy or Procedure

AIP or insured must obtain an interpretation from RMA if the dispute in any way involves:

(1) an interpretation of a policy or procedure;
(2) whether a specific policy provision or procedure is applicable to the dispute;
(3) how a policy provision or procedure is applicable to the dispute; or
(4) the meaning of a policy provision or procedure.

Failure to obtain any required interpretation from RMA will result in the nullification of any award or agreement under mediation or arbitration. RMA interpretations are binding on all parties to the dispute.

A RMA interpretation of a:

(1) procedure may be appealed to NAD;
(2) policy provision is a rule of general applicability and is not appealable to NAD.

An insured wishing to seek judicial review of a RMA determination that is a matter of general applicability must request a determination of non-appealability from the NAD Director before seeking judicial review. To obtain a NAD Director determination of non-appealability the insured must file a written signed request with the NAD Director within 30 days of the date the insured received the RMA determination.

The NAD Director shall determine whether the RMA determination is appealable, and issue a determination either upholding or reversing the non-appealability of the determination. The NAD Director's determination is not appealable.

F. Binding Provisions

Federal statutes, Federal regulations, and the terms of the insured's policy are binding in any mediation or arbitration proceeding. If there are conflicts between the insured's policy and State or local laws or the rules of the American Arbitration Association, the policy provisions shall control.

In addition, State or local laws or regulations do not apply to the insured's policy if such laws or regulations are in conflict with Federal statutes or Federal regulations.

G. Limitation on Awards and Settlements

Awards and settlements provided under mediation, arbitration, or judicial review cannot exceed the amount of liability established, or which should have been established, under the insured's policy.

Exceptions: Simple interest according to the BP.

Attorney fees, other expenses, punitive, compensatory, or other damages may be recovered by the insured if certain conditions are met under a judicial review. See Para. 604 for more information about judicial review.

H. RMA Participation in Claim

If RMA participates in the adjustment of an insured's claim, or modifies, revises, or corrects an insured's claim prior to payment, and the insured disagrees with a determination made by RMA, the insured:

(1) cannot bring mediation, arbitration, or litigation against the AIP; and
(2) may seek:

(a) administrative review by RMA;
(b) mediation with RMA; or
(c) NAD appeal.

Exceptions: RMA determinations regarding what constitutes a GFP or that are a matter of general applicability are not appealable to NAD.

I. Reporting Disputes to RMA

AIPs must report all mediation, arbitration, litigation and other legal action to RMA Deputy Administrator for Compliance no later than 30 days after the AIP has been notified of a dispute with an insured. Such disputes must be reported through the PASS using the dispute notification flag. Copies of all documents initiating the dispute must also be provided. In addition, AIPs shall report to PASS the Settlement/Arbitration.

J. Requesting RMA Assistance

AIPs may request RMA provide non-monetary assistance, such as witnesses, documents, or other non-monetary assistance, for mediation, arbitration, or litigation.

RMA will consider such requests only if the AIP:

(1) reports the matter according to subparagraph 601I;

(2) presents all legal arguments favorable to its defense, including those suggested by RMA;

J. Requesting RMA Assistance (continued)

(3) does not join RMA as a party to the action unless RMA agrees, in writing, to be joined as a party; and

(4) immediately notifies RMA, in writing, of the requested action setting forth a detailed explanation of why assistance by RMA is in the best interest of RMA.

The detailed explanation must include:

(1) the facts of the dispute;
(2) applicable policy provisions and procedures;
(3) action(s) sought from RMA, such as witnesses or documents sought; and
(4) legal analysis of impact an adverse decision may have on the crop insurance program.

Requests for assistance must be submitted to RMA Deputy Administrator for Compliance. RMA will, at its discretion, determine if the requested action(s) is approved.

602 Mediation

A. Overview

Mediation is a dispute resolution process in which a neutral person, who has received special training as a mediator, helps two or more parties:

(1) look at the issue(s) in dispute;

(2) identify and consider all available options for resolution of the dispute;

(3) determine whether they can agree on a solution to the dispute that complies with statutory, regulatory, and procedural requirements; and

(4) avoid the cost and time that may accompany resolution through litigation.

The decision about the means for resolving the dispute remains with the parties in mediation. The mediator has no authority to make decisions that are binding on the parties.

The goal of mediation is to provide a means for the parties to exchange information and explore options in a nonbinding setting to assist in resolution of the dispute. Even if mediation does not resolve a dispute, it may contribute to improved program management and more positive relationships with insureds. In particular, mediation may improve communications and narrow issues in a dispute so that the issues in dispute are more clearly defined and readily resolved if litigation is subsequently taken.

B. Mutual Agreement to Mediate

When an insured and AIP fail to agree on an AIP determination, the disagreement may be resolved through mediation provided both parties agree:

(1) to mediate the dispute;
(2) on a mediator; and
(3) to be present, or have a representative with authority to settle the case present, at the mediation.

C. Minimum Requirements

All agreements reached through mediation must be in writing and contain, at a minimum:

(1) a statement of the issues in dispute; and
(2) the amount of the settlement.

D. Reports to RMA

AIPs must provide RMA Deputy Administrator for Compliance with all:

(1) settlement agreements, including a statement of the issues in dispute and amount of settlement; and

(2) briefs or other evidence filed by both parties.

Failure to provide RMA the required information will result in denial of reinsurance for the applicable policies.

603 Arbitration

A. Overview

Arbitration is a method of dispute resolution involving one or more neutral third parties who are agreed to by the disputing parties and whose decision is binding. The goal of arbitration is to secure a just and fair resolution to the dispute.

An arbitrator's decision is binding on both parties unless judicial review is sought by either party. Either party has the right to judicial review of any decision rendered in arbitration.

B. Timing

Regardless of whether mediation is utilized, arbitration proceedings must be initiated within one year of the later of the date the AIP:

(1) denied the claim; or
(2) rendered the determination in dispute.

B. Timing (continued)

The insured will not be able to resolve the dispute through judicial review if they fail to initiate arbitration within the required time period or fail to complete the arbitration process. See Para. 604 for deadlines to file for a judicial review.

C. Minimum Information Provided by Arbitrator

The arbitrator must provide both the AIP and insured a written statement that includes, at a minimum:

(1) a description of the issues in dispute;
(2) the factual findings;
(3) the determinations of the arbitrator;
(4) the amount and basis for any award;
(5) a breakdown, by claim, for any award; and
(6) the amount awarded for interest, if any.

Failure of the arbitrator to provide a written statement with the minimum required information will result in the nullification of all determinations of the arbitrator.

D. Reports to RMA

AIPs must provide RMA Deputy Administrator for Compliance with all written statements from the arbitrator describing:

(1) the issues in dispute;
(2) the factual findings;
(3) all determinations;
(4) the amount and basis for any award or settlement; and
(5) all briefs and other evidence filed by both parties.

Failure to provide RMA the required information will result in denial of reinsurance for the applicable policies.

604 Judicial Review

A. Overview

Judicial review is a review by a court of law. Before an AIP or insured can seek judicial review the arbitration process must be completed. See Para. 603 for information about arbitration.

B. Timing to Seek Judicial Review

An AIP or insured that elects to seek judicial review of a decision rendered in arbitration must file suit within one year of the date the arbitration decision was rendered.

C. Attorney Fees, Other Expenses, and Damages

In a judicial review, an insured may be able to recover certain expenses or damages from the AIP if the:

(1) insured obtains a determination from RMA that the AIP, AIP's agent, or AIP's loss adjuster failed to comply with the terms of the insured's policy or the procedures issued by RMA; and

(2) failure of the AIP, AIP's agent, or AIP's loss adjuster resulted in the insured receiving less than the amount to which they were entitled.

Expenses and damages an insured may be able to recover include:

(1) attorney fees;
(2) punitive damages;
(3) compensatory damages; and
(4) other expenses.

Requests for determinations from RMA must be addressed to RMA Deputy Administrator for Compliance.

Note: Compliance findings issued by a RMA regional compliance office or a final administrative decision issued by the Deputy Administrator of Compliance does not satisfy the requirement that the insured obtain a determination from the RMA Deputy Administrator of Compliance. Insureds must separately request a determination to the RMA Deputy Administrator of Compliance in accordance with the BP.

D. Reports to RMA

AIPs must provide RMA Deputy Administrator for Compliance all:

(1) written opinions of the court;
(2) pleadings filed in the case; and
(3) other documentation requested by RMA.

Failure to provide RMA the required information will result in denial of reinsurance for applicable policies.

A. Insureds Options and Requesting RMA Determination

An insured that does not agree with an AIP decision regarding what constitutes a GFP:

(1) cannot seek mediation or arbitration with the AIP;
(2) cannot file suit against an AIP;
(3) cannot appeal the AIP decision to NAD; and
(4) must request a RMA RO determination of what constitutes a GFP before taking any further action.

An insured may seek mediation or arbitration with an AIP for an AIP determination of assigned production for uninsured causes for the failure to use GFPs.

B. Disagreement with RMA Determination of GFP

Upon request, RMA RO shall make a determination of what constitutes a GFP. Insureds who disagree with a RMA RO determination regarding what constitutes a GFP may:

(1) request reconsideration by RMA of its determination; or
(2) file suit against RMA in the United States District Court in which the applicable insured acreage is located.

Insureds are not required to seek reconsideration before filing suit.

Example: An AIP makes a decision regarding what constitutes a GFP that the insured does not agree with. The insured requests a determination from RMA RO. Based on its review, RMA RO determines what constitutes a GFP which agrees with the AIP decision. The insured may request RMA reconsider its determination or file suit against RMA in the United States District Court in which the acreage is located.

RMA determinations regarding what constitutes a GFP cannot be appealed to NAD.

C. Requesting Reconsideration of RMA Determination

Insureds who disagree with a RMA RO determination regarding what constitutes a GFP may request RMA to reconsider its determination. Such requests must:

(1) be in writing and delivered to RMA Deputy Administrator for Insurance Services;

(2) be filed within 30 days of receipt of written notice of the initial RMA determination; and

(3) indicate the basis upon which the insured relies to show:

(a) the RMA determination was not proper and not made according to applicable regulations and procedures; or

C. Requesting Reconsideration of RMA Determination (continued)

(b) all material facts were not properly considered in the determination.

A request for reconsideration will be considered to have been filed when personally delivered or when the properly addressed request, postage paid, is postmarked. However, RMA may accept and act on a request for reconsideration that is untimely filed if the insured can demonstrate they were physically unable to timely file the request.

RMA shall issue a written determination regarding the request for reconsideration. That determination is not subject to further administrative review. In addition, a RMA reconsideration determination shall not be revised or modified as a result of a judicial review, unless the determination is found to be arbitrary and capricious.

D. Filing Suit Against RMA

An insured that disagrees with the RMA determination regarding what constitutes a GFP may file suit against RMA regarding the determination. Insureds are not required to seek reconsideration from RMA before filing suit.

Any suit against RMA regarding a GFP determination must be:

(1) brought in the United States District Court for the district in which the insured acreage is located; and

(2) filed not later than one year after the:

(a) date of the initial determination, if reconsideration was not requested; or
(b) reconsideration was completed, if reconsideration was requested.

606-700 (Reserved)

PART 7 LATE PAYMENT OF DEBT
Section 1: General Information

701 Authority

Beginning with the 2015 crop year for crops with a contract change date on or after June 30, 2014, the Administrator for the RMA (Administrator), at their sole discretion, may authorize a policy to be reinstated for any person determined to be ineligible to participate in the Federal crop insurance program due to their inadvertent failure to pay a debt owed in accordance with the terms of their applicable policy, 7 CFR §400.679 Subpart U, and these procedures. The Administrator has delegated this authority to the AIP in limited situations.

702 Reinstatement Types

Any person, who has been determined to be ineligible for crop insurance due to failure to pay a debt owed, may request reinstatement by submitting a written request. Depending upon the circumstances that caused the inadvertent failure, the following avenues to request reinstatement may be available.

(1) RMA Administrator Authorized Reinstatement

The Administrator may authorize reinstatement of an ineligible person's policy if the ineligible person can demonstrate that its failure to pay its debt timely was due to an extenuating circumstance that was unforeseeable, unavoidable, or created a situation or event that prevented the person from complying with making timely payment such as, but not limited to, the following:

(a) a weather event;
(b) medical event (serious illness or death): or
(c) an active duty United States military obligation.

(2) AIP Authorized Reinstatement

The AIP is delegated the authority by the Administrator to reinstate a policy where timely payment was made; but, a small amount was omitted from the payment received, the payment amount was clearly transposed, or the payment was postmarked and delayed no more than 7 calendar days after the termination date or other date due.

703-710 (Reserved)

Section 2: RMA Administrator Authorized Reinstatement

711 Criteria for RMA Administrator Authorized Reinstatement

A person who has been determined to be ineligible to participate in the crop insurance program must provide evidence that:

(1) full payment of the delinquent debt has been received by the AIP or FCIC;

(2) their failure to timely pay the debt owed to the AIP or FCIC was due to an extenuating circumstance such as a weather event, medical event, or an active duty obligation to the U.S. military;

(3) they have submitted a written Request for Administrative Reinstatement, and applicable supporting documentation, to their AIP no later than 60 days after the applicable termination date, missed payment date of a previously executed written payment agreement, the other due date in the notice to the person of the amount due in the case of overpaid indemnity or any amount that became due after the termination date; and

(4) there is no evidence of fraud or misrepresentation.

712 Conditions that Qualify for Reinstatement

The RMA administrator may grant relief for extenuating circumstances if the person meets the conditions to qualify for reinstatement. The following provides a few examples and are not intended to be an exhaustive list:

A. Weather Event

Reinstatement may be granted when the occurrence of a weather event prevented the person from making timely payment.

Example: One week prior to the termination date, the area surrounding the insured's primary residence was hit by a blizzard, which caused transportation, communication, and power issues in the region for 10 days. As a result, the insured failed to pay their crop insurance premium timely and their policy was terminated. The Administrator may authorize reinstatement of their policy.

B. Medical Event (Serious Illness)

Example: An insured is injured in a car accident a week before the termination date and is hospitalized for 8 days. Due to the traumatic injuries, the insured entered rehabilitation treatment once released in order to restore full mobility. As a result, the insured failed to pay their crop insurance premium timely, and their policy was terminated. The Administrator may authorize reinstatement of their policy.

C. Medical Event (Death)

Example: An insured's mother died two weeks before the termination date. The insured had to arrange the funeral and take care of business matters related to their mother's estate. As a result, the insured failed to pay their crop insurance premium timely, and their policy was terminated. The Administrator may authorize reinstatement of their policy.

D. U.S. Military Active Duty

RMA Administrator reinstatement may be granted if the insured failed to pay the debt timely because they were called to full-time active duty to the U.S. military service. This duty prevented the person from making timely payment. Active duty in the U.S. military refers to full-time duty in the active military service of the United States. This includes members of the Reserve Component serving on active duty, but does not include full-time National Guard duty unless it is qualifying National Guard during a war or other military operation or national emergency.

Qualifying National Guard duty means service on full-time National Guard duty under a call to active service authorized by the President, the Secretary of Defense, or the Governor for a period of more than 30 consecutive days in connection with a war, other military operation, or a national emergency declared by the President and supported by Federal fund. Reinstatement may be authorized for lessor Active duty periods that may have prevented payment on a case-by-case basis. The requestor must provide justification with the Request.

Example: The insured is a member of the National Guard. Thirty days prior to the termination date, the President unexpectedly declared a national emergency. The insured was obligated to report to duty and remain in service for 45 consecutive days. After being released from active duty, the insured remits full payment to the AIP. The Administrator may authorize reinstatement of the policy.

713 Conditions that Do Not Qualify for Reinstatement

A. Conditions that likely will not qualify

Reinstatement will not be granted where the person's failure to pay a debt is due to the person forgetting, without extenuating circumstances, to pay the debt timely.

Example: The insured's termination date was October 19th. The insured meant to mail the check to the AIP but did not mail the check until November 1. There were no extenuating circumstances. The insured just forgot to pay the bill on time. Reinstatement of the insured's policy is not likely.

B. Evidence of Misrepresentation or Fraud

Administrative reinstatement will not be granted if there is evidence of misrepresentation or fraud. If the Administrator authorizes reinstatement of the person's policy and RMA later discovers evidence of misrepresentation or fraud in the materials presented to the Administrator, the person is subject to remedial sanctions in accordance with 7 CFR part 400, subpart R.

Additionally, the person's ineligibility will be reinstated retroactive to the original date of ineligibility. Any policy issued subsequent to the granting of administrative reinstatement will be void, and the person will be required to pay 20 percent of the premium that would otherwise be required to offset costs incurred by the AIP in service of the policy(ies). If previously paid, the balance of the premium paid for any new policy will be returned. Voidance of the policy will result in the person having to reimburse all indemnities, replant, and prevented planting payments for the crop years in which the voidance was effective.

714 Roles and Responsibilities

A. The Requestor

As required by Para. 711, a request must be submitted no later than 60 days after the applicable termination date or missed payment date of a previously executed written payment agreement, or the other due date specified in the notice to the person of the amount due in the case of overpaid indemnity or any amount that became due after the termination date. To request reinstatement the Requestor must comply with **all** of the following requirements.

(1) Remit full payment to the AIP or FCIC for the delinquent amount owed. If the insured has missed a payment under a previously executed written payment agreement, the insured must remit full payment of the entire debt that is owed.

(2) Provide a detailed description of the extenuating circumstance i.e., weather event, serious illness, or active military duty that lead to a failure to pay timely a debt due to the AIP or FCIC.

(3) Provide all applicable documentation in accordance with Para. 715 below that substantiates the details described in the Request. All documentation must be legible. If the authentication of the documents are in question, a color copy may be required.

(4) Submit a signed Request for Administrative Reinstatement form (Request) with applicable documentation to the RMA through their AIP.

(5) Meet all other policy requirements, e.g., maintain an insurable share, and not be ineligible for reasons other than the delinquent debt.

If the request is approved, the requested policy is in force, and the requestor must pay all fees and premium by the due date specified in its notice.

B. The AIP

The AIP must create a Request for Administrative Reinstatement form using the Late Payment of Debt Form Standards in DSSH. When a Request for Administrative Reinstatement is received by the AIP, the AIP must comply with the following requirements.

(1) Accept the delinquent amount paid by the ineligible person. The delinquent amount is considered paid when the amount remitted completely satisfies the delinquent debt. The AIP is to advise the RMA, if a payment is not honored by the remitter's financial institution.

(2) The AIP must obtain fully legible copies (front and back) of all documents required by Para. 714A. If the supporting documentation appears to be altered or counterfeit, or if the requestor presents documentation that does not conform to the standards provided in Para. 715, the AIP must annotate the request indicating such concerns.

(3) Review the documentation provided by the ineligible person and ensure the request is complete and signed by the requestor and the AIP representative. The AIP does not have the authority to deny any request for RMA Administrator reinstatement and any request received by the AIP from the ineligible person must be submitted to RMA.

(4) Unless the conditions in Para. 713 apply, the AIP must then forward the request form and supporting legible documentation to RMA within 15 days of the date of receipt by the AIP.

The Request and supporting documentation must be uploaded to the Late Payment of Debt SharePoint site at the following location:

carsprodsp2.rma.usda.gov/sites/LatePaymentofDebt/_layouts/15/start.aspx#/SitePages/Home.aspx.

Note: The request must be uploaded before the supporting documentation and must have a valid RMA Entity ID which can be found on the I61 record.

(5) Maintain the ineligible policy within the AIP's system, until reinstatement of the policy is authorized by the Administrator, in accordance with the following:

(a) If the ineligible person is the applicant or insured, the ineligible policy cannot be transmitted to RMA; or

(b) Transmit the policy if the ineligible person is a SBI to the applicant or insured. The amount of coverage for all crops included on the Application must be reduced proportionately by the percentage of interest of that person in the applicant or insured.

C. The RMA

When a request is received, the RMA will review the Request for Administrative Reinstatement and supporting documentation; and

(1) Grant the Request for Administrative Reinstatement, if the documentation demonstrates that the requestor acted in good faith, yet a condition in Para. 713 caused an untimely payment; or

(2) Deny the request.

The RMA reserves the right to request additional information in review of the request. RMA will send requests for additional information to the requestor through the AIP. The Requestor must provide the additional information by the due date specified in the request from RMA to the AIP. If the requestor fails to provide the additional information by the due date, the request for reinstatement will be automatically denied. If more information is requested by RMA, a decision to accept or deny the request will be issued after the receipt of the additional information.

RMA will send a notification letter to the AIP and the insured as verification that the request has been received. When RMA has verified that all information and documentation needed for the request has been received, RMA will provide an estimated timeframe for review to the AIP.

715 Applicable Supporting Documentation

Documentation that supports a Request for Administrative Reinstatement includes, but is not limited, to the following:

(1) Police Report verifying an accident or event;
(2) Newspaper articles;
(3) Affidavits and/or Notarized statements;
(4) Witnesses Statements/Accounts;
(5) Redacted Medical Records and or Medical Billing Statements;
(6) Military Notifications and/or Orders;
(7) Death Certificates;
(8) Certified copies of public records; and
(9) Facts that are not subject to dispute, such as the occurrence of a hurricane and associated damage (e.g., weather reports or National Oceanic Atmospheric Administration (NOAA) maps indicating the area and impact of the storm.)

716 RMA Administrator Authorized Reinstatement is Granted

If authorization for reinstatement is granted by the Administrator, RMA will provide the original reinstatement decision letter to the requestor and a copy to the AIP. The AIP is thereby authorized to reinstate the person's policy in accordance with Para. 719. If the insured transfers to another AIP, the insured or the ceding AIP is responsible for ensuring the succeeding AIP is informed of the decision.

717 RMA Administrator Authorized Reinstatement is Denied and Reconsideration Requests

If a Request for Administrative Reinstatement has been denied by the Administrator, that decision may only be appealed to the National Appeals Division. Requests for reconsideration will not be accepted.

718 Policy Transmission

The AIP has 30 days from the date when the reinstatement request is granted by the Administrator to reinstate the policy and submit all applicable data to PASS, in accordance with Appendix III procedures. The new Ineligible Tracking System (ITS) transmission status codes provided in Appendix III must be used to appropriately account for policies submitted in accordance with these procedures. See Appendix III for status codes for Late Payment of Debt.

719 Coverage for Reinstated Policy

If authorization for reinstatement is granted, the policy is to be reinstated effective at the beginning of the crop year in which the insured was determined ineligible, and the person is entitled to all applicable benefits under such policies provided the person continues to meet the eligibility requirements and complies with the terms of the policy and there is no evidence of misrepresentation or fraud.

The coverage provided under the reinstated policy will use the same plan of insurance, coverage levels, endorsements and options the person had prior to termination. To make changes in a subsequent policy year a Policy Change form or a new Application is required.

The insured must remain with the original agent and AIP unless a transfer application was completed prior to the termination date for the new policy. It is the responsibility of the original AIP or the insured to notify the succeeding AIP of the decision for RMA Administrator Authorized reinstatement.

720-730 (Reserved)

Section 3: AIP Authorized Reinstatement

731 Authority

In accordance with 7 CFR part 400, subpart U, the Common Crop Insurance Basic Provisions, and these procedures, the AIP is delegated the authority, by the Administrator, to reinstate a policy of a person determined to be ineligible to participate in the crop insurance program if its ineligibility was solely due to their failure to pay a delinquent debt and the conditions below are met.

732 Criteria for AIP Authorized Reinstatement

Requests for AIP authorized reinstatement must be submitted to the AIP no later than 30 calendar days after the applicable termination date or the missed payment date of a previously executed written payment agreement, the other due date specified in the case of overpaid indemnity or any amount that became due after the termination date. Requests submitted to the AIP more than 30 days after the due date specified by this authority will not be considered for reinstatement.

The AIP may reinstate a policy if the person can demonstrate that their ineligibility was solely due to their failure to pay a delinquent debt owed to the AIP or FCIC, and the following conditions are met.

(1) The person pays the full payment of the delinquent debt to the AIP or FCIC;

(2) The person made an effort to pay the debt thought to be owed by the due date, but:

  (a) they inadvertently failed to include a small amount, such as interest or an administrative fee in accordance with Para. 733A;

  (b) they clearly transposed the amount that was due in accordance with Para. 733B; or

  (c) the payment was delayed by the postal service and postmarked, no more than 7 calendar days after the termination date or the missed payment date of a previously executed written payment agreement, or other due date specified in the case of overpaid indemnity or any amount that became due after the termination date.

(3) The person submitted a signed Request for AIP Authorized Reinstatement and supporting documentation in accordance with Para. 736 and 737, no later than 30 days after the applicable due date to their AIP.

(4) There is no evidence of fraud or misrepresentation.

733 Conditions that Qualify for AIP Authorized Reinstatement

A. Small Amounts Due

(1) Small Amounts Authority

If a person made a good faith effort to pay the debt timely, yet failed to include a small or nominal amount, such as an administrative fee, in rendering the payment and the failure resulted in an ineligibility determination, the AIP is authorized to reinstate the person's policy. Small amounts are limited to any outstanding amount that is not more than the amount of administrative fee or interest owed.

The person must clearly demonstrate that they timely remitted the payment thought to be owed and document the circumstances that led to the oversight. The person must also provide additional documentation to support its explanation. Simply stating that the oversight was inadvertent is not sufficient to meet the burden.

Example: An insureds daughter, who has no significant involvement with his operation, must now handle the business. She remits timely payment from the most recent billing statement she has and believes is the final premium amount due. However, she failed to include the calculated interest accrued of $300.00 from a subsequent statement she did not receive at the time she remitted payment.

This failure resulted in an ineligibility determination for the insured. Because the insured's daughter paid the debt thought to be owed less the small amount of $300.00, the AIP may authorize reinstatement of the insured's policy after the small amount is paid.

Note: Reinstatement is not available for amounts that exceed the small amount authority.

(2) Write-off of Established Debts Authority

These procedures do not alter or remove AIP authority provided in the Standards for Write-offs of Established Debt in Part 3, Section 26 of Appendix III of Standard Reinsurance Agreement.

B. Clearly Transposed Amounts

(1) Amounts Clearly Transposed Authority

A person made a good faith effort to pay the debt timely, yet clearly transposed the payment amount from what was due, the AIP is authorized to reinstate the person's policy after the full amount is paid. The payment must have been received timely and clearly demonstrate that the amount due was transposed, or that payment was made on the incorrect policy.

B. Clearly Transposed Amounts (continued)

Example: Insured owes $892, but remits a timely payment of $829. Since the insured made a good faith effort to pay the debt due, but the amount paid was short $63 dollars and the amount was clearly transposed. The insured may qualify for AIP authorized reinstatement after the full amount is paid.

If the AIP determines that the amount was not clearly transposed or that the payment was not made on the incorrect policy/crop within the clearly transposed authority, then reinstatement is not available.

(2) Write-off of Established Debts Authority

These procedures do not alter or remove AIP authority provided in the Standards for Write-offs of Established Debt in Part 3, Section 26 of Appendix III of Standard Reinsurance Agreement.

C. 7-day Transit Period

(1) Authority

The person made the full payment of the amount owed but the payment was delayed by the postal service and it is postmarked no more than 7 calendar days after the termination date or other due date specified, the AIP is authorized to reinstate the policy. The 7-day transit period is only applicable to situations where the payment is received by U.S. mail.

Example: The insured's termination date was February 28th, but payment is placed in the mail but not postmarked until March 3rd, the AIP may grant reinstatement for the late receipt and delay of his payment.

(2) Postmarked Defined

Postmark means:

(a) postal imprint on letters, flats, and parcels that shows the name of the Post Office that accepts custody of the mail, along with the two-letter state abbreviation and Zip Code of the Post Office, and the date of mailing, and the time abbreviation a.m. or p.m. The postmark is generally applied, either by machine or hand, with cancellation or killer bars to indicate that the postage cannot be reused; or

(b) the date of tender to the private delivery service as recorded in the tracking and tracing record for the parcel, provided the private deliver service is available to the general public and has tracking and tracing procedures for its deliveries, such as DHL, Federal Express, or UPS.

C. 7-day Transit Period (continued)

Metered mail, self-postmarked envelopes or parcels, hand delivered payments, or electronic transmitted payments received after the termination date do not qualify for AIP authorized reinstatement.

If the termination date, or other due date, falls on the Saturday, Sunday, or Federal holiday, the next business day will apply for purposes of determining if the debt is delinquent.

(3) Delayed Payments Not Postmarked within 7-day Transit Period

Payments not received by the termination date or not postmarked within the 7-day transit period do not qualify for reinstatement under this authority. Additionally, payments hand-delivered to the respective agent or AIP after the termination date do not qualify for reinstatement under this authority.

(4) Written Request Alternative

In lieu of requiring a written request for the 7-day Transit condition after a late payment is received by the AIP; the AIP may generate an acknowledgement letter to the insured as notification of their ineligibility and subsequent reinstatement in accordance with the terms of their policy. The letter must include the following information:

(a) An acknowledge receipt of payment;

(b) Payment was delinquent but postmarked no more than 7 calendar days after the termination date or other applicable due date and they have the option to request reinstatement;

(c) A statement that serves as acknowledgement of the insured's written request for reinstatement in accordance with terms of the policy; and

(d) A statement that allows the insured to respond to the AIP if they are requesting to terminate the policy.

734 Written Payment Agreement

For written payment agreements, the following applies.

A. Small Amounts Authority

If the insured has missed a payment under a previously executed written payment agreement and meets the conditions for small amount authority, the insured must remit full payment of the entire debt that is owed to qualify for AIP authorized reinstatement.

B. Clearly Transposed Amounts

If the insured missed a payment under a previously executed written payment agreement and meets the conditions for clearly transposed amounts, the insured is allowed to pay the correct amount for the scheduled payment that is due under the written agreement.

C. 7-day Transit Period

For written payment agreements, timely payment submitted by the insured that was delayed, due to postal delivery, as evidenced by the postmarked date no more than 7 days after the due date on the agreement, is allowed AIP authorized reinstatement. There is no limit to how many times an insured under a written payment agreement may receive reinstatement under the written agreement.

735 Misrepresentation and Fraud

AIP reinstatement will not be granted if there is evidence of misrepresentation or fraud. If the AIP reinstates the person's policy and RMA or the AIP later discovers evidence of misrepresentation or fraud in the materials presented to the AIP, the person is subject to remedial sanctions in accordance with 7 CFR part 400, subpart R.

Additionally, the person's ineligibility will be reinstated retroactive to the original date of ineligibility. Any policy issued subsequent to the granting of administrative reinstatement will be void, and the person will be required to pay 20 percent of the premium that would otherwise be required to pay to offset costs incurred by the AIP in service of the policy(ies). If previously paid, the balance of the premium paid for any new policy will be returned. Voidance of the policy will result in the person having to reimburse all indemnities, replant and prevented planting payments for the crop years in which the voidance was effective.

736 Roles and Responsibilities

A. The Requestor

To request reinstatement, the Requestor must submit a request no later than 30 days after the applicable termination date or missed payment date of a previously executed written payment agreement, or the due date specified in the notice to the person of the amount due to the AIP. Approval will only be granted if the requestor can fully demonstrate that they have met all the criteria in Para. 732.

B. The AIP

The AIP must create the Request form using the Late Payment of Debt Form Standards in DSSH and establish a process for receiving the Request from an ineligible person. Additionally, the AIP must ensure that all approvals adhere to the conditions in Para. 732 and maintain all the applicable documentation.

737 Applicable Supporting Documentation

Documentation that supports a Request for Administrative Reinstatement include, but is not limited, to the following:

(1) Postal payment envelopes or receipt labels;
(2) Policyholder billing statements;
(3) Policyholder AIP account history details, including payment schedules;
(4) Personal checks, cashier's checks and/or money orders; and
(5) Evidence of the reasonable basis for the late payment.

738 AIP Authorized Reinstatement Approved and Denied

The AIP may reinstate the person's policy if the conditions within this section are met. If reinstated, the policy is effective at the beginning of the crop year that the person was determined to be ineligible. If AIP authorized reinstatement is denied or unavailable to an ineligible person, the requestor may dispute the determination in accordance with Part 6.

All requests, whether approved or denied, must be transmitted to the ITS with the appropriate eligibility status codes as outlined in the Ineligible Tracking System Handbook.

739 Coverage for a Reinstated Policy

If authorization for reinstatement is granted, the policy is to be reinstated effective at the beginning of the crop year in which the insured was determined ineligible, and the person is entitled to all applicable benefits under such policies provided the person continues to meet the eligibility requirements and comply with the terms of the policy and there is no evidence of misrepresentation or fraud.

The coverage provided under the reinstated policy will use the same plan of insurance, coverage levels, endorsements and options the person had prior to termination. To make changes in a subsequent policy year a Policy Change form or a new Application is required.

740-800 (Reserved)

PART 8 ADMINISTRATIVE AND SERVICING REQUIREMENTS

Section 1: General Program Requirements

801 Insurance Availability

The policy consists of the applicable actuarial documents, the CEPP, other endorsements or options, the SP, the CP, the BP and WA.

A. Actuarial Documents

Insurance is available when the actuarial documents include the necessary crop information to establish the protection available for state and county programs. For each crop year, the actuarial documents contain available policies, coverage levels, prices, premium rates, premium adjustment percentages, practices, or types of the insurable crop, insurable acreage and other related information regarding crop insurance in the county. The actuarial documents are located on the RMA's Actuarial Document website at: webapp.rma.usda.gov/apps/actuarialinformationbrowser/.

Exception: Insurance under ARPI is not available for hybrid seed corn or hybrid sorghum seed when an insured has a Hybrid Seed Corn Policy or Hybrid Sorghum Seed Policy, respectively, in place.

For each crop year, the actuarial documents list the insurable crop except for nursery, which lists insurable plants alphabetically in the eligible plant listing/plant pricing schedule. The SP are considered a part of the actuarial documents. The actuarial documents are located on the RMA's Actuarial Document website referenced above.

B. WAs

An insured may request coverage by WA when insurance is not available and if authorized by the policy. A WA is 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. The RMA RO process WA requests for producers which are submitted through their AIPs. Refer to the WAH for processing of actuarial requests and written agreements.

802 Eligible Crops

Eligible crops must be grown on insurable acreage in a county for which a method of establishing insurance yields/guarantees and premium rates has been established for the crop in order for insurance to attach. See subparagraphs B-E below for insurance limitations concerning multiple crops planted on the same acreage for harvest during the same crop year. See Exhibit 8A for a listing of the following:

(1) Eligible crops
(2) Applicable policies
(3) Coverage
(4) Plans
(5) APH tolerances
(6) Availability of late and prevented planting coverage
(7) Availability of replant coverage
(8) Units of measure
(9) Unit availability
(10) High-Risk Land Exclusion availability

A. Insurable Practices/Types

The policy may provide for or exclude from insurability certain practices or types. Insurable P/T for a crop are provided in the actuarial documents.

(1) Practice (P) refers collectively to Irrigation Practice, Cropping Practice, Organic Practice and Interval when listed in the actuarial documents for a crop.

(2) Type (T) refers collectively to Commodity Type, Class, Subclass, and Intended Use when listed in the actuarial documents for a crop.

B. CCIP CPs with More Than One Insurable Crop

The following CPs provide coverage for multiple crops.

(1) AZ & CA Citrus
(2) Coarse Grains
(3) Florida Citrus Fruit
(4) Texas Citrus Fruit
(5) Grapes (CA only)
(6) Small Grains
(7) Stonefruit
(8) Table Grapes
(9) Nursery
(10) Tobacco

The CP allows insureds to designate which multiple crop is to be insured and may indicate which type(s) or variety(ies) are separate insured crops (e.g., Fresh Apricots and Processing Apricots insured under the Stonefruit CP). Refer to the applicable CP (Insured Crop section) or the actuarial documents to determine the separate insurable crops.

803 Duplicate Policies

Duplicate policies are not permitted. Duplicate policies exist when more than one policy 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.

A. Discovered Duplicate Policies

(1) If it is discovered that duplicate policies exist and both are additional coverage polices or both are CAT policies, the policy with the earliest application date will be in force and the other policy will be void, unless both policies are with:

(a) the same AIP and the AIP agrees otherwise. However, only one policy may remain in force; or

(b) different AIPs, and after consulting with the insured, both AIPs agree otherwise. However, only one policy may remain in force.

(2) If it is discovered that duplicate policies exist, and one is an additional coverage policy and one is a CAT policy:

(a) the additional coverage policy will apply if both are insured with the same AIP, or if insured with different AIPs and both agree, or

(b) if both AIPs do not agree, the policy with the earliest application date will be in force and all other policies for the crop will be void.

B. AIP Determination of Duplicate Coverage

If the AIP determines that duplicate coverage exists and the existence was intentional, the insured may be subject to the consequences of fraud as stated in the BP.

C. Duplicate Policy Exceptions

RMA does not consider the following as a duplicate policy.

(1) If the High-Risk Land Exclusion Option is elected. The insured must exclude high-risk land from an additional coverage policy and obtain a CAT policy for the high-risk land with the same AIP.

(2) If Hybrid Seed Corn or Hybrid Sorghum Seed is grown under contract with more than one seed company. The CP allow a separate policy for acreage grown 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.

(3) Specialty types listed on the SP for barley are excluded from a revenue protection policy and insured under the yield protection policy in order to receive the contract price.

(4) Crops insured under WFRP policies are also insured under the BP, see Para. 804B.

C. Duplicate Policy Exceptions (continued)

(5) 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.

(6) Cotton insured under a STAX policy with a companion policy must be purchased with the same AIP. The area loss trigger for the STAX policy cannot exceed the coverage level of the CCIP companion policy or if companion policy is ARPI the coverage range cannot exceed the limit contained in the actuarial document for the protection factor for the ARPI policy.

(7) Small grains insured under the CCIP may also be insured under the Rainfall Index (RI) Annual Forage policy Dual Use option. Dual use as defined by the RI Annual Forage policy provides that an annual forage commodity planted and insured under the RI Annual Forage policy for the intended use of grazing, may also be insured under the Multiple Peril Crop Insurance (MPCI) policy for grain. The actuarial documents identify whether the dual use option is available.

804 Other Insurance

The insured is not prevented from obtaining other like insurance that is not authorized by the Act. However, unless specifically required by the policy provisions, the insured must not obtain any other crop insurance authorized under the Act on its share of the insured crop, except for the following:

A. CCIP

When the insured has fire insurance (whether valid or not) and has not excluded coverage for fire from the policy, liability for loss under the policy due to fire caused by a naturally occurring event is only for the smaller of the following:

(1) the amount of indemnity determined pursuant to the policy without regard to such other insurance; or

(2) the amount by which the loss from fire is determined to exceed the indemnity paid or payable under such insurance.

The amount of loss from fire will be the difference between the total value of the insured crop before the fire and total value of the insured crop after the fire. This amount will be determined in accordance with Para. 806 Multiple Benefits.

B. WFRP Policy

When both individual FCIC plans of insurance and a WFRP policy are in effect, the individual crop policy(ies) provide primary coverage and indemnity payments from those policies are considered revenue to count under the WFRP policy for claim purposes.

C. RI Annual Forage

When an insured has a small grains crop that is intended to be grazed initially and subsequently harvested for grain, the grazing of the small grains crop can be insured under the Annual Forage Dual Use Option and the same crop and acreage can be insured for grain under the CCIP-BP Small Grains policy, if allowed by the SP.

805 Cause(s) of Loss

Insurance is provided to protect against unavoidable loss from naturally occurring events as contained in the policy. Examples include:

(1) adverse weather conditions,
(2) fire (due to natural causes),
(3) wildlife, earthquake and
(4) volcanic eruption occurring within the insurance period.

Coverage of insured causes of loss must be due to drought, flood, or other natural disasters (as determined by the Secretary of Agriculture). All other causes of loss, except where the policy specifically covers loss of revenue due to a reduced price in the marketplace, must be due to naturally occurring events. All other causes of loss are not covered and are considered uninsured causes.

806 Multiple USDA Benefits and Dual Participation

For some USDA programs, statutory language does not allow multiple benefits or dual participation.

A. Multiple Benefits

(1) If an insured is eligible to receive a crop insurance indemnity and benefits under some programs administered by the USDA for the same crop loss, the insured may participate in both programs, but must choose whether to retain the crop insurance indemnity or the other program benefit (payment). Even if the insured chooses not to retain the crop insurance indemnity, the premium will be due and payable. Disaster programs such as the Livestock Forage Program (LFP) and Emergency Assistance for Livestock, Honey Bees, and Farm-raised Fish (ELAP) are not subject to the multiple benefit provisions.

(2) Multiple Benefits are prohibited for NAP. NAP is not available for livestock programs. NAP is not available for any permanent crop insurance program. NAP is available for all pilot programs under sections 508(c) or (h) regardless of whether CAT level coverage is offered.

A. Multiple Benefits (continued)

Exception 1: NAP coverage may be made available for the uninsurable acres of a crop policy that is a permanent crop insurance program. For example, coverage is available for irrigated corn grain crop acreage in a county but coverage is unavailable for non-irrigated corn grain crop acreage. However, if an insured had crop insurance coverage with a Written Agreement and NAP coverage for this acreage, it is considered a multiple benefit and the producer must elect which benefit to receive.

Exception 2: Insureds are allowed to purchase and retain benefits from both:

- NAP and RI PRF
- NAP and RI Apiculture
- NAP and RI AF (when dual use applies, may also have MPCI small grain coverage)

Exception 3: Effective in policy year 2020, if both a WFRP policy and NAP are in effect, the indemnity payments from the NAP policy(ies) will be considered revenue to count under the WFRP policy for claim purposes. Refer to the WFRP Handbook.

(3) Insurance indemnities are not allowed when graze-out payments are made by FSA under the loan deficiency program. The 2014 Farm Bill provided that for crop years 2014 through 2018 crop of wheat, barley, oats, or triticale planted on acreage that a producer elects to use for the grazing of livestock in lieu of any other harvesting of the crop shall not be eligible for an indemnity under a policy or plan of insurance authorized under the Act. SP statements were added to the wheat, barley and oat crop insurance policies to inform insureds.

(4) Insureds may receive and retain benefits between crop insurance and FSA programs for Livestock Indemnity Program (LIP), LFP, ELAP, and Tree Assistance Program (TAP).

(5) Insureds are allowed to participate in both LGM-Dairy and FSA's Dairy Margin Coverage (DMC) program and retain both benefits

(6) AIPs are required to include a multiple benefit certification statement on all acreage reporting forms.

(7) If an insured elects not to retain a Federal crop insurance indemnity, the AIP must require the insured to complete a withdrawal of claim. If an indemnity has not been paid, the insured must elect to forego any indemnity for the policy or when an indemnity has been paid, the AIP must require the insured to pay back any Federal crop insurance indemnity. If the insured elects the benefit from another USDA agency, other than the crop insurance program, the insured is still required to pay premiums due under the terms of the policy.

B. Dual Participation Disallowed

Some programs prohibit producers from participating in multiple programs. These include but are not limited to: SCO and ARC on the same crop acreage; SCO and STAX on the same crop acreage; ARC or PLC and STAX on the same crop acreage; CRP and any crop insurance program on the same acreage.

NRCS easements that prohibit haying, grazing or crop production, may render acreage ineligible for the Federal crop insurance programs.

C. Compliance

In addition to reviews conducted in accordance with AIPs program administration, such as Appendix IV reviews, USDA agencies will exchange and compare crop year program participation data to identify multiple benefits or dual participation and take corrective action, as appropriate.

807 Administrative Fees

Each insured is required to pay an administrative fee each year insurance attaches. Separate administrative fees are charged based on the terms of the insurance policy. For example, insurable acreage of the crop is planted or a PP acreage report is filed for a CCIP policy, the administrative fee is applicable (no administrative fee is due when a crop is only used to establish eligible PP acreage, see FCIC 25370 PPSH Para. 26).

In instances where a Transfer of Coverage and Right to Indemnity has been executed, both the transferor and transferee are jointly responsible for any administrative fee.

A. Administrative Fee Schedule

Coverage	Per Crop/County	Type of Contract	Fee Established When	Due By The
Additional	$30 (plus premium)	New & Carryover	Insurance Attaches	Premium Billing Date
CAT	$655	New & Carryover	Insurance Attaches	Premium Billing Date

B. Separate Administrative Fees for CCIP Policies

Separate administrative fees are charged when the following is present.

(1) Each crop/P/T under the same CP/SP insured separately. See Para. 802B.

Example: An insured selects additional coverage on Lemons and Limes under the Florida Citrus Fruit CP. CAT coverage is selected for Tangors. The insured is charged two $30 additional coverage administrative fees and a CAT administrative fee of $655.

B. Separate Administrative Fees for CCIP Policies (continued)

(2) High-risk land excluded from additional coverage policy and insured under a separate CAT policy.

(3) Hybrid Seed Corn or Hybrid Sorghum Seed policies for contracts with different seed companies.

(4) Each added county per crop under the Added County Election, see Para. 843.

(5) Each crop insured under a WU.

(6) When the CP/SP authorize different plans of insurance for crop types and the insured elects to insure a type(s) under a different plan of insurance.

Example: An insured has three types of barley: malting, hulless and all others. If the insured elects to exclude the malting type from the revenue protection plan and insures the malting type under the yield protection plan and insures the remaining two types under the revenue protection plan, separate administrative fees are due for the yield protection plan and revenue protection plan (i.e., two administrative fees are due).

(7) When there is an SCO Endorsement. An administrative fee and premium for the crop covered by each SCO Endorsement will be due in addition to any administrative fee(s) and/or premium(s) of the underlying policy.

C. Separate Administrative Fees for ARPI Policies

When an insured elects CAT and additional coverage or multiple levels of coverage for the same crop policy:

(1) separate administrative fees are charged for both CAT and additional level coverage when an insured elects both for the crop in the county; and

(2) the number of administrative fees will not be more than one for additional coverage and one for CAT.

Only one administrative fee is charged no matter how many different additional coverage levels are chosen by the insured for different P/T combinations for the crop in the county.

808 Third-Party Prohibition Regarding Administrative Fees

AIPs, agents, producer associations, grower groups, farm cooperatives, etc., may not pay administrative fees for insureds. Only those persons acting in place of the insured under a power of attorney, landlord/tenant agreement, or a legal guardianship, may pay the administrative fee.

Exception: If State law permits a licensing fee to be paid by an AIP to a cooperative association or trade association and rebate to an insured through the payment of CAT administrative fees, a cooperative association or trade association located in that State may pay, on behalf of a member of the association in that State or contiguous State who consents to be insured under such arrangement, all or a portion of the administrative fee required for CAT.

809 Waiver of Administrative Fees

The administrative fee for CAT and additional coverage may be waived for insureds who qualify as a limited resource farmer or a BFR or VFR.

A. Limited Resource Farmer

To be exempt from payment of administrative fees, a Request to Waive Administrative Fees must be completed using the Limited Resource Farmer/Rancher Self-Determination Tool (lrftool.sc.egov.usda.gov) and submitted to the AIP. The Request must be submitted:

(1) for new insureds, on or before the SCD at the time of application; or
(2) for carryover insureds, annually by the crop's final ARD.

The insured must provide proof of qualifying income or certify on the Request to Waive Administrative Fees that he or she qualifies as a limited resource farmer. See the DSSH for applicable form development instructions.

If the insured certifies eligibility and the AIP has reason to question the insured's eligibility, the AIP may require proof of income (e.g., income tax returns) for the previous two years prior to allowing the insured to qualify for limited resource farmer status.
The AIP must approve or reject the Request to Waive Administrative Fees. If the insured does not qualify as a limited resource farmer, the AIP shall:

(1) provide notice to the insured the administrative fee must be paid according to policy terms; and

(2) terminate the policy and the person will become ineligible for insurance coverage, if the administrative fee is not paid according to policy terms.

If adequate proof is not provided and it is found that the insured intentionally misrepresented their status, the policy will be voided. The voidance will be effective at the beginning of the crop year in which the misrepresentation took place. If selected for review, eligibility for waiver of administrative fees must be verified and the insured will be required to provide proof of gross income.

B. Beginning or Veteran Farmer or Rancher (BFR or VFR)

When an insured qualifies as a BFR or VFR, the insured automatically qualifies for waiver of administrative fees for CAT and additional coverage policies.

810 Agent of Record

For the purposes of each eligible policy, Agent of Record means any agent or subagent who:

(1) For a new or revised application, signs the application; and
(2) For any crop year, signs the acreage or similar reports, as applicable.

Each eligible policy has at least one, and may have multiple, agents of record. All agents of record for each eligible policy must be reported by the AIP, in accordance with Appendix III. Changes to the "Agent of Record" for an existing eligible policy must be reported by the AIP, in accordance with Appendix III, and require certain additional actions by the AIP to include:

(1) For any Agent of Record change (retirement, termination, resignation, death, expired license, etc.), the AIP will notify the named applicant of the new Agent of Record.

(2) The notification letter should indicate that since this change occurred after the SCD, the AIP has assigned a new Agent of Record and advise the insured of the option to select an agent of their choice before the SCD for the following crop year(s). Any changes prior to the SCD require the Agent of Record to be reported on the applicable form (e.g., application).

811 Non-Business Day Deadline

Deadlines, such as the SCD, PRD, and ARD, falling on Saturdays, Sundays, or Federal legal holidays are extended to the next business day. However, this extension will not affect any subsequent deadlines, which will remain based on the original deadline.

Example: The PRD is earlier of the ARD or 45 days after the cancellation date. If the cancellation date falls on a Sunday (3/15), the count of 45 days to determine the PRD begins with the original cancellation date, not on Monday (3/16).

812 Document Origination

If original insurance documents are required by RMA but are unavailable, a photocopy, fax copy, carbon copy or electronic form with electronic authorized signature of an original insurance document may be used if certified by the AIP. The copy must be marked or stamped "Certified True Copy", signed and dated by the AIP's authorized representative.

A certified true copy may be accompanied by a memorandum explaining why a copy is being submitted instead of the original document.

813 Do Not Pay

The Department of the Treasury's Do Not Pay (DNP) system may be used to verify the eligibility of all insured policies in their book of business. The DNP system matches on tax identification numbers. The DNP system can be accessed at fiscal.treasury.gov/DNP/. AIPs must work with PAAD to facilitate the implementation of this process.

814 Electronic Communication

All policy provisions, notices, and communications required to be sent by the AIP to the insured will be provided by electronic means, unless the AIP does not have the ability to transmit such information to the insured by electronic means or the insured elects to receive a paper copy of such information.

No later than 30 days prior to the cancellation date the AIP must provide to the insured a copy of the changes to the BP, CP, CEPP (if applicable), and SP. In addition, changes are automatically considered accepted by the insured if the insured does not change or cancel insurance coverage.

For CY 2020 only, all policy provisions, notices, and communications required to be sent by the AIP to the insured must be mailed and also provided by electronic means unless the insured has already elected to receive this information electronically. For mailed items, there must also be a statement sent stating that all subsequent policy provisions, notices, and communications will be sent electronically unless the insured elects to receive a paper copy of the information.

815-830 (Reserved)

Section 2: Application for Insurance

831 The Application

The Application is used to request insurance and must contain all of the information required by the policy. If the required information is not contained on the application, the application is not acceptable and insurance will not be provided.

832 Sales Closing Date (SCD)

SCDs are established for each insurable crop, and published in the actuarial documents. A person must apply for insurance on or before the applicable SCD. After the SCD, new applications for insurance for that crop year will not be accepted, unless a specific BP or CP allows for application after the SCD, (e.g., nursery crops).

833 The Policy Term

Policies are continuous and remain in force until cancelled, terminated, or voided.

A. Policy Cancellation

The AIP or insured may cancel a continuous policy for any crop year following the initial crop year.

(1) A signed notice must be given to the other party on or before the cancellation date which precedes the crop year to be cancelled.

(2) A written request made by the insured to cancel a policy after the cancellation date will be effective the following crop year. Cancellation dates are provided in the applicable CP.

Insurance on a crop may not be canceled the first effective policy year by the insured.

Exception: For CCIP policies, insurance may be cancelled the first effective policy year by the insured when:

(a) a change is made in the policy or actuarial documents affecting coverage or rate that was not filed at the time of application. If an Application is taken before revisions are published; the applicant must be advised by the AIP of change(s) affecting the insured crop. The applicant then has the option to cancel such crop(s) policy(ies) on or before the cancellation date. This is not applicable for CAT coverage;

(b) the approved APH yield has been lowered by more than five percent compared to the preliminary yield quoted, or the AIP was not authorized to calculate the preliminary yield and the approved APH yield is not acceptable to the insured. See Para. 833D;

(c) AIPs agree. A policy written with one agent/AIP may not be canceled for the purpose of insuring with another agent/AIP the first effective crop year without the written consent of the AIPs involved; or

A. Policy Cancellation (continued)

(d) changing insurance plans on or before the applicable cancellation/SCD. For example, an insured purchases revenue protection for corn in the fall and prior to the corn cancellation/SCD requests corn coverage under ARPI.

B. Policy Termination

The AIP will terminate coverage:

(1) under the CAT Endorsement and the crop policy for which the insured fails to pay the CAT administrative fee or other amounts due by the date due. See also, the ITS Handbook. In the case of partial payment of fees involving multiple crops, there may be a question concerning to which policy(ies) payment should be applied. If so, contact the insured to make this determination.

CAT coverage is not available to persons whose policies have been previously terminated for non-payment of premium and any amount remains unpaid.

(a) If the insured purchases additional coverage from a different AIP, transfer procedure must be followed. See Para. 842 of this section for transfer procedures.

(b) At the end of the crop year if the crop policy is terminated the CAT Endorsement also automatically terminates for that crop; and

(2) for non-payment of an administrative fee, premium or other amounts due.

(a) For additional coverage policies, the BP provides for termination of the policy for the next crop year if any of the amounts due remain unpaid as of the termination date.

(b) A policy issued by a new AIP will be terminated for existing indebtedness. See Para. 842B(6).

(c) RMA will not provide reinsurance on policies that should have been terminated for non-payment of administrative fee, premium, or other amounts due.

Exception: Reinstatement authorization may be available for policies terminated due to an insured's inadvertent failure to pay a debt owed in accordance with the terms of their applicable policy. Refer to Part 7, the applicable BP, and the ITS handbook for more information.

C. Policy Voidance

If a policy is void, it is considered not to have existed the crop year in which it is voided.

(1) The policy would be void if:

(a) the identification number for the insured is reported incorrectly, and the requirements in Part 2 Section 2 are not met;

(b) the identification number for any person with a SBI is reported incorrectly or not reported and the requirements in Part 2 Section 2 are not met;

(c) it is a duplicate policy see Para. 803;

(d) the insured is ineligible; or

(e) the insured or anyone assisting the insured has falsely and/or fraudulently concealed either the fact that the insured is restricted from receiving benefits under the Act or that action is pending which may restrict eligibility to receive such benefits.

(2) If a policy is voided in accordance with subparagraph C(1) above, the insured must:

(a) repay any indemnity, PP payment or replanting payment that may have been paid for all applicable crops and crop years; and

(b) pay an amount equal to 20 percent of the premium that would have otherwise been required.

(i) Any previously paid premium or administrative fees in the amount in excess of 20 percent of the premium, shall be returned by the AIP to the insured.

(ii) If the crop has been planted, regardless of whether the ARD has passed, the insured must pay an amount equal to 20 percent of premium that would have been required on the planted acres if the policy was not voided.

(iii) If no acreage of the crop has been planted, no amount is due.

D. Mutual Consent Cancellation for CCIP Policies (New Insureds)

(1) A new insured may, with the consent of the AIP, cancel a crop policy if either of the following are met:

(a) the approved APH yield computed for any unit of the crop is less than 95 percent of the preliminary yield computed for the unit; or

D. Mutual Consent Cancellation for CCIP Policies (New Insureds) (continued)

(b) a preliminary yield was not calculated for a unit of the crop and the approved APH yield is not acceptable to the new insured.

An AIP's consent to cancel the policy is at the discretion of the AIP. The opportunity to cancel a policy according to this paragraph applies to new insureds only.

(2) Requests to cancel a policy must be filed within 30 calendar days of the date the approved APH yield was mailed or otherwise made available to the new insured.

A request to cancel a policy will be considered filed on the day the request is personally delivered to the AIP or the postage date on a properly addressed envelope/package.

(3) When the AIP denies a request to cancel a policy, the new insured may request mediation or arbitration of the decision according to Part 3.

834 Insurance Choices

Insurance coverage is determined by the insurance plan, level of coverage (or coverage range), and price (or protection factor). These choices are made at the time the Application, or the Policy Change in subsequent years, is completed. These choices may be changed if requested in writing on or before the applicable SCD for the insured crop.

The same choices must be selected for the crop for all insurable acreage in the county, for those policies that insure a crop, unless an exception in the policy applies.

A. CCIP Policies

The same choices must be selected for the crop for all insurable acreage in the county, for those policies that insure a crop, unless an exception in the policy applies.

(1) The applicable CP/SP allows an exception by individual crop or type (e.g., price elections by dry bean type in the actuarial documents, coverage levels by grape type in the SP, plan election for specialty types of barley);

(2) The insured has additional coverage for the crop in the county and the actuarial documents provide for separate additional coverage levels by irrigated and non-irrigated practice for the crop. Electing separate coverage levels by irrigation practice does not create separate crop insurance policies so separate administrative fees do not apply.

(3) High-risk land excluded from an additional coverage policy and insured separately under a CAT policy; or

(4) Hybrid Seed Corn or Hybrid Sorghum Seed grown under contract with more than one seed company insured under separate policies.

A. CCIP Policies (continued)

If the policy allows different insurance choices by crop or other criteria, separate administrative fees may be required.

B. ARPI Policies

An insured may elect different coverage levels and/or protection factors for each irrigated practice or for each P/T available in the actuarial documents by SCD. If the insured does not elect different coverage levels and/or protection factors by irrigated practice or by P/T, then the coverage level and protection factor for the crop will apply to all P/Ts of the crop.

(1) To obtain different coverage levels and/or protection factors by crop/irrigation practices or by crop/P/T:

(a) each irrigation practice must be listed on the application with the elected coverage level and protection factor; or

(b) each P/T must be listed on the application with the elected coverage level and protection factor.

Exception: A protection factor is not elected when CAT coverage level is elected for a P/T, see Para. 807.

(2) If a P/T is not listed on the application, then the coverage level and protection factor will default to the lowest coverage level and protection factor on the application for the crop.

Example:

P/T	COVERAGE LEVEL	PROTECTION FACTOR
P/T 1	70	90
P/T 2	75	80
default	70	80

835 Plans of Insurance

Plan Specific Directives provide further procedure regarding administration of these plans, (e.g., NISH, CIH).

A. Common Crop Insurance Policy-Basic Provisions (CCIP)

The CCIP-BP provides coverage for multiple plans of insurance, which vary by crop and are identified in the actuarial documents. Refer to Exhibit 8 for a detailed list of plans of insurance by crop. Plans of insurance include:

(1) Actual Production History Plan provides protection from loss of production for crops for which revenue protection is not available.

A. Common Crop Insurance Policy-Basic Provisions (CCIP) (continued)

(2) Revenue Protection Plan provides protection for loss of revenue and/or production for certain crops with revenue protection selected.

(3) Revenue Protection with Harvest Price Exclusion provides protection for loss of revenue and/or production for certain crops and excludes the use of the harvest price in the determination of the revenue protection guarantee.

(4) Yield Protection Plan provides protection from loss of production for crops with revenue protection available but not selected.

(5) Dollar Amount of Insurance Plan(s) provides protection for certain crops against declining value due to damage that causes a yield shortfall; and

(6) Other Plans of Insurance, (i.e., ARH, Pecan Revenue, Nursery, etc.).

B. ARPI-BP

ARPI provides insurance coverage based on an area, not an individual, yield or revenue. When ARPI is elected, all acreage of the insured crop in the county must be insured under the same plan of insurance. ARPI plans of insurance include:

(1) Area Yield Protection, which provides protection against loss of yield due to a county level production loss. This plan does not provide protection against loss of revenue or upside harvest price protection;

(2) Area Revenue Protection, which provides protection against loss of revenue due to a county level production loss, a price decline, or a combination of both. This plan also includes upside harvest price protection, which increases the policy protection at the end of the insurance period if the harvest price is greater than the projected price; or

(3) Area Revenue Protection with Harvest Price Exclusion provides protection against loss of revenue due to a county level production loss, price decline, or a combination of both. This plan does not provide upside harvest price protection.

Only Area Yield Protection is available for forage intended for harvest.

C. STAX-BP

STAX provides protection against natural causes of loss that cause area revenue to fall below the county loss trigger. STAX is only available for upland cotton. STAX does not use approved APH yields or revenues in determining STAX coverage, premium or indemnity. A separate policy is established for STAX coverage, identified by the applicable STAX plan of insurance codes.

C. STAX-BP (continued)

(1) STAX RP provides protection against loss of revenue due to a county level production loss, a price decline, or a combination of both. This plan also includes upside harvest price protection, which increases the policy protection at the end of the insurance period if the harvest price is greater than the projected; or

(2) STAX RP-HPE provides protection against loss of revenue due to a county level production loss, price decline, or a combination of both. This plan does not provide upside harvest price protection.

D. WFRP

WFRP pilot provides protection against loss of revenue that the insured expects to earn or will obtain from commodities produced or purchased for resale during the insurance period.

This insurance plan is tailored for qualifying farms with up to $8.5 million in insured revenue, including farms with specialty or organic commodities (both crops and livestock), or those marketing to local, regional, farm-identity preserved, specialty, or direct markets.

E. RI

The Rainfall Index plan of insurance is designed as a risk management tool to insure against declines in an index for a designated area called a grid. It is primarily intended for use by producers whose crop production tends to follow the average precipitation patterns for the grid. It is possible for the insured to have low crop production on the insured acreage and still not receive a payment under these plans. Because the program is designed for producers whose crop production tends to follow average patterns and not individual crop production, the insured should review the historical indices, additional tools, and information provided to determine if these programs are suitable for their risk management needs.

The Rainfall Index plan of insurance is a risk management tool to insure against a decline in an index value that is based on the long-term historical average precipitation for the grid and index interval. It is best suited for producers whose production tends to follow and correlate to the historical average precipitation patterns for the grid. The Rainfall Index plan of insurance:

(1) does **not** measure, capture, or utilize the actual crop production of any producer or any of the actual crop production within the grid; and

(2) utilizes NOAA CPC gridded interpolated precipitation data.

Historical indices information for each grid ID and index interval is available on RMA's web site. This information must be used by producers and agents to determine whether the producer's production history follows and correlates to average precipitation patterns for the grid.

836 Levels of Coverage

A. CCIP

(1) Coverage Levels by Crop/County

A crop may be insured at a percentage of the approved APH yield or amount of insurance. All acreage of the insured crop within a county must be insured at the same level unless the exceptions listed in Para. 834 apply and/or if the CP specifies otherwise. Levels of coverage include CAT or additional. See Table in Para. 837 for available coverage levels, if indicated on the actuarial documents.

(2) Coverage Levels By Irrigated and Non-Irrigated Practice

An insured can elect coverage levels by irrigated and non-irrigated practice when both practices are offered in the actuarial documents provided both elections are at the additional coverage levels. An insured must elect coverage levels by irrigated and non-irrigated practice on the Application or Policy Change form. Even though different additional coverage levels may be elected by irrigated and non-irrigated practice, all irrigated practices must be insured at the same coverage level and all non-irrigated practices must be insured at the same coverage level.

Example: A crop/county offers IRR, SF, and CC practices. An insured elects 75 percent coverage level on irrigated wheat and 65 percent coverage level on non-irrigated wheat. If the insured plants using all three practices offered in the actuarial documents, the IRR practice is insured at 75 percent and the SF and CC practices, which are both non-irrigated, are insured at 65 percent.

If coverage levels for both irrigation practices are not specified separately on the Application or Policy Change form, then the coverage level will default to the lowest coverage level on the Application or Policy Change form for the crop. Each P/T must be listed on the application with the elected coverage level. If a P/T is not listed on the application, then the coverage level will default to the lowest coverage level on the application for the crop or crop/type.

If the CP allow the option to have different coverage levels by crop type or variety (e.g., Dry Peas, Apples), and the actuarial documents provide separate coverage levels by irrigated and non-irrigated practice, the insured may select different coverage levels by irrigated and non-irrigated practice for each separate type or variety. Each P/T must be listed on the Application or Policy Change form with the elected coverage levels. If a P/T is not listed on the application, the coverage level will default to the lowest coverage level on the Application or Policy Change form for the crop. For example, application has fresh apples/irrigated at 50 percent coverage level and fresh apples/NI at 75 percent coverage level. The insured reports processing apples on the Acreage Report, since processing apples was not specified on the application, the coverage level for processing apples for both irrigation practices defaults to lowest coverage level for the crop on the application, 50 percent.

A. CCIP (continued)

Example: An insured may choose the 65 percent coverage level for processing type apples with an irrigated practice and the 70 percent coverage level for processing type apples with a non-irrigated practice. The insured may also choose a 70 percent coverage level for fresh type apples with an irrigated practice and a 75 percent coverage level for fresh type apples with a non-irrigated practice.

High-risk land excluded from the base policy under the terms of the HR-ACE policy must be insured under an additional coverage policy at any level, not to exceed the coverage level of the base policy. If the insured elects coverage level by practice on the base policy, the insured must elect coverage level by practice on the HR-ACE policy.

The coverage level for the irrigated practice insured under the HR-ACE policy must be lower than the coverage level for irrigated on the base policy and the coverage level for the non-irrigated practice insured under HR-ACE policy must be lower than the coverage level for the non-irrigated practice on the base policy. Unless, the insured has an additional coverage revenue policy and excludes high-risk land under HR-ACE to yield protection, they can have same or lower coverage level as the base revenue policy. However, the insured may choose the same coverage level for both practices as long as each are lower than the coverage level for the corresponding practice on the base policy (or equal to lowest coverage level if HR-ACE is excluded to YP).

B. ARPI

(1) For Area Revenue Protection and Area Revenue Protection with the Harvest Price Exclusion:

(a) CAT coverage is not available; and
(b) for additional coverage, insured may select different coverage levels by P/T.

Example: The insured may choose a 75 percent coverage level for irrigated corn and a 90 percent coverage level for non-irrigated corn.

(2) For Area Yield Protection:

(a) CAT coverage is available and may be selected by crop/P/T;

(b) for additional coverage, insureds may select different coverage levels by crop/P/T; and

(c) both (a) and (b) may apply for the same crop.

C. WFRP

Coverage levels offered under WFRP are provided on the actuarial documents. Insureds:

(1) may elect any amount of coverage they are eligible to receive;

(2) will have only one coverage level per policy;

(3) must have a commodity count as calculated in accordance with the WFRP that is the minimum number of commodities required for the coverage level selected

(4) must select a buy-up coverage level for any other Federally reinsured policy purchased, unless otherwise stated in the SP, when any of the crops insured under the WFRP policy will also be insured under another FCIC plan of insurance.

Coverage levels range from 50 percent to 85 percent. CAT coverage is not available. The number of commodities produced on the farm are counted using a calculation that determines if the farm has the diversification needed to qualify for the 80 and 85 percent coverage levels (there is a 3-commodity requirement).

WFRP may be purchased alone or with other buy-up level Federal crop insurance policies. If purchased with another policy, the WFRP premium is reduced due to the coverage provided by the other policy. If the insured has other Federal crop insurance policies with CAT coverage, the insured does not qualify for WFRP.

837 Price

The actuarial documents provide pricing information. Only one price percentage may be elected per crop, per county, per policy unless the CP (e.g., Dry Beans) allow for different price percentages, by P/T. The pricing mechanism varies by plan. The actuarial documents may authorize contract prices for some crop/P/T(s) (e.g., CPA, Peanuts, etc.). For informational purposes, the following RMA webpage identifies crops that offer contract pricing: www.rma.usda.gov/Topics/Organic-Crops/Contract-Price-Addendum-Eligibility-by-Commodity. To determine whether contract pricing is available for the policy, refer to the actuarial documents.

A. Revenue Protection Plan

The FCIC issued projected price and harvest price must be insured at 100 percent. The projected price is used to calculate premium, any replanting and any PP payment.

When the harvest price exclusion is:

(1) elected, the projected price is used to compute the revenue protection guarantee per acre; or

A. Revenue Protection Plan (continued)

(2) not elected, the projected price is used to initially determine the revenue protection guarantee per acre. If the harvest price is greater than the projected price, the revenue protection guarantee per acre will be recomputed using the harvest price.

B. Yield Protection Plan

The value of the production guarantee per acre and the value of production to count are determined by multiplying the FCIC issued projected price times the percentage of the projected price selected by the insured.

Once selected, the percentage of the projected price will continue to apply unless changed on or before the applicable SCD.

C. Other Plans

This includes the Actual Production History Plan, Dollar Amount Insurance Plan(s), etc. The amount of insurance will be the amount of insurance issued by FCIC multiplied by the coverage level percentage elected. The price election will be the price election issued by FCIC multiplied by the percentage of price elected.

Example: The actuarial documents for Fresh Market Tomatoes provide the FCIC issued reference maximum dollar amount of $6,525. Therefore, an insured who elects 75 percent coverage level would have an amount of insurance equal to $4,894 (0.75 x $6,525).

The price election is determined by the FCIC issued price election multiplied by the percentage of price selected.

FCIC may provide additional price elections or amounts of insurance no later than 15 days prior to the applicable SCD. The additional price elections or amount of insurance:

(1) will not be less than those available on the CCD;
(2) must be selected on or before the applicable SCD; and
(3) if elected, will be used to determine the amount of premium and any claim settlement.

Once selected, the amount of insurance, percentage of price election, or the additional price election will continue to apply unless changed on or before the applicable SCD.

D. Price Percentage

For the Actual Production History Plan and Yield Protection Plan only, the insured may select a percentage of the price or the additional price (when available for the crop), as follows.

D. Price Percentage (continued)

	CAT	ADDITIONAL COVERAGE							
Coverage Level Percentage	50	50	55	60	65	70	75	80	85
Price Percentage	55*	100	91-100	84-100	77-100	72-100	67-100	63-100	59-100

The following table provides price information for other plans of insurance when CAT is elected. Coverage level percentage is 50 percent unless specified differently.

PLAN OF INSURANCE	PRICE PERCENTAGE
Florida Citrus Trees	55% of the reference maximum price.
Nursery	55% of the Plant Inventory Value Report for the rate classification.
Other Dollar Plan crops	55% of the dollar amount of insurance (Florida Citrus, Forage Seeding, Hybrid Seed Corn, Hybrid Sorghum Seed, Macadamia Trees, Peppers, Raisins, Sweet Corn [Fresh Market] Texas Citrus Trees, Tomatoes [Fresh Market]).
ARPI Crops	45% of the maximum protection per acre at 65% coverage level.

E. ARPI Projected Price

The projected price is a price for each crop/P/T shown in the actuarial documents by additional and CAT coverage, determined in accordance with the CEPP, SP or the CP, as applicable. Insureds with ARPI plans of insurance do not elect a percentage of price but do elect a protection factor.

F. STAX Projected Price

The projected price is a price for each crop/P/T shown in the actuarial documents by additional and CAT coverage, determined in accordance with the CEPP, SP or the CP, as applicable. If the projected price cannot be determined, STAX coverage cannot be provided.

838 Protection Factor

Instead of a percent of price or price election, ARPI and STAX uses a protection factor (PF). The protection factor is the percentage used to calculate the dollar amount of insurance per acre and policy protection. The insured must choose a protection factor:

(1) from a range of 80 to 120 percent, unless otherwise specified in the SP;
(2) as a whole percentage; and
(3) for each irrigation practice or crop/P/T.

* Price Percentage may vary by plan.

838 Protection Factor (continued)

Exception: Native sod acreage insured under an ARPI policy receives a protection factor equal to 65 percent until the acreage no longer qualifies as native sod. These acres must be separately identified and reported on the Acreage Report.

If a P/T is not listed on the application, then the protection factor will default to the lowest protection factor available for the crop.

839 STAX Area Loss Trigger

The percentage of expected area revenue the insured chooses, ranging from 75 percent to 90 percent, below which an indemnity is paid and which is contained in the actuarial documents.

840 STAX Coverage Range

A percentage of not less than 5 percent and not more than 20 percent, which represents the amount of the expected area revenue covered by STAX and which is contained in the actuarial documents.

Note: Insureds may select a zero-coverage range for P/T(s) insured under STAX.

841 Premium Rates

The actuarial documents provide the premium rates established for each county and crop.

842 Premium Subsidy

A. BFR or VFR

BFRs or VFRs will receive an additional premium subsidy that is 10 percentage points greater than the premium subsidy identified in the actuarial documents. Any plan of insurance with premium subsidy qualifies for the additional BFR or VFR premium subsidy. For example, LGM Cattle and Swine do not have premium subsidy so these products are not eligible for BFR or VFR additional premium subsidy.

Example: An insured elects RP with 80 percent coverage level for corn and receives a subsidy factor of 0.48. If the insured qualifies as a BFR or VFR, the insured would receive an additional 10 percentage points of premium assistance which will increase the subsidy factor to 0.58.

When an insured qualifies for BFR or VFR benefits and plants on native sod acreage which results in a reduction in the premium subsidy, the additional premium subsidy for BFR or VFR is applied prior to the reduction of premium subsidy due to planting on native sod acreage. The reduction in premium subsidy applies only to the native sod acreage and does not extend to other acreage in the insured's operation.

A. BFR or VFR (continued)

Example: An insured elects RP with 80 percent coverage level for corn and receives a subsidy factor of 0.48. If the insured qualifies as a BFR or VFR, the insured would receive an additional 10 percentage points of premium subsidy which will increase the subsidy factor to 0.58. However, if the insured plants on insurable native sod acreage and receives a reduction of 50 percentage points of premium subsidy, the subsidy factor will be reduced to 0.08 on the native sod acres (0.48 + 0.10 – 0.50 = 0.08).

B. Native Sod (2014 Farm Bill)

(1) Native sod acreage receives a premium subsidy reduction of 50 percentage points less than the premium subsidy identified in the actuarial documents:

(a) when tilled and planted for the production of an annual crop beginning February 8, 2014 and ending on December 20, 2018, in all counties in Iowa, Minnesota, Montana, Nebraska, North Dakota, and South Dakota;

(b) when more than five acres are tilled in the county, cumulatively across crop years (insurance years for WFRP);

(c) until the native sod acreage has four crop years (insurance years for WFRP) of planting;

(d) regardless of whether the native sod acreage is later transferred to a different person during the first four crop years (insurance years for WFRP) of planting;

(e) for the following insurance plans (not applicable to CAT):

(i) ARPI Policy – Annual Crops;
(ii) CCIP – Annual Crops;
(iii) Rainfall Index (RI) Plan Annual Forage;
(iv) Supplemental Coverage Option Endorsement; and
(v) WFRP Policy – Annual Crops.

(2) The subsidy reduction is applicable during the first four crop years (insurance years for WFRP) the native sod acreage is planted (any applicable prevented planting acreage will have the premium subsidy reduction until four crop years of planting on the native sod acreage are complete).

(3) The reduction in premium subsidy applies only to the native sod acreage and does not extend to other acreage in the insured's operation.

(4) If the reduction in premium subsidy result is zero or below zero, the insured will receive no premium subsidy for the native sod acreage.

B. Native Sod (2014 Farm Bill) (continued)

Example: An insured elects RP with 80 percent coverage level for corn and receives a subsidy factor of 0.48. If the insured plants on insurable native sod acreage, the insured would receive a reduction of 50 percentage points of premium subsidy which will decrease the subsidy factor to negative 0.02. As this result is below zero, the insured receives no premium subsidy for the native sod acreage.

(5) If an insured is also a BFR or VFR and plants on native sod acreage, the additional premium subsidy for a BFR or VFR is applied prior to the reduction of premium subsidy due to planting of native sod (the reduction in premium subsidy applies only to the native sod acreage). See example in Para. A.

C. Native Sod (2018 Farm Bill)

(1) Native sod acreage receives a premium subsidy reduction of 50 percentage points less than the premium subsidy identified in the actuarial documents:

(a) when tilled for the production of an insured crop beginning December 21, 2018, in all counties in Iowa, Minnesota, Montana, Nebraska, North Dakota, and South Dakota;

(b) when more than five acres are tilled in the county, cumulatively across crop years (insurance years for WFRP);

(c) until the native sod acreage has four crop years (insurance years for WFRP) of an insured crop within the first 10 crop years after initial tillage;

(d) regardless of whether the native sod acreage is later transferred to a different person during the first four crop years (insurance years for WFRP) of an insured crop within the first 10 crop years after initial tillage; and

(e) for all insurance plans (not applicable to CAT).

(2) The subsidy reduction is applicable during the first four crop years (insurance years for WFRP) the native sod acreage is insured (any applicable prevented planting acreage will have the premium subsidy reduction until four crop years of insurance on the native sod acreage are complete).

(3) The reduction in premium subsidy applies only to the native sod acreage and does not extend to other acreage in the insured's operation.

(4) If the reduction in premium subsidy result is zero or below zero, the insured will receive no premium subsidy for the native sod acreage.

C. Native Sod (2018 Farm Bill) (continued)

Example: An insured elects RP with 80 percent coverage level for corn and receives a subsidy factor of 0.48. If the insured insures a crop on the native sod acreage, the insured would receive a reduction of 50 percentage points of premium subsidy which will decrease the subsidy factor to negative 0.02. As this result is below zero, the insured receives no premium subsidy for the native sod acreage.

(5) If an insured is also a BFR or VFR and insures a crop on native sod acreage, the additional premium subsidy for a BFR or VFR is applied prior to the reduction of premium subsidy due to insuring native sod acreage (the reduction in premium subsidy applies only to the native sod acreage). See example in Para. A.

843 Added County Election for CCIP, ARPI and STAX Policies

The AIP's Application and/or Policy Change for CCIP, ARPI and STAX policies may provide an election for Category B crops, including pilot Category B crop programs, with the exception of forage production, to allow the applicant/insured to insure the listed crop(s) on land in a county that is added after the applicable SCD for the current crop year.

For the election to be applicable, the crop must be insurable in the county being added, and the insured must not have an interest in any land in the added county as of the SCD for the current crop year. Any interest an insured may have had in land in previous crop years in a county being added does not impact added county election for the current crop year.

Separate administrative fees are due at premium billing for each added county per crop see Para. 808.

A. AIP Offer

If the AIP offers the added county election, the AIP must use one or both of the added county election statements contained in the DSSH, which allow for the added county election to apply within a state or nationwide.

B. Added County Election Deadline

The election must be made by the applicable SCD for the crop(s) shown on the Application or Policy Change. Any endorsement, option, exclusion, or election effective for the designated county will apply to any added county crop. For example, if the insured has elected the high-risk land exclusion option and insured the excluded high-risk land under a CAT policy in the designated county, the exclusions and CAT policy for high-risk land applies to the added county.

C. More Than One Added County Election

Only one added county election is permitted, one for a crop/state or one for crop/nationwide (depending on statement used by AIP). If election is made for a crop on multiple Applications or Policy Changes, the election with the earliest Application date will apply. See Para. 803 regarding duplicate coverage.

D. More Than One County for the Crop

If more than one county for the crop(s) is listed on the Application or Policy Change, the insured must designate on the Application or Policy Change only one county from which insurance coverage (i.e., plan of insurance, coverage level, price, coverage options/exclusions, etc.) will be determined for the crop(s) for all counties added for the crop year.

(1) Insurance coverage will not be provided for an added county if the insured does not designate a county for added county purposes, or designates more than one county per crop or crop state, as applicable, on a single Application or Policy Change.

(2) If only one county for the crop(s) is listed on the Application or Policy Change, that county will be the designated county.

(3) A crop not listed on the added county section of the Application or Policy Change cannot be added after the applicable SCD. For example, the insured has a soybean policy in effect by the SCD and selects the added county election. The insured rents land, after the SCD, in another county and plants corn and soybeans. The soybeans planted in the added county would be insured, however, the corn would not.

E. Designated Plan of Insurance, Level of Coverage or Price Percentage Not Available

If the designated plan of insurance, level of coverage or price is not available in the added county, CAT coverage will be provided if the crop is insurable in the actuarial documents for an added county.

F. Production Reporting Requirements

An acceptable production report must be provided on or before the PRD or appropriate variable T-Yield procedures will apply on land located in the added county. See CIH Part 10. However, the insured may request the use of New Producer procedures, preferably by the PRD but no later than the ARD, see CIH Part 17 Sec. 5 for New Producer procedures.

G. AIP Notification

The insured must notify the AIP by reporting the acreage of the crop for the county that is added no later than the ARD the initial year any insured crop(s) is grown in a county(ies) not listed on the Application or Policy Change. A crop inspection to determine insurability is not necessary for any applicable crop(s) reported the initial crop year in an added county.

H. Coverage Provided

The coverage provided under the added county election shall only be provided in the initial year that the county is added. For coverage to be provided in subsequent years, a separate Application or Policy Change must be submitted.

I. Added County Not Optional Once Elected

If the insured adds land in a different county after SCD and the added county election is elected, then it is insured. It is not an option for the insured to not add the county if this election was previously made. If the insured does not report the land, then the unreported acreage procedures apply. See CIH Para. 917.

844 Application Acceptance

Applications are subject to acceptance by the AIP. Applications that do not contain the required information to insure the crop shall not be accepted by the AIP. Prior to acceptance, the AIP will determine the following.

(1) Whether the person who has a share in the insured crop with an insurable interest is the owner, operator, sharecropper, or tenant;

(2) Identifies the correct person and person type (e.g., individual, partnership, co-owner, joint venture, corporation, etc.);

(3) If the application has been signed by a person(s) having authority/capacity to enter into a binding contract; and

(4) If the application contains all the required information to insure the crop, including, but not limited to:

(a) All applicable SSNs, EINs and/or RANs;

(b) All person(s) who have a SBI and their respective identification numbers and person types;

(c) Plan of insurance;

(d) Coverage level;

(e) Percentage of price election or projected price, as applicable; and

(f) Crop and type, as applicable.

845 Rejected Applications

If rejected by the AIP, the original Application along with a letter of explanation must be sent to the applicant, with a copy to the AIP representative, within 15 calendar days of the SCD.

846 Transfer of Policies to Another AIP

To be effective, transfer of a policy from one AIP to another must be requested in writing by the insured by the cancellation date.

A. Documentation

To transfer a policy, an insured must complete and submit to the assuming AIP a Policy Transfer/Application, or the assuming AIP must complete and sign, and have the insured sign, a Request to Transfer a Policy with the ceding AIP's policy number(s) for each crop policy being transferred.

If a Policy Transfer/Application is not used, an Application must be completed, indicating the crop was insured in the previous crop year, and signed by the insured and the AIP.

B. Requirements

The following requirements apply when a person chooses to transfer a policy to another AIP.

(1) The policy may not be cancelled the first effective crop year with any AIP for the purpose of insuring with another AIP without the written consent of the AIPs involved.

(2) An insured may transfer a policy only once per crop year between AIPs. A transfer within an AIP from one policy issuing company to another is not considered a transfer for this purpose.

(3) Options, elections, endorsements, WAs, etc., do not transfer and must be specified on the new Application and/or applicable forms if they are to be in effect for the current crop year. However, the Agreement to Combine OUs will remain in effect and must be transferred to the assuming AIP.

(4) When the insured transfers the policy to a different agent and/or AIP the APH yield history, including any applicable analysis databases for acreage transitioning to organic without a plan, See Para 871, must also be transferred.

(5) Premium and any loss experience for those insureds with a good experience discount only must be transferred.

(6) The policy will be terminated if the insured is indebted to the ceding AIP. See the ITS handbook for further information.

(7) All AIPs are required to transmit experience (premium and loss data) and APH data to RMA. RMA will maintain such information in its databases. AIPs must request transferred policy information by submitting an electronic request to RMA through its systems, (e.g., to verify policy items such as APH history).

(8) The assuming AIP must notify the ceding AIP when it has accepted the transfer and issued the new policy within 45 days after the applicable cancellation date.

B. Requirements (continued)

(9) The ceding AIP must cancel its policy if a Policy Transfer/Application is executed by the insured by the cancellation date, regardless of whether the assuming AIP timely notified the ceding AIP.

(10) When a transfer within an AIP from one policy issuing company to another is made, the insured must be notified of such transfer.

C. Review of Underwriting Information

The assuming AIP may complete and issue policies by requesting the insured's previous experience and APH data, if applicable, from RMA without requesting insurance experience and APH history from the ceding AIP.

However, if the information received from RMA appears incomplete or inaccurate, the assuming AIP must request the insurance experience and APH history, if applicable, from the ceding AIP.

(1) When requested timely (within 45 days after the cancellation date), the ceding AIP will provide the experience and complete APH data, if applicable, for the applicable crop/county to the assuming AIP no later than 15 days after receiving the request even if the ceding AIP has already cancelled the policy.

(2) If due to a lag in processing the immediate preceding year's business, the cumulative experience factor for the Good Experience Discount may be used by the assuming AIP to provide an estimated premium. The actual premium for the current crop year will be billed after the immediate preceding years' experience is completed.

847 Good Experience Discount for CCIP Policies

Insureds may have had favorable insurance experience (base premiums and loss experience) and earned premium discounts for specific crops, See subparagraph B for APH-based crop insurance policies. Previous insurance experience is retained by the AIP when the insured has been continuously insuring the same crop/county. Good experience discounts do not transfer to another person when a policy transfers to a different named insured, including those instances when the policy defaults to a spouse when the named insured dies, disappears or is judicially declared incompetent.

A. Applicability of Good Experience Discount to Changed Coverage Plan or Level

For insureds who switch coverage plans (e.g., Yield Protection Plan to ARPI, Yield to Revenue Protection) or coverage levels (e.g., additional coverage to CAT coverage), the AIP must retain previous insurance experience.

(1) The good experience discount factor is not used for ARPI, or RPs, or when calculating imputed CAT premium.

A. Applicability of Good Experience Discount to Changed Coverage Plan or Level (continued)

(2) When an insured switches back from ARPI or Revenue Protection to Yield Protection or Actual Production History Plans at the additional coverage level, the previous insurance experience and applicable premium discounts apply.

(3) When an insured switches from CAT back to additional coverage, the AIP must update the insurance experience. If the insured is still eligible for a premium reduction in excess of five percent, based on the insured's loss ratio and the number of years of continuous experience through the applicable crop year, the insured will continue to receive the premium reduction subject to the conditions listed. See Subparagraph C below.

(4) Insurance experience may be available from RMA systems upon AIP request. See Exh. 8C for chart of percentage adjustments for favorable continuous insurance experience.

B. Crop Groups for Premium Adjustment Purposes

Premium reductions (subject to the conditions in [Subparagraph C below]) were removed from the following crop policies for the:

(1) 1985 crop year: Corn, Grain Sorghum, Soybeans, Tobacco, Raisins, Peanuts, Tomatoes (Processing), Processing Sweet Corn, and Potatoes. Premium reductions are based on insuring experience through the 1983 crop year.

(2) 1986 crop year: Wheat, Barley, Flax, Oats, Rye, Sunflower Seeds, Almonds, Apples, Forage Production, Grapes, Peas, Dry Beans, Peaches, and Sugar Beets in all states except Arizona and California. Premium reductions are based on insuring experience through the 1984 crop year.

(3) 1987 crop year: Sugarcane, AZ-CA Citrus and AZ-CA Sugar Beets. Premium reductions are based on insuring experience through the 1985 crop year.

(4) 1990 crop year: AUP Cotton and Rice. Premium reductions are based on insuring experience through the 1989 crop year.

(5) 1990 crop year: Florida Citrus. Premium reductions are based on insuring experience through the 1988 crop year.

(6) 1998 crop year: Forage Seeding. Premium reductions are based on insuring experience through the 1997 crop year and premium adjustments for unfavorable experience have been discontinued.

No other crops have premium adjustments based on favorable experience.

C. Premium Adjustments for Favorable Experience

The insured's premium is subject to a maximum credit of 50 percent for favorable experience based on the Premium Adjustment Table. Premium reductions are subject to the following conditions.

(1) Premium reductions will not increase because of additional favorable experience in later crop years.

(2) Premium reductions will decrease according to the Premium Adjustment Table because of unfavorable experience in later crop years.

(3) Once the insured's loss ratio exceeds 0.80, no premium reduction is applicable.

(4) Participation must be continuous. A break in insurance due to active duty in the armed services is not considered a break in participation for premium adjustment purposes.

848-850 (Reserved)

851 Policy Change

When changes to the insurance policy are needed, a policy change is used to make such change without creating a new application. Some changes can be made after the SCD, such as changing an insured's physical address. A policy change may be used to request the following.

(1) On or before the SCD for changes in plan of insurance (within APH-based plans of insurance only), percentage of projected price/price election or coverage level.

Exception: In counties with either fall or winter and spring crop type SCDs, the change must be requested on or before the fall or winter SCD. However, the insured may elect or change options, plan of insurance, coverage level, percentage of projected price or price election on or before the spring SCD, if the fall or winter type is not planted.

Example: Winter/fall and spring are different types of the same insured crop policy. Since these are considered a crop with different types under the crop policy, one application/policy covers the entire crop. If the SCD for the winter/fall type has passed for a crop in a county with dual SCDs and the winter/fall type has been planted, then an application cannot be accepted and changes cannot be made to a policy in effect for that crop year. When a crop in a county with dual SCDs with a winter/fall type has **not** been planted and only a spring type will be planted, applications can be accepted and changes can be made until the spring SCD.

The policy change form may be used to change an insurance plan between the plans covered by the CCIP (YP, RP, RPHPE) and between plans covered by ARPI (AYP, ARP, ARPHPE). For other policies, the insurance plan element is for information only and the insurance plan cannot be changed using a policy change form.

(2) On or before the cancellation date, the insured may cancel all crop policies in a county or a specific crop(s) in a county following the initial crop year insured.

(3) At any time, the insured may correct its identification number or its SBIs identification number if the criteria in Part 2 Section 2 are met. Correction of identification numbers will not be allowed and the policy will be void if these criteria are not met.

(4) At any time, the insured may correct its name, its SBIs names, address(es), phone numbers or add or change their authorized representative.

(5) On or before the date specified in the applicable policy, the insured may add or cancel options, elections and endorsements. See CIH Exhibit 5 for a summary of deadlines.

(6) On or before the SCD, the insured may elect, revoke, or change its primary county for the added county election.

852 Assignment of Indemnity

An insured may assign the right to an indemnity payment for a crop(s) under a policy to a creditor(s) or other persons to whom the insured has a financial debt or other pecuniary obligation by using an Assignment of Indemnity. The assignment(s) applies for all acreage of the crop covered by the policy. Each assignment must be executed on a policy basis (i.e., crop/county/policy). However, when one policy number covers multiple crops, one assignment may be used to cover the multiple crops in the county if each crop policy is listed separately on the assignment.

A. Effective Date

The Assignment is effective upon approval in writing by an authorized representative of the AIP. The AIP may request proof of debt or other pecuniary obligation before an assignment of indemnity is accepted. If the Assignment of Indemnity is not approved in writing by the AIP, the assignment is not effective and the proposed assignee does not obtain rights under the policy.

An Assignment executed prior to the date of a Transfer of Coverage and Right to an Indemnity, remains effective after the Transfer of Coverage and Right to an Indemnity.

B. Number of Assignees

The insured has the option of executing more than one assignee and/or executing multiple assignments. It is the insured's responsibility to notify parties of multiple executed assignments.

A single Assignment may contain more than one assignee. Similarly, multiple Assignments may be executed by the insured if approved in writing by the AIP.

C. Timing of Assignment

For an Assignment to be effective for a crop year, it must be made:

(1) after acceptance of the Application, but
(2) before a loss claim is submitted to the AIP for payment of the indemnity.

Issuance of a replant payment for any insured unit will not affect the insured's ability to assign an indemnity to another party.

D. Cancellation or Termination

An Assignment is effective only for the crop(s) and the crop year specified on the Assignment.

(1) The Assignment may be canceled during the crop year. The AIP will cancel the Assignment(s) only if the assignee(s) submits a signed written statement discharging the Assignment.

D. Cancellation or Termination (continued)

The discharge must indicate the insured's name, mailing address, policy number and crop(s)/county(ies) released. The AIP representative(s) will retain a copy of the discharge; or

(2) The Assignment will terminate at the end of the crop year.

E. Payment Issuance

Any indemnity payments will be made payable to the assignee(s) and the insured jointly, subject to any administrative fee deduction or any other unpaid balance, not to exceed the total amount of indemnity due.

Payments will not be made to any lien holder or other person to whom the insured has a financial debt or other pecuniary obligation, and not identified on the AIP approved Assignment of Indemnity, even if there is a lien or other assignment recorded elsewhere.

F. Notice Submission by Assignee

Any assignee has the right to submit all loss notices or other forms as required by the policy. If the insured has suffered a loss and fails to file a claim for indemnity within the time period specified in the policy, the assignee may submit the claim for indemnity not later than 30 days after the period for filing a claim has expired. The terms of the assignment apply if the AIP can accurately determine the amount of the claim.

853 Transfer of Coverage and Right to an Indemnity

Use a Transfer of Coverage and Right to an Indemnity to transfer insurance coverage and the right to any subsequent indemnity from one insured person to another person. The Transfer of Coverage and Right to an Indemnity is used when a transfer of part or all of the ownership/share of the insured crop occurs during the insurance period. A Transfer of Coverage and Right to an Indemnity must be executed on a per crop/county/policy basis for all or part of the crop share/acreage. However, the AIP can consolidate all crops and policies onto one form to ensure that the transferor and transferee are aware of the liability/premium for each respective crop policy for the acreage transferred.

For example, if cotton acreage is insured under both the CCIP and STAX policies and is transferred to another person, either a separate Transfer of Coverage and Right to an Indemnity for CCIP and STAX must be executed or both the CCIP and STAX policies must be included on a single Transfer of Coverage and Right to Indemnity for the coverage under both policies to transfer to the transferee.

A. Effective Date

The Transfer of Coverage and Right to an Indemnity is effective upon approval in writing by an authorized representative of the AIP. If the Transfer of Coverage and Right to an Indemnity is not approved in writing by the AIP, the transfer is not effective and the proposed transferee does not obtain rights under the policy. An Assignment of Indemnity executed before the date of the Transfer of Coverage and Right to an Indemnity remains effective after such Transfer of Coverage and Right to an Indemnity.

B. Share/Acreage

A Transfer must be executed for each policy. The Transfer is only effective for the share/acreage in the insured crop actually held by the insured at the time the insured's interest in the crop was transferred. Therefore, insurance must attach to the acreage for a Transfer of Coverage and Right to an Indemnity to be effective.

For example, there can be no Transfer of Coverage and Right to an Indemnity if acreage is transferred to another person prior to planting of an annual crop because insurance attaches on the date an annual crop is planted and the transferee does not have a share in the insured crop.

Exception: Prevented planting acreage allows for a Transfer of Coverage and Right to an Indemnity prior to planting the crop.

C. Timing of Transfer of Coverage and Right to an Indemnity

The Transfer of Coverage and Right to an Indemnity is effective upon approval in writing by an authorized representative of the AIP. Once approved, the Transfer is only applicable to acreage and/or share of the crop planted by the transferor and transferred to the transferee. The AIP is not liable for any more indemnity than existed before the transfer occurred.

D. Liability

An approved Transfer of Coverage and Right to an Indemnity grants all rights and responsibilities under the policy to the transferee consistent with the transferor's interest.

The transferee and the transferor (insured) will be jointly and severally liable for any unpaid premium, administrative fee and/or other amounts due on the acreage and share transferred, even if the transfer is released by the transferee.

Note: Rights and responsibilities of the transferee includes the right to the same notifications that the insured would receive outlined in ITS Handbook Para. 351.

The AIP may consolidate all policies onto one form to ensure that the transferor and transferee are aware of the liability or premium for each respective policy for the acreage transferred.

E. Number of Transfers

An insured may execute multiple transfers during the crop year. A separate form may be required for each different unit or portion of a unit on which coverage is being transferred.

F. Expiration and Release

The Transfer may be released by the transferee submitting a signed statement of release indicating the insured's name, mailing address, policy number, crop(s), and unit(s).

The Transfer expires at the end of the insurance period for the crop year specified. For succeeding crop years, an Application must be made to insure the proper person for insurance to remain in effect unless the transferee has an existing policy.

If it is discovered during the loss inspection that there is a release that has not been submitted or processed, the loss adjuster must document on the Special Report and attach the report and the release to the claim form.

G. APH Impact in Subsequent Crop Years

The transferee must certify the acreage and production history on or before the PRD for the following crop year. The year of transfer counts as a year of producing the crop for both the transferor and the transferee. Incomplete or unacceptable production reports will result if the transferee fails to certify acreage and production for the applicable crop year.

If the transferee does not certify the acreage and production history on or before the PRD for the following crop year:

(1) For carryover insureds, assigned yield provisions apply; however, the acreage and production from the acreage transferred must be used the succeeding crop year.

(2) For new insureds, continuity of production records is broken.

854 Signatures

A. Requirement

Any crop insurance document requiring a signature must be signed by the person whose signature is required (e.g., the applicant must sign the Application). A POA or other legally sufficient document is required for any person who is authorized to sign on behalf of the required person.

If the applicant is a minor, the parent or court-appointed guardian must sign all documents that require a signature unless the minor has been legally emancipated.

B. Acceptable Signature Types

Acceptable signatures for crop insurance include the:

(1) signature of the required person (e.g., applicant, insured, or grantor);
(2) signature of the authorized representative (or attorney-in-fact) granted by a POA; and
(3) signature of the authorized representative granted by a legally sufficient document.

For the notice of loss(es) and delayed claim(s) reporting, notice provided by the insured, either orally by phone or written by email, to the agent is considered a signature for the applicable form. See the LAM for more information.

C. POA or Other Legally Sufficient Documentation Required

The POA or other legally sufficient document (such as the Articles of Incorporation) must identify who is authorized to sign the initial Application and represents the original agreement between the grantor and its authorized representative.

Exception: The application does not represent the original agreement between the grantor and its authorized representative when an authorized representative who is required to sign the initial application assigns signatory authority to another person by the non-substantive signatory statement.

Example 1: An individual operating as a business person type, where the sole proprietor signs the Application then assigns the signature authority to another person by using the non-substantive signatory statement, represents the original agreement between the sole proprietor and the authorized person.

Example 2: For the partnership person type, the partnership agreement must identify the authorized representative who may sign the Application. The authorized representative, identified by the partnership agreement, then assigns signatory authority using the non-substantive signatory statement to another person. The partnership agreement evidences the original agreement between the partnership and its authorized representative, and the non-substantive signatory evidences the assignment of this authority to another person.

For the married individual person type, a POA or legally sufficient document is required for the authorized spouse to sign on behalf of the named insured spouse.

Example: A husband applies for crop insurance as the married individual person type; he signs the Application. He is listed as the primary insured and his spouse is reported as a SBI. At acreage reporting time, he is unable to sign his acreage report. For his spouse to sign on his behalf, he must have provided a POA or legally sufficient document authorizing her to sign on his behalf to the AIP.

D. Non-Substantive Signatory Statement

The DSSH provides a non-substantive statement that allows the required person or its authorized representative to designate person(s) who are authorized to sign crop insurance documents on its behalf. If the AIP elects to utilize the non-substantive statement contained on the Application or Policy Change form in the DSSH, then the Application or Policy Change is deemed to be a legally sufficient document that allows for the person to sign on behalf of the required person, notwithstanding individual State signature authority requirements.

Example: The State requires that signature authority, which binds a person to the terms of the document being signed, must be notarized. If the AIP elects to utilize the non-substantive statement contained in the DSSH for the Application, the required person may elect to grant signature authority on the Application or provide a separate POA.

If the required person grants authority on the Application, the Application is not subject to the signature requirements of the State. If the required person provides a POA to the AIP, the POA must be notarized in accordance with the signature requirements of the State.

The non-substantive signatory statement is effective from the date it is signed by the grantor and until it is rescinded, revoked, or dissolved. For example, the required person signs the statement on the application, accordingly, any subsequent crop insurance documents may be signed by the authorized representative until the authority is rescinded, revoked, or dissolved. Additionally, the death, disappearance or judicially declared incompetence of the grantor rescinds the signatory statement in accordance with the timelines regarding policy cancellation in Para. 231.

The signatory statement is considered rescinded, revoked, or dissolved when a change of insurance plans requires a new initial Application. The required person must sign the initial Application. The Policy Change modifies an existing Application; the non-substantive signatory statement remains in effect on the existing Application, unless canceled or revoked by the Policy Change.

855 Power of Attorney

Insureds may grant a third-party the authority to sign crop insurance documents on their behalf if a legally executed POA is provided to the AIP. The person authorized to sign is the attorney-in-fact.

A. POA Types

(1) A POA that is executed in accordance with the laws of the state of execution is acceptable for crop insurance purposes. Such POA must be in writing and specify the powers granted to the authorized representative by the grantor. A POA is executed when it is signed.

A. POA Types (continued)

(2) A POA that is executed according to federal authorities, such as a FSA Power of Attorney, is acceptable. An acceptable POA executed according to federal authorities is a POA that includes language that the form is applicable for crop insurance purposes. A form executed in accordance with federal authorities is a form that has been approved by the Office of Management and Budget.

Note: A POA developed by an AIP, in accordance with the standards provided by the DSSH, is not considered a "federal form" executed according to federal authorities, unlike the FSA POA which is a federal form that supersedes state law. Any AIP developed POA requires compliance with state law.

B. POA Requirements

(1) Authority

POAs which grant authority to sign contracts and legally bind the grantor(s) are sufficient for crop insurance purposes. The POA must specify the person authorized, the period of authorization, and powers granted.

Exception: Oral or open powers of attorney are not acceptable. An oral or open POA is a POA that does not specify who the authorized representative receiving the power is at the time of execution.

(2) Notarization

In states that require POAs to be notarized, the signatures of the grantor and grantee must be notarized. If notarization is not required by the state, the signatures of the grantor and grantee must be witnessed and the signatures of the witness obtained on the document.

C. Filing Requirement

A POA must be filed with the office where the official insurance file is maintained and must remain in full force and effect until written notice of its revocation has been received by the office maintaining the official insurance file. The revocation must maintain in the official insurance file.

D. Voidance

If the grantor of the POA dies, disappears, or is judicially declared incompetent, then the POA is void.

Exception: In the case of judicial declaration of incompetence, if the POA grants the authority for the person identified to maintain its signature authority, then the POA may not be void.

E. Conflicts of Interests

An agent, loss adjuster, and AIP authorized representative's use of a POA to act on behalf of an insured may be limited by the conflict of interest requirements contained in the SRA.

856-870 (Reserved)

871 Conditions of Insurance

A. Insurance Availability

Insurance coverage is available for crops grown on certified organic acreage and transitional acreage; i.e., acreage transitioning to certified organic acreage in accordance with an organic system plan, or more commonly an organic plan, if:

(1) a premium rate for an organic practice is specified on the actuarial documents;
(2) no premium rate for an organic practice is specified on the actuarial documents; the organic practice is not insurable unless the insured requests insurance coverage for the organic practice by WA and the WA is approved.

If coverage is not requested and provided by written agreement, the acreage designated on the organic plan as certified organic or transitioning to organic is uninsurable and must be reported on the acreage report as uninsured acreage.

B. When Organic Practices Do Not Apply

The insured does not qualify for:

(1) transitional practice for acreage transitioning to certified organic acreage without an organic plan, or written documentation from a certifying agent indicating an organic plan is in effect, as specified in the BP.

In this situation:

(a) the same policy terms and conditions for conventional practices will apply;

(b) appraisals for production lost due to uninsured causes may apply for not following weed or disease control measures or GFP recommended for conventional practices; and

(c) adjustments to the APH database for the conventional practices may be warranted due to a change in practice (see CIH Para. 1702Q for Category B crops and Para. 1854 for Category C crops); or

(2) MYs when transitioning acreage under an organic practice without an organic plan or written documentation from an organic certifying agent.

C. Deadlines for Documentation

Deadlines for documentation that pertains to organic practices are specified in the crop policy, actuarial documents, special provisions, and this procedure. The BP gives the AIPs permission, if warranted, to ask for records related to a planted crop. This includes crops grown under an organic practice.

C. Deadlines for Documentation (continued)

To insure as certified organic and transitional organic practices, according to the BP, the insured, by the ARD, must have: for the certified organic acreage, a current organic plan and a written certification (an organic certificate); for acreage in transition to certified organic, an organic plan, or documentation from a certifying agent indicating an organic plan is in effect for the acreage.

(1) Insureds who have an organic certificate are not required to have an updated organic certificate by the ARD when:

(a) the certifying agent has not, for the current crop year, inspected the certified organic farming operation in order to issue an updated organic certificate. Therefore, at claim notice, the insured must provide the most current effective organic certificate; or

(b) the certifying agent did not reissue an organic certificate to the certified organic farming operation when the organic plan was updated. However, all crops, added land (land in transition to certified organic and certified organic) and legal descriptions and additional updates; such as, changes in practices or production methods, procedures and inputs from previous crop year's organic plan, must be identified on the current crop year's organic plan.

(2) If the insured:

(a) is a new insured or an insured who is transitioning acreage to certified organic with an organic plan, and receives an organic certificate after the ARD, the acreage cannot be insured under the certified organic practice for the current crop year, and must be insured under the transitional practice.

(b) is a new insured or an insured who is transitioning acreage without an organic plan, and receives a written certificate (organic certificate) after the ARD, the acreage cannot be insured under the certified organic practice. The acreage must be insured under the conventional practice for that crop year.

(c) has certified organic acreage with an organic certificate, but the certifying agent did not reissue an organic certificate when the organic plan was updated, the most current organic certificate is considered valid.

872 Organic Practice Requirements

A. Certified Organic Acreage Requirements

On the date the acreage is reported, the insured must have:

(1) A written certification (an organic certificate) in effect from a certifying agent. The documentation must show the:

A. Certified Organic Acreage Requirements (continued)

(a) name of the person/entity certified, or certified operation's name, farm, or business name (all legal names);

(b) address(es), including a physical address if the mailing address or legal address is not the physical location of certified organic farming operation;

(c) telephone number, and if applicable website;

(d) effective date (the date when the current or initial certifying agent first certified the farming operation);

(e) issue date of certification (or certificate);

(f) certificate number;

(g) type of commodities certified refer to Examples in (4) below; and

(h) name, address, website, and telephone number of the certifying agent.

The "Types of commodities" certified as stated in section 37(c)(1) of the BP are considered to be "Crops" or "Livestock". To qualify [see BP] for this portion of the requirements for the certified organic coverage, the certificate must list the name of the crop(s) (not livestock, wild crops, or processed products) on the organic certificate.

(2) If an organic certificate is not issued every year, it is possible that the organic certificate may not list every crop the insured may plant and insure.

Scenario: An organic certificate was issued in 2015 and lists: corn, oats, dry beans, and wheat. The next crop year, the insured plants canola, flax, and dry peas which are not listed not the organic certificate. The organic plan has not been updated for the current crop year to show these crops. In this case:

Example 1: The type of organic operation is still "crops", and as long as the canola, flax, and dry peas were grown on ground that had previously been identified in the organic plan to be certified organic, the crops would be insured under the organic practice, as "certified organic".

A. Certified Organic Acreage Requirements (continued)

Example 2: Using the same scenario above but "Certificate" lists livestock or the type of livestock, such as hogs, sheep, cattle, etc. In this case, the type of organic operation cannot be identified as "crops" because the written "Certificate" lists livestock or the type of livestock, such as hogs, sheep, cattle, etc. The commodity type would not be "crops", but "livestock". Therefore, the crops (e.g., canola, flax, and dry peas, etc.) cannot be considered certified organic under the written "Certificate".

(3) An organic certificate issued to an organic grower (for example: the landlord) may be used to qualify the same acreage for an operator/tenant or other similar arrangement; if the:

(a) landlord and the operator/tenant have a share arrangement; or
(b) the operator/tenant has their own organic certificate from other organic acreage they own/manage, and lease organic acreage from a landlord who has an organic plan and certificate for that acreage.

In situations as described above, it may be in the best interest of the applicable insured or landlord to confer with the certifying agent before the applicable ARD deadline.

(4) The insured must immediately notify the AIP of any application of a prohibited substance (non-synthetic or synthetic), including drift, onto any certified organic field, and production unit(s) that is part of the organic farming operation.

B. Transitional Acreage Requirements

By the ARD, when the insured is converting conventional acreage or transitional acreage to certified organic, an organic plan or written documentation from a certifying agent indicating an organic plan is in effect for the acreage.

Although an organic plan or written documentation from a certifying agent indicating an organic plan is in effect is required for crop insurance purposes, the NOP does not consider transitional acreage as certified organic. The organic plan (a record of documentation) must:

(1) identify the location of acreage (i.e., each field) in transition for organic certification;

(2) list crops grown on the acreage (i.e., each field) during the 36-month transitioning period; and

B. Transitional Acreage Requirements (continued)

(3) include all other acreage; e.g., buffer zone, and conventional acreage maintained under the organic farming operation.

An insured must give notification as stated in LAM procedures regarding the application of a prohibited substance or drift as specified in Para. 872A.(4).

C. Certification Exemption

The National Organic Program (NOP) standards allow a grower whose annual gross agricultural income from organic sales totals $5,000 or less to be exempted from certification. Although NOP standards provides for this allowance, in order to receive crop insurance coverage under an organic practice, the insured must have an approved organic plan in effect by the date the acreage is reported and have the records as specified in Para. 873.

The products from exempt operations must not be sold as organic and cannot be used as ingredients identified as organic in processed products by an organic handling or processed operation.

The organic practice does not apply when the exempt insured does not provide written documentation from a certifying agent indicating an organic plan is in effect for the acreage.

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

D. Organic and Transitional Table

IF the insured wants to insure…	**THEN** the insured must have the following in effect by the ARD…
Acreage under the certified organic practice	Organic plan and organic certificate for the applicable crop needs to be in effect by the ARD.
Added land under the certified organic practice	Added land must be identified on a current organic plan by the applicable ARD with the most current organic certificate.
Organic acreage purchased from another organic producer	Organic plan must be updated to include the acreage purchased; and the insured must have an organic certificate in place by the applicable ARD.
	Insured must obtain an organic certificate from a certifying agent because organic certificates are not transferable. The acreage can only be insured under the certified organic practice with an organic plan and organic certificate; these documents need to be in effect by the applicable ARD.

D. Organic and Transitional Table (continued)

IF the insured wants to insure…	**THEN** the insured must have the following in effect by the ARD …
Acreage coming out of the Conservation Reserve Program (CRP)	Acreage can be insured under the certified organic practice if an organic plan, and organic certificate is in effect by the applicable ARD.
Acreage that is in transition to certified organic without an organic plan	Acreage must be insured under the conventional farming practice, and any loss due to failure to comply with conventional farming practices will be considered an uninsured cause of loss.
Acreage that is in transition to certified organic with an organic plan	Acreage must be insured under the Transitional practice with an organic plan, or documentation from a certifying agent indicating an organic plan is in effect by ARD.
Added land that is in the 36-month transitional phase	Added land must be identified on the current organic plan by the applicable ARD to be insured under the transitional practice.
Added land that is transitional acreage, but becomes certified organic after the ARD	Acreage is insured under the transitional practice. The acreage cannot be insured under the certified organic practice without an organic certificate.

873 Maintaining Organic Records

A. Recordkeeping Requirement

In accordance with the OFPA and NOP standards, an insured must maintain records that fully disclose all activities in sufficient detail and in a format that can be readily understood, audited, and available for inspection. In addition, these records must be maintained for a period of five years.

If the insured has a split farming operation, the insured must maintain and provide separate records for each type of practice used in the farming operation; e.g., certified organic, transitional, and conventional practices.

B. Record Specifications

(1) At acreage reporting, the insured must have available:

(a) for certified organic acreage, an organic plan and an organic certificate.
(b) for transitional acreage, an organic plan or documentation from a certifying agent that indicates an organic plan is in effect.

(2) The insured must have:

(a) records specific to the organic farming operation as written in Para. 872A;

B. Record Specifications (continued)

(b) records that are current and sufficiently document all practices, procedures, and inputs used by the organic farming operation;

(c) records, e.g., aerial or GIS maps, from the organic farming operation that show the exact location of each field for certified organic, transitional, buffer zone, and conventional acreage not maintained under an organic practice.

(d) records of acreage and production applicable to the certified organic farming operation that:

(i) fully disclose all activities and transactions (including activities for transitional and conventional acreage);

(ii) contain a current on-site field inspection. If the insured provides a copy of the certifying agent's on-site inspection report, the AIP should use this inspection report as additional documentation in their reviews; and

(iii) contain information for the certified organic, transitional, and conventional acreage not in production.

B. Production Records

An insured that grows a crop under the organic practice is:

(1) required to have separate acceptable acreage and production records to support acres, total production, and yields certified for the organic acreage and acreage in transition to organic. The data from acreage and production records is used for APH purposes.

(2) not required to have records of acreage and production if the new acreage initially qualified as certified organic acreage and acreage in transition to organic, or the acreage was farmed previously under an organic practice, and the insured is not using the crop history from another person.

874 Organic Certification and Accreditation Issues

An insured who is not eligible to receive or has been denied organic certification, or whose organic certificate has been suspended or revoked cannot insure acreage under the organic practice. In the event an organic farming operation's certification has been suspended or revoked, only the NOP has the authority to approve its reinstatement; not the certifying agent.

A. Denial

If certification is denied on:

(1) all of the certified organic farming operation, the insured does not qualify for the organic (certified) practice.

A. Denial (continued)

(2) a portion of the acreage. This portion does not qualify for the organic (certified) practice.

B. Suspension

If certification is suspended:

(1) before the ARD, the insured does not qualify for the organic (certified) practice; the acreage is uninsurable under this practice. The insured can insure acreage under the conventional practice.

(2) after the ARD, the insured will remain qualified for the organic (certified) practice and the acreage will continue to be insured under the organic practice for the remainder of the crop year. Any loss for not following GFP and organic standards will be considered an uninsured cause of loss; see BP, 37(e).

The following crop year, the insured cannot insure the acreage under an organic (certified) practice; unless:

(a) the insured receives an Eligibility for Reinstatement letter from the NOP and a new organic certificate from the certifying agent. The new organic certificate should include the issue date of certification which is the date the NOP reinstated the organic certification, and

(b) the insured provides a copy of the new organic certificate to the AIP by the ARD.

Refer to the NOP regulations for additional information regarding suspended certification.

C. Revocation

The insured or certified organic farming operation identified on the certificate, whose certification is revoked:

(1) before the ARD, does not qualify for the certified organic practice.

(2) after the ARD, the insured will remain qualified for the certified organic practice and the acreage will continue to be insured under the certified organic practice for the remainder of the crop year. The production from the acreage cannot be sold as organic and any loss for not following GFP and organic standards will be considered an uninsured cause of loss, see BP, 37(e).

(3) before or after the ARD will be:

(a) ineligible to receive insurance coverage under a certified organic practice for a period of at least five years following the date of such revocation.

C. Revocation (continued)

(b) eligible to insure the acreage under a conventional farming practice the following crop year, if all applicable requirements of the BP are met.

D. Accreditation of Certifying Agents

The Program Manager of Agriculture Marketing Service oversees the accreditation of certifying agents. When the Program Manager has reason to believe a certifying agent is not able to comply with the requirements of the OFPA and the NOP standards and denies accreditation to a certifying agent, the insured of a certified organic farming operation must:

(1) within the timeframe allowed by the NOP; find another certifying agent; or
(2) contact a NOP representative for assistance in finding another certifying agent, if there is difficulty in finding a certifying agent.

E. Transfers of Organic Certificates

The NOP provides an organic certification or certificate issued to a certified organic farming operation is not transferable to another person or business entity. This includes mergers or acquisitions, or other transfers of ownership of a certified organic farming operation. When there is a change of ownership of the organic farming operation, the new owner must apply for organic certification through a certifying agent.

In accordance with CCIP section 28, ARPI section 17, and WFRP section 29, transferees have the rights and responsibilities under the terms of the policy. Accordingly, the policy remains qualified for the organic practice and continues to be insured under the organic practice for the remainder of the crop year. However, any production from the acreage cannot be sold as organic and any loss for not following GFP and organic standards will be considered an uninsured cause of loss, unless the transferee has an organic certificate in place at the time of transfer.

875 Additional Policy Elements for Organic Acreage

A. Insurance Guarantees, Coverage Levels, and Premium Determination

The production guarantee or amount of insurance, coverage level, and prices are available in the actuarial documents.

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

Organic producers may also elect a contract price addendum when available in the actuarial documents.

B. Prevented Planting

Prevented planting, if available, is identified in the CP, BP, and SP. For eligible crops grown under an organic practice, PP coverage will:

(1) be provided, if such PP acreage is identified as certified organic acreage, transitional acreage (i.e., acreage transitioning to certified organic) or buffer zone acreage on the organic plan and as stated in the BP and CP.

(2) not be provided for acreage in excess of the number of acres shown on the acreage report. This includes acres exceeding those identified on the organic plan.

C. Quality Adjustment

There is no additional quality adjustment for crops grown under the organic practice. Quality adjustment, if available for a crop, will be identified in the CP, BP, and SP and the same quality adjustment procedures that apply will also apply to the same crop(s) produced under an organic practice.

D. Acreage Affected by Prohibited Substances

In the event of an occurrence of a Federal or State emergency pest or disease spraying treatment, or prohibited substance or drift onto the organic acreage:

(1) Organic certification is not affected when a Federal or State emergency pest or disease spraying is mandatory according to the NOP regulations.

(2) Organic certification is affected when there is a prohibited substance or drift onto the acreage. In this case, if the certifying agent does not issue an organic certificate to the insured as a result of the prohibited substance, the acreage cannot be insured under the organic practice.

876-900 (Reserved)

PART 9 RESERVED

901-1000 (Reserved)

PART 10 RESERVED

1001-1100 (Reserved)

PART 11 RESERVED

1101-1200 (Reserved)

PART 12 GENERAL ACREAGE REPORTING REQUIREMENTS

Section 1: General Requirements

1201 General Information

The acreage report is used to determine the liability or amount of insurance provided, premium, and establishes the insurable share at the time insurance attaches. Not all policies require an acreage report to determine liability or amount of insurance and in some instances, an acreage report is used to report units of measure other than acreage (e.g., for peanut revenue number of pounds is reported). Most crops require an acreage report except for Nursery, Aquaculture and WFRP which establish coverage on a different basis, see applicable crop program handbooks for more information.

1202 Annual Acreage Report Filing Requirements

(1) The insured, or authorized representative for the insured, must sign and submit an annual acreage report for those policies which require an acreage report.

(2) If the insured fails to submit a signed acreage report or to report all acreage or units, when units are applicable, the AIP may:

(a) deny liability on acreage or by unit, when units are applicable. Any acreage or unit not reported by the insured and the AIP denies liability must be documented as unreported acreage or unit; or

(b) determine the insurable acreage, share, practice, type, etc., by unit, when units are applicable. However, acreage or a unit can only be accepted by the AIP if it is determined from a crop inspection that the acreage meets the criteria for accepting unreported acreage as specified in the LAM.

If the AIP declares the acreage or unit "insured" the applicable premium and administrative fee are considered earned and payable.

(i) For additional coverage policies, the AIP is entitled to any premium due.
(ii) For CAT coverage policies, RMA is entitled to the imputed premium credit.

For CCIP policies, if an unsigned acreage report is submitted, the AIP may send a letter to the insured advising that the reported information will be binding if the insured does not provide revised information within a specified amount of time.

1203 Inaccurate Acreage Reports

It is imperative that the information required on the insured's acreage report is accurate.

Inaccurate information reported on the acreage report can result in over- and under-reported liability or unreported units that may adversely affect the liability and/or any potential indemnity.

1204-1210 (Reserved)

1211 Determining Insurable Share

A. Insurable Share

(1) An insurable share is the percentage of interest in the insured crop the owner, owner-operator, tenant or sharecropper has at the time insurance attaches. An insurable share of the crop means the insured has a financial risk directly related to the production of the crop (receives all or part of a crop) as an owner-operator, landlord, sharecropper or tenant at the time insurance attaches.

(a) A landlord is the person who holds the ownership interest to the land that is leased or rented to another person, called the tenant, on which the crop is grown. The landlord receives a cash payment or a share of the crop as a lease or as rental payment from the tenant.

(b) The tenant is the person who holds the possessory interest in the land that is leased/rented from the landlord. The tenant pays the landlord for use of the land by cash or share of the crop.

(c) Owner-operator is a person who holds an ownership interest to the land on which the crop is grown.

(d) Sharecropper is a person who works the land for a share of the crop produced on the land.

(e) To have an insurable share, the tenant or owner-operator must:

(i) produce the crop;

(ii) exercise managerial control relating to producing and marketing the crop (controls what to plant, when to plant, when to till, cultivate, irrigate, fertilize, spray, harvest, market, etc.);

(iii) carry all or part of the financial risk (including making credit arrangements, if applicable) related to producing the crop;

(iv) own, rent, or lease the farming equipment, make arrangements to obtain equipment, or hire custom work directly related to the production and harvest of the crop;

(v) hire, manage, and be responsible for the payment of the labor; or

(vi) purchase all inputs (seed, fertilizer, pesticides, herbicides, etc.).

(f) To have a 100 percent insurable share, the tenant or owner-operator must satisfy all the requirements in subparagraph (e), including having 100 percent of the financial risk.

A. Insurable Share (continued)

(i) If any of the requirements of subparagraph (e) are not satisfied, the tenant or owner-operator will have an insurable share that is less than 100 percent.

(ii) The insured may be required to provide documentation demonstrating that all the requirements in paragraph (e) have been met.

(iii) To the extent that any of the functions stated in subparagraph (e) are shared with another entity, the tenant or owner-operator does not have a 100 percent share.

(g) If less than a 100 percent share, the amount of insurable share is determined by the extent by which the tenant or owner-operator performs the functions stated in subparagraph (e) or the amount of compensation provided to any other entity to perform the function.

(2) Insurance share:

(a) Insurance will cover only the share of the crop owned by the person who completed the application unless the accepted application clearly indicates insurance is requested for a partnership or joint venture, or is intended to cover the landlord's or tenant's share of the crop,

(b) The share will not extend to any other person having an interest in the crop except as may be specifically allowed in the policy or CAT Endorsement.

(c) The interest of spouses, children, or other household members in most cases will be insured under one person and have only one policy number issued. Refer to Para. 251 for exceptions that allow spouses and children to have separate policies.

(3) Requirements for landlord or tenant to insure the other's share, see Para. 252.

(4) The insured establishes their insurable share on the acreage report by reporting the share insurable at the time insurance attached. However, only for the purpose of determining the amount of indemnity: If, during the final loss adjustment inspection, it is determined that the insured's share differs from what it was at the time insurance attached, the insured's share will be the lesser of what:

(a) it was at the time insurance attached, or
(b) the AIP determines to be the share at the earlier of:

(i) the time of loss, or
(ii) the beginning of harvest of the unit, unless excepted by the specific crop policy.

B. Share Arrangements (Written or Verbal)

(1) 100 percent crop share (Cash Lease)

(a) 100 percent crop shares include 100 percent share as owner/operator and/or land that is rented for cash, a fixed commodity payment, or any consideration other than a share in the crop.

(b) A lease that provides for EITHER a minimum payment (such as a specified amount of cash, bushels, pounds, etc.) OR a crop share is considered a cash lease (e.g., lease provides for a 50/50 crop share or $100 dollars, whichever is greater).

(c) A lease that contains a crop share but the percentage is not a fixed amount at the time coverage begins is considered a cash lease. Such leases may contain a cash consideration with an undetermined crop share percentage at the time coverage begins.

(2) Crop Share (Crop Share Lease)

(a) In order to have a crop share, the crop share percentage must be specified at the time coverage begins and cannot change based on the amount of production harvested. Refer to example 4 and 8 in subparagraph C below.

(b) Written or verbal lease agreements containing provisions for BOTH a minimum payment (such as a specified amount of cash, bushels, pounds, etc.) AND a crop share is considered a crop share lease.

C. Share Arrangement Examples

Example 1: The tenant (insured) agrees to give the landlord 1/3 of the crop in return for farming the land.

- The agreement is a crop share.
- The insured's share is 2/3 of the crop.

Example 2: The tenant (insured) agrees to give the landlord 1/3 of all the crops produced on the premises and to guarantee that the landlord's share of the crops will average $35 an acre. In the event that the landlord's share of the crops is worth less than $35 an acre, the tenant will pay the difference in cash to the landlord.

- The agreement is a crop share.
- The insured's share is 2/3 of the crop.

C. Share Arrangement Examples (continued)

Example 3: The tenant (insured) agrees to give the landlord $50 per acre cash and 1/4 of the crop in return for farming the land.

- The agreement is a crop share.
- The insured's share is 3/4 of the crop. We do not convert the $50 per acre cash payment to a share basis.

Example 4: The tenant (insured) agrees to give the landlord $50 per acre cash and 1/3 of all the bushels in excess of 60 bushels per acre. (Average yields for the area are usually around 55-65 bushels.)

- The agreement is a cash lease.
- The insured's share is 100 percent. The bushels in excess of the 60 bushels per acre are a "bonus" above and beyond the insured crop. The share percentage of the entire crop cannot be determined at the time coverage begins since it is dependent on how many bushels in excess of 60 bushels will be produced.

Example 5: The tenant (insured) agrees to give the landlord $50 per acre cash and 10 bushels per acre.

- The agreement is a cash lease.
- The insured's share is 100 percent. We do not convert the 10 bushels to a percentage share. In this scenario the tenant will pay the landlord a fixed amount, cash ($50) and commodity (10 bushels per acre).

Example 6: The tenant (insured) agrees to give the landlord 25¢ for every bushel of peaches harvested.

- The agreement is a cash lease.
- The insured's share is 100 percent. Because there is no agreement for a set share percentage of the crop at the time coverage begins, the insured's share must be considered a cash lease.

Example 7: The tenant (insured) agrees to pay the landlord $25 per acre OR 1/4 of the crop, whichever is greater.

- The agreement is a cash lease.
- The insured's share is 100 percent. Since the lease contains an either/or type arrangement, the share cannot be considered a fixed element of the lease.

C. Share Arrangement Examples (continued)

Example 8: The tenant's (insured's) lease agreement states that the tenant will receive the first 85 bushels per acre of corn produced. Of any bushels in excess of 85 bushels per acre, the tenant will receive 60 percent and the landlord will receive 40 percent. The insured's guarantee is 85 bushels and is based on the highest level of coverage that can be elected.

- The agreement is a cash lease.
- The insured's share is 100 percent. Since the insured receives the first 85 bushels and this amount is the insured's guarantee, 85 bushels is the maximum amount that could be insured under the policy.

Example 9: Flexible Share Arrangement. The tenant's (insured's) APH is 17.0 tons per acre. The tenant's lease agreement contains the following schedule:

TONS PRODUCED	TENANT'S SHARE	LANDOWNER'S SHARE
0.0 – 8.0	98%	2%
8.1 – 12.0	96%	4%
12.1 – 16.0	94%	6%
16.1 – 20.0	90%	10%
20.1 – 25.0	88%	12%
25.1 - ...	85%	15%

- The agreement is a share arrangement, since there is no mention of cash.

- The base share is derived from the tenant's (insured's) APH. Therefore, the share percentage range for the insured's (tenant's) APH reported on the acreage report would be 90 percent. Since the share is to be established at the time insurance attaches and both still have a share in the crop at the end of the crop year, the share percentage established at the time insurance attached will be retained for indemnity and premium purposes.

D. Spousal Shares

(1) Generally, spouses share in the same farming operation(s).

Individual (spouses) married couples are considered to be an individual person type, thus allowing only one policy with only one share shown for both on the acreage report, even when:

(a) FSA recognizes a married couple who shares in the same farming operation as "two persons" for the purpose of farm program payment limitations and requires only one policy to participate in FSA programs to be signed by the married couple.

D. Spousal Shares (continued)

(b) Such married couples are considered to be a spousal /married individual for crop insurance purposes. Refer to Para. 251.

1212 Reporting Field Location Identification on Acreage Reports

For an acreage report to be acceptable, insureds are required to report the land identifier for the reported acreage as provided in the BP and identified on the applicable AIP generated forms. Generally, the land identifier includes the legal description (Section/Township/Range), FSA FN or section equivalent for Unit Determinations.

Additionally, since 2010, RMA and AIPs have worked collectively, to enhance acreage reporting to include field identification. Reporting field identification allows USDA to enhance its inter-agency acreage reporting and allows RMA to enhance the crop insurance program by identifying the specific field location, in lieu of acreage reporting of land identifiers by insurable unit which may or may not identify specific insured fields. AIPs have increased the reporting of field location, and many have adopted technologies that facilitate the identification of field location.

The field location identification used by the USDA is a CLU, which is a digitized boundary representing the FSA farm/tract/field number. Beginning in CY 2016, RMA developed the RLU data standard in consultation with AIPs which enables field location reporting without specifically reporting a FSA Farm, Tract, and Field Number (digitized CLU). See Exh. 12 for RLU collection standards.

Beginning with the 2017 crop year, insureds must report the field identification as the land identifier for policies insured under the CCIP and ARPI Basic Provisions, for the following insurance plans:

- 01 Yield Protection
- 02 Revenue Protection
- 03 Revenue production with Harvest Price Exclusion
- 04 Area Yield Protection
- 05 Area Revenue Protection
- 06 Area Revenue Protection with Harvest Price Exclusion.

Insureds can meet the acreage reporting requirement for field identification by:

(1) Providing the FSA Farm, Tract, and Field Number, including the FSA administrative State and County (e.g., FSA Form 578);

(2) Clearly identifying the field location(s) and associated boundaries using AIP map-based reporting (USDA CLU or RLU); or

(3) Other mapping resources which clearly delineate the field's location.

(4) If mapping software for acreage reporting is not available, field level reporting can be accomplished by using the FSA farm, tract and field in paper copy. An insured's FSA Farm/Tract/Field Number represent the digitized CLU.

If an insured does not provide the field identification on the acreage report for insurance plans 01-06, then the acreage is considered unreported acreage and any and all unreported or misreported information penalties would apply under both CCIP and ARPI policies, including rejection of the acreage report and subsequent denial of liability to the insured.

AIPs must display the land location identification on the acreage report either through mapping or through field data entry as required on the form. This requirement cannot be met by attaching the FSA 578 to the acreage report.

AIPs must conform field identification provided by insureds to the Appendix III field location identification (e.g., CLU/RLU) reporting standards.

For all other insurance plans, insureds must continue to report the land identifier, in accordance with their applicable policy provisions and form requirements which includes: the legal description (Section/Township/Range), FSA FN, CLU/RLU or other land identifiers as required by the policy and specific plan/crop or situation (e.g., native sod) procedures for acreage reports. In subsequent crop years, RMA plans to continue expanding field location reporting for all plans of insurance.

1213-1300 (Reserved)

A. Acronyms and Abbreviations

ACRONYM	FULL TITLE	ACRONYM	FULL TITLE
AAP	Actual Average Percentage	**Category G**	Nursery
ACT	Federal Crop Insurance Act (Pub. L. 104-127)	**CBP**	Customs and Border Patrol
AD	Actuarial Documents	**CC**	Continuous Cropping
AF	Annual Forage	**CCC**	Commodity Credit Corporation
AIB	Actuarial Information Browser	**CCD**	Contract Change Date
AIP	Approved Insurance Provider	**CCIP**	Common Crop Insurance Policy Basic Provisions
AMBA	American Malt Barley Association	**CCPB**	California Cling Peach Board
AMS	Agricultural Marketing Service	**CEPP**	Commodity Exchange Price Provisions
APH	Actual Production History	**CES**	Cooperative Extension Service
AR	Acreage Report	**CFO**	RMA Compliance Field Office
ARD	Acreage Reporting Date	**CFR**	Code of Federal Regulations
ARH	Actual Revenue History	**CIH**	FCIC-18010 Crop Insurance Handbook
ARPA	Agricultural Risk Protection Act of 2000 (Pub. L. 106-224)	**CIMS**	Comprehensive Information Management System
ARPI	Area Revenue Protection Insurance Policy Basic Provisions	**CIS**	Citizenship and Immigration Service
ASA	American Society of Agronomy	**CLU**	FSA Common Land Unit (Field)
ATTRA	Appropriate Technology Transfer for Rural Areas	**COI**	Conflict of Interest
AUP	American Upland Cotton	**COL**	Cause of Loss
BFR	Beginning Farmer and/or Rancher	**CP**	Crop Provisions
BIA	Bureau of Indian Affairs	**CPA**	Contract Price Addendum
BP	Basic Provisions	**CPF**	Commingled Production Factor
BU	Basic Unit	**CRP**	Conservation Reserve Program
BUD	Basic Unit Discount	**CSREES**	Cooperative Research, Education, and Extension Service
CAT	Catastrophic Risk Protection Endorsement	**CWC**	Chemical Weed Control
Category B	Annual Crops	**CY**	Crop Year
Category C	Perennial Crops	**DF**	Discount Factor
Category D	Dollar Plan Crops	**DNP**	Do Not Pay

A. Acronyms and Abbreviations (continued)

Acronym	Full Title	Acronym	Full Title
DO	Dollar Amount of Insurance	**GPA**	Guarantee Per Acre
DP	Default Percentage	**GPS**	Global Positioning System
DSSH	FCIC 24040 Document and Supplemental Standards Handbook	**GSH**	FCIC 18090 General Standards Handbook
EDP	Electronic Data Processing	**GSI**	Growing Season Inspection
EIN	Employer Identification Number	**GWSS**	Glassy Winged Sharpshooter Infestation
ELAP	Emergency Livestock Assistance Program	**H**	Harvest
ELS	Extra Long Staple Cotton	**HELC**	Highly Erodible Land Conservation
EOI(P)	End of Insurance (Period)	**HRACE**	High Risk Alternate Coverage Endorsement
EP	Enterprise Unit by Practice	**IBR**	Inter-tilled Between Rows
EPLPPS	Nursery Crops Eligible Plant Listing/Plant Price Schedule	**IDY**	Individual Determined Yields
EPLS	Excluded Parties List System	**INA**	Immigration and Nationality Act
EU	Enterprise Unit	**INS**	Immigration and Naturalization Service
EXH	Exhibit	**IRR**	Irrigated
FAC	Following Another Crop	**IRS**	Internal Revenue Service
FAD	Final Agency Determination	**ISO**	International Organization for Standardization
FB	Feed Barley	**ITIN**	Individual Tax Identification Number
FCI	Federal Crop Insurance	**ITM**	Information Technology Management
FCIC	USDA Federal Crop Insurance Corporation	**ITS**	Ineligible Tracking System
FGIS	USDA Federal Grain Inspection Service	**LAC**	Loss Adjustment Contractor
FM	Foreign Material	**LAF**	Liability Adjustment Factor
FN	Farm Number	**LAM**	FCIC 25010 Loss Adjustment Manual
FPD	Final Planting Date	**LASH**	Loss Adjustment Standards Handbook
FSA	USDA Farm Service Agency	**LFP**	Livestock Forage Disaster Program
GeoJSON	Geographic JavaScript Object Notation	**LGM**	Livestock Gross Margin
GFP	Good Farming Practices	**LIP**	Livestock Incentives Program
GIPSA	USDA Grain Inspection, Packers, and Stockyards Administration	**LMP**	Local Market Price
GIS	Geographical Information System	**LP**	Late Planting

A. Acronyms and Abbreviations (continued)

Acronym	Full Title	Acronym	Full Title
LPD	Late Planting Date	**OC**	Organic Certified
LPD	Late Payment of Debt (ITS Only)	**OFPA**	Organic Foods Protection Act (7 U.S.C. 6502)
LPP	Late Planting Period	**OT**	Organic Transitional
LPRA	Livestock Price Reinsurance Agreement	**OU**	Optional Unit
LRR	Late Reporting Reduction	**P/T**	Practice/Type
MCEU	Multi-County Enterprise Unit Endorsement	**PAAD**	RMA, PM Product Analysis and Accounting Division
MI	Misreported Information	**PAIR**	Perennial Crop Pre-Acceptance Inspection Report
MY	Master Yield	**PARA.**	Paragraph
NAD	National Appeals Division	**PASD**	RMA, PM, Product Administration and Standards Division
NAICC	National Alliance of Independent Crop Consultants	**PASS**	Policy Acceptance and Storage System
NAP	FSA Non-Insured Assistance Program	**PAW**	Pre-Acceptance Worksheet
NASS	National Agricultural Statistics Service	**PF**	Protection Factor
NCIS	National Crop Insurance Services	**PLSS**	Public Land Survey System
NDS	Non-Disclosure Statement	**PM**	RMA, Product Management
NFAC	Not Following Another Crop	**POA**	Power of Attorney
NIBR	Not Inter-tilled Between Rows	**PP**	Prevented Planting
NIRR	Non-irrigated	**PPB**	Parts per Billion
NISH	FCIC 24090 Nursery Crop Insurance Standards Handbook	**PPM**	Parts per Million
NOAA	National Oceanic and Atmospheric Administration	**PPSH**	Prevented Planting Standards Handbook
NOL	Notice of Loss	**PRD**	Production Reporting Date
NOP	National Organic Program	**PRF**	Pasture, Rangeland, Forage
NPS	No Practice Specified	**PRV**	Pecan Revenue
NRCS	USDA Natural Resources Conservation Service	**PRWORA**	Personal Responsibility and Work Opportunity Reconciliation Act of 1996
NRS	Non-Reinsured Supplemental policy	**PTC**	Production to Count

A. Acronyms and Abbreviations (continued)

Acronym	Full Title	Acronym	Full Title
PW	Production Worksheet	**SSA**	Social Security Administration
QAF	Quality Adjustment Factor	**SSN**	Social Security Number
RAN	RMA Assigned Number	**STAX**	Stacked Income Protection Plan
RI	Rainfall Index	**TAP**	Tree Assistance Program
RIV	Reduction in Value	**TDP**	Tree-based Dollar Amount of Insurance
RLU	Resource Land Unit (Field)	**TIN**	Tax Identification Number
RMA	USDA Risk Management Agency	**TMA**	T-Yield Map Area
RMSD	RMA, Insurance Services, Risk Management Services Division	**TW**	Test Weight
RO	RMA, Insurance Services, Regional Office	**TWF**	Test Weight Factor
RP	Revenue Protection	**TWPF**	Test Weight Pack Factor
RPHPE	Revenue Protection Harvest Price Exclusion	**T-Yield**	Transitional Yield
RSA	Representative Sample Area	**UA**	Unit Structure Code for WUA
RSC	Representative Sample of Crop	**UAS**	Unmanned Aerial System
RSD	RMA, Reinsurance Services Division	**UAV**	Unmanned Aerial Vehicle
RY	Reinsurance Year	**UD**	Unit Structure Code for Unit Division Option
RYAF	Reference Year Adjustment Factor	**UDO**	Unit Division Option
SARE	Sustainable Agriculture Research and Education	**UG**	RO Underwriting Guide
SA-T	Simple Average T-Yield	**UH**	Unharvested
SBI	Substantial Beneficial Interest	**US**	United States
SCD	Sales Closing Date	**USC**	United States Code
SCO	Supplemental Coverage Option	**USDA**	United States Department of Agriculture
SCP	Simplified Claims Process	**USGSA**	United States Grain Standards Act
SEC	Section	**USICE**	United States Immigration and Customs Enforcement
SF	Summer Fallow	**USWA**	United States Warehouse Act
SNR	Signal to Noise Ratio	**UUF**	Unavoidable Uninsured Fire
SP	Special Provisions	**VFR**	Veteran Farmer or Rancher
SRA	Standard Reinsurance Agreement	**VI**	Vegetation Index
SRH	Summary of Revenue History	**WA**	Written Agreement

A. Acronyms and Abbreviations (continued)

Acronym	Full Title	Acronym	Full Title
WAH	FCIC 24020 Written Agreement Handbook	**WU**	Whole Farm Unit
WC	Wetland Conservation	**WUA**	Written Unit Agreement
WCE	Winter Coverage Endorsement	**XML**	Extensible Markup Language
WFRP	Whole Farm Revenue Protection (Pilot)	**YP**	Yield Protection
WSG84	World Geodetic System 1984	**ZMV**	Zero Market Value

B. Definitions

Abandon – Failure to continue to care for the crop, providing care so insignificant as to provide no benefit to the crop, or failure to harvest in a timely manner, unless an insured cause of loss prevents you from properly caring for or harvesting the crop or causes damage to it to the extent that most producers of the crop on acreage with similar characteristics in the area would not normally further care for or harvest the crop.

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

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

Acreage Insurable under the Irrigated Practice – Insurable acreage for which the insured can demonstrate, to the AIP's satisfaction, that adequate facilities and water existed, at the time insurance attached to carry out a good irrigation practice for the insured crop. The insured is responsible for demonstrating that, at the time insurance attached, there was a reasonable expectation receiving adequate water to carry out a good irrigation practice on acreage insured under the irrigated practice.

Act – Subtitle A of the Federal Crop Insurance Act (7 U.S.C. 1501-1524).

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

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

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

Actuarial Documents – The information for the crop year which is available for public inspection 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.

Added Crop, Practice or Type – An insured crop or P/T of the insured crop as identified on the actuarial documents that requires a separate APH yield, administered on a county/crop basis, for which the insured has not been engaged in farming for a share of the P/T's production in the farming operation.

Added Land - Cropland acreage (irrespective of crops) added for the current crop year to the insured person's farming operation within the county. For crops with a lag year, the previous crop year is used to determine the added land instead of the current crop year. For acreage to be considered added land, the insured must not have been previously engaged in farming for a share of any crop on that acreage.

B. Definitions (continued)

Added Land/New Database With Records - Added land or a new database for which acceptable production reports, based upon the production records obtained from a person sharing in the crop/P/T's production for the current crop year or transferred APH data, have been filed by the PRD for the current crop year by the insured or to which assigned yields apply.

Added Land/New Database Without Records - Added land or a new database for which acceptable production reports have not been filed by the PRD for the current crop year and has not been planted to the crop by the insured or to which assigned yields do not apply.

Additional Coverage - A level of coverage greater than CAT.

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

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

Adjusted Yield – The average of the annual yields in the APH database: without yield limitations (cups and floors); without any yield exclusion; and with yield substitutions, if YA is elected by the insured. If YA is not elected by the insured, yield substitutions are not included and the adjusted yield is the average of the annual yields in the APH database. However, when yield reductions apply to the APH database, the adjusted yield must equal the approved APH yield.

Administrative Fee - The amount an insured must pay for each catastrophic risk protection and additional coverage for each crop year as specified in the Basic Provisions and Catastrophic Risk Protection Endorsement.

Agent - An individual who is licensed by the State in which an eligible crop insurance contract is sold and serviced for the reinsurance year; and who is authorized by the Company, or the Company's designee, to sell and service such eligible crop insurance contract.

Affiliate - as defined by the SRA.

Agricultural Commodity - Any crop or other commodity produced, regardless of whether or not it is insurable.

B. Definitions (continued)

Agricultural Experts - Person(s) who are employed by the Cooperative Extension System or the agricultural departments of universities, or other persons approved by FCIC, whose research or occupation is related to the specific crop or practice for which such expertise is sought. Persons who have a personal or financial interest in the insured or the crop will not qualify as an agricultural expert. See also Organic Agricultural Experts.

Note: Agricultural experts currently approved by RMA include persons employed by the Cooperative Extension System, the agricultural departments of States and universities, and persons certified by the ASA as Certified Crop Advisers and Certified Professional Agronomists, persons certified by the NAICC as Certified Professional Crop Consultants and persons certified by the American Society for Horticultural Sciences as Certified Professional Horticulturists. Persons certified by other certification programs may be recognized as agricultural experts by RMA if their participant's research or occupation is related to the specific crop or practice for which such expertise is sought.

Agricultural Marketing Service (AMS) – An agency, the Agricultural Marketing Service, or its successor, of the United States Department of Agriculture

AIP Inspection – An inspection initiated by the AIP. These inspections may be initiated where misrepresentation is suspected or where routine spot checks are being performed.

Annual Crop – An agricultural commodity that normally must be planted each year.

Annual Yield - A yield per acre for a crop year, used to complete the base period in an APH database. Annual yields may be any of the following: actual yields, assigned yields, determined yields, transitional yields (T-Yields) or other yields calculated according to FCIC approved procedures.

Another Use, Notice of – The written notice required when the insured wishes to put acreage to another use. Refer to "Other Use."

APH Database - The data used to calculate the average/approved APH yield. A minimum of four up to a maximum of ten continuous APH crop years of production data are used. The data provided must begin with the most recent APH crop year. Years containing assigned yields do not break continuity of production data and are considered APH crop years.

Applicant – A person who has submitted an application for crop insurance under the authority of the Act.

Application – The form required to be completed by the applicant/insured and accepted by the AIP before insurance coverage will commence. This form must be completed and filed with the AIP (e.g. in the agent's office) not later than the SCD of the initial crop year for each crop for which insurance coverage is requested. If cancellation or termination of insurance coverage occurs for any reason, including but not limited to indebtedness, suspension, debarment, disqualification, cancellation by the insured or AIP or violation of the controlled substance provisions of the Food Security Act of 1985, a new Application must be filed for the crop. Insurance coverage will not be provided if applicant/insured is ineligible under the contract or under any Federal statute of regulation.

B. Definitions (continued)

Applicable T-Yield - T-Yield in effect for an APH database. For instance, if a SA T-Yield is in effect for an APH database, the SA T-Yield is the applicable T-Yield for the APH database for purposes such as yield substitution or yield limitations; or, if a published T-Yield is in effect for an APH database, the published T-Yield is the applicable T-Yield for the APH database for purposes such as yield substitution or yield limitations.

Appraised Production (APH) - Production determined by the AIP for unharvested acreage, reflecting the potential production for the crop at the time of the appraisal. Appraisals made for production LOST due to insured or uninsured cause(s) of loss are not considered production for APH purposes. Only potential production remaining in the field at the time of the appraisal is used for APH purposes. Applies to both APH appraisals and appraisals made to determine a loss.

Appraised Production (Loss) – Production from unharvested acreage determined by the AIP that reflects potential production for the crop at the time of appraisal. Appraised production can also be production assessed (harvested or unharvested acreage) for uninsured causes, destroying or putting acreage to another use without consent, abandoned acreage, or the insured's failure to provide records of production that are acceptable.

Appraisal Worksheet – A form used by an adjuster to enter appraisal information such as plant counts, tillers, sample weights, etc., to compute appraisals on unharvested or damaged crop acreage.

Approved APH Yield (Approved Yield) - The yield, calculated and approved by the verifier, used to determine the production guarantee by summing the yearly actual, assigned, adjusted or unadjusted T-yields and dividing the sum by the number of yields contained in the database, which will always contain at least four yields. The database may contain up to 10 consecutive crop years of actual or assigned yields. The approved yield may have yield adjustments elected under applicable policy provisions, yield revisions/reductions or other limitations according to FCIC approved procedures applied when calculating the approved yield.

Approved Insurance Provider - A legal entity, including the Company, which has entered into a Standard Reinsurance Agreement with FCIC for the applicable reinsurance year.

Area - Land surrounding the insured acreage with geographic characteristics, topography, soil types and climatic conditions similar to the insured acreage.

Area - ARPI – The general geographical region in which the insured acreage is located, designated generally as a county but may be a smaller or larger geographical area as specified in the actuarial documents.

Area Loss Trigger – The percent of expected area yield or revenue, as applicable, below which an indemnity is paid.

Area Revenue Protection – A plan of insurance that provides protection against loss of revenue due to a county level production loss, a price decline, or a combination of both. This plan also includes upside harvest price protection, which increases the policy protection at the end of the insurance period if the harvest price is greater than the projected price and if there is a production loss.

B. Definitions (continued)

Area Revenue Protection with the Harvest Price Exclusion – A plan of insurance that provides protection against loss of revenue due to a county level production loss, price decline, or a combination of both. This plan does not provide upside harvest price protection.

Area Risk Protection Insurance (ARPI) – Insurance coverage based on an area, not an individual, yield or revenue amount. There are three plans of insurance available under ARPI: Area Revenue Protection, Area Revenue Protection with the Harvest Price Exclusion, and Area Yield Protection.

Area Yield Protection – A plan of insurance that provides protection against loss of yield due to a county level production loss. This plan does not provide protection against loss of revenue or upside harvest price protection.

Assigned Yield - A yield assigned (by the verifier) for the most recent APH crop year in the base period (by database) if carryover insureds do not file acceptable production reports by the PRD, as required by the crop insurance policy. The assigned yield is 75 percent of the previous year's approved APH yield. Assigned yields are used in the same manner as actual yields when calculating APH yields.

Assignment of Indemnity – A transfer of policy rights, made on the AIP's form, and effective when approved in writing by the AIP. It is the arrangement whereby the insured assigns his/her right to an indemnity payment for the crop year only to creditors or other persons to whom the insured has a financial debt or other pecuniary obligation.

Assuming Agent – An AIP agent who assumes the contracts that were previously serviced by another AIP.

Assuming AIP – AIP that assumes the contracts that were previously serviced by another AIP.

Authorized Person (ITS) – Any current or past officer, employee, elected official, managing general agent, agent, or contractor of an AIP, FCIC, or any other government agency whose duties required access to the ITS to administer the Act.

Authorized Representative (Insured's) - Any person authorized by the insured to conduct crop insurance business, including the authority to sign documents, on behalf of the insured (e.g., Power of attorney, or authorized representative of a corporation, etc.). The authorization must be a legally executed agreement in writing which indicates the representative's name and details the authority granted.

Average yield. The yield calculated by totaling the yearly actual yields, assigned yields (due to failure to provide an acceptable production report, excessive yields, and second crop planted without double cropping history on prevented planted acreage), and adjusted or unadjusted transitional yields, and dividing the total by the number of yields contained in the database. Crop years when acreage is not planted, is short-rated or meets the criteria for exclusion due to damage to UUF or a third party are not included in the calculation of the average yield.

B. Definitions (continued)

Base Period - Ten consecutive APH crop years (five consecutive APH crop years for Apples and Peaches) immediately preceding the current policy crop year (defined in the applicable insurance policy) for which the approved APH yield is being established. Exceptions: the base period for AZ-CA Citrus, Macadamia Nuts, Sugarcane, Texas Citrus Fruit and Tobacco [cigar wrapper] begins two calendar years preceding the current policy crop year (a lag year). The base period for each APH database is determined by the consecutive APH crop years it contains, not by calendar years.

Basic Unit (BU) - All insurable acreage of the insured crop in the county on the date coverage begins for the crop year: (1) In which the insured has 100 percent crop share; or (2) Which is owned by one person and operated by another person on a share basis. (e.g., If, in addition to the land owned by the insured, the insured rents land from five landlords, three on a crop share basis and two on a cash basis, the insured would be entitled to four basic units; one for each crop share lease and one that combines the two cash leases and the land owned.) Land which would otherwise be one unit may, in certain instances, be divided according to guidelines contained in the BP and in the applicable CP.

Beginning Farmer or Rancher – An individual who has not actively operated and managed a farm or ranch in any state, with an insurable interest in a crop or livestock as an owner-operator, landlord, tenant, or sharecropper for more than five crop years, as determined in accordance with Part 3. Any crop year's insurable interest may, at the insured's election, be excluded if earned while under the age of 18, while in full-time military service of the United States (or if the person is a spouse to an individual in full-time military service of the United States) or while in post-secondary education, in accordance with Para. 301C. A person other than an individual may be eligible for beginning farmer or rancher benefits if there is at least one individual SBI holder and all SBI holders qualify as a beginning farmer or rancher.

Beneficiary (Loss) – A person, determined by the AIP, to receive indemnity payments, in the event of the death of the original policyholder.

Block – Trees, vines, or bushes in an orchard, vineyard, or bog of a single or mixed age and density, separated by applicable practice, type, T-Yield Map Areas, or other characteristics shown in the actuarial documents (e.g., early, mid, late).

Buffer Zone - An area or a parcel of land, as designated in the organic plan that separates agricultural commodities grown under organic farming practices from agricultural commodities grown under non-organic farming practices. A buffer zone must be sufficient in size or other features, as stated in the NOP regulations, to prevent or minimize the possibility of unintended contact of prohibited substances or organisms applied to adjacent land areas with an area that is part of the certified organic farming operation.

Buffer Zone Acreage - Acreage of the insured crop located in a buffer zone.

Cancellation Date - The calendar date specified in the CP on which coverage for the crop will automatically renew unless canceled in writing by either the insured or the AIP or terminated in accordance with the policy terms.

Carryover Insured - A person who was insured the previous year without respect to the AIP or plan of insurance for a crop policy (by county) basis.

B. Definitions (continued)

Catastrophic Risk Protection - CCIP - The minimum level of coverage offered by FCIC. CAT is not available with Revenue Protection.

Catastrophic Risk Protection - ARPI - The minimum level of coverage offered by FCIC. CAT is not available with Area Revenue Protection or Area Revenue Protection with the Harvest Price Exclusion.

Catastrophic Risk Protection Endorsement - The part of the crop insurance policy that contains provisions of insurance specific to CAT.

Category B Crops - Includes the following crops: Barley, Beans (Dry, including contract seed beans and Processing), Buckwheat, Cabbage, Canola/Rapeseed, Corn, Cotton, Cultivated Wild Rice, ELS Cotton, Flax, Forage Production, Grain Sorghum, Millet, Mint, Mustard, Oats, Onions, Peanuts, Peas (Dry and Green), Pickling Cucumbers, Popcorn, Potatoes, Processing Pumpkins, Processing Sweet Corn, Rice, Rye, Safflower, Soybeans, Sugar Beets, Sugarcane, Sunflower Seed, Tobacco, Tomatoes (Processing and Fresh Market Guaranteed Production) and Wheat.

Category C Crops – Includes the following crops: Almonds, Apples, Arizona-California Citrus, Blueberries, Cranberries, Figs, Grapes, Macadamia Nuts, Peaches, Pears, Prunes, Stonefruit (Apricots, Nectarines, Peaches, and Plums), Table Grapes, Texas Citrus Fruit and Walnuts are Category C APH crops.

Category D Crops – Dollar Plan Crop includes the following: Citrus (Florida), Citrus Trees (Texas), Forage Seeding, Hybrid Seed Corn, Hybrid Sorghum Seed, Macadamia Trees, Peppers, Raisins, Sweet Corn (Fresh Market), Tomatoes (Fresh Market-Dollar Plan).

Category G Crops – Nursery Crop, which includes all plants listed on the Eligible Plant Listing and Plant Price Schedule.

Ceding Agent – An AIP agent who cedes or transfers a contract (that the agent previously serviced) to another AIP agent.

Ceding AIP – The AIP that cedes or transfers a contract (that the AIP previously serviced) to another AIP.

Certificate (Organic) - A written document that identifies the name of the person certified, effective date of certification, certificate number, types of products certified, and name and address of the certifying agent.

Certification (Organic) - A determination made by a certifying agency that the production or handling operation is in compliance with the AMS NOP certification standards.

Certified Organic Acreage – Acreage in the certified organic farming operation that has been certified by a certifying agent as conforming to organic standards in accordance with OFPA and 7 CFR part 205.

Certifying Agent (Organic) – A private or governmental entity accredited by the USDA Secretary of Agriculture for the purpose of certifying a production, processing or handling operation as organic.

B. Definitions (continued)

Cherry Pick – To harvest or remove a portion of the crop from the crop acreage by selecting the best or most desirable fruit production including quality by either hand or mechanical harvesting while leaving less desirable fruit unharvested on the crop acreage.

Circumference – The distance around the outer boundary of a circular structure, such as a grain bin.

Class - A specific subgroup of commodity type.

Claim Form – An insurance document used to record appraisals of potential or assessed production, unharvested and harvested production to count, and acres by practice and type from which an indemnity will be computed.

Claim for Indemnity – A claim made on the AIPs form that contains the information necessary to pay the indemnity as specified in the applicable BPs and associated procedures.

Claims Supervisor – Any person having immediate or day-to-day supervisory control, management or oversight authority of the activities of loss adjusters or other persons who determine whether an indemnity will be paid and the amount thereof.

Classified Land (Insurable Land) – Land on which both a coverage and rate have been established in the county actuarial documents, making crops shown on the table that are grown on the land eligible for insurance.

Code of Federal Regulations - The codification of general and permanent rules published in the Federal Register by the Executive departments and agencies of the Federal Government. Rules published in the Federal Register by FCIC are contained in 7 CFR chapter IV. The full text of the CFR is available in electronic format at www.ecfr.gov or a successor website.

Companion Contracts – Crop insurance contracts of individuals having a share in the same crop/crop units for the crop year.

Comparable Acreage – Acreage on the insured's farm or on another farm in the area that is planted to the same crop following the same farming practices, management practices, similar planting dates, etc., and that has not been damaged by uninsured cause(s) of loss.

Commodity Exchange Price Provisions - A part of the policy that is used for all crops for which revenue protection is available, regardless of whether an insured elects revenue protection or yield protection for such crops. This document includes the information necessary to derive the projected price and the harvest price for the insured crop, as applicable.

Complete Crop Rotation – A rotation of a row crop(s) and a rotational crop(s) (such as, alfalfa, hay crop, forage crop, etc.) in which a complete cycle of the rotation crops has been completed [such as, a rotation of row crop(s)-rotational crop(s)-row crop(s), or rotational crop(s)-row crop(s)-rotational crop(s)].

Conical Pile – A quantity of crop whose base is a circle and whose sides taper evenly up to a point.

Consent - Approval in writing by the AIP allowing the insured to take a specific action.

B. Definitions (continued)

Contemporaneous – Occurring or originating during the same time.

Continuous Coverage – Insurance coverage not canceled or terminated for a crop year. Transfer of coverage to a different AIP is still continuous coverage.

Continuous Rating – A rate presentation method that allows a rate to be calculated for each unit of measure of a crop or for any producer's APH yield.

Continuous Production Reports - Production reports submitted by an insured for each consecutive APH crop year (within the base period), including the most recent APH crop year in the base period. Continuity is not interrupted if for any calendar year the crop was not planted, prevented from being planted by an insurable cause, or NOT produced for an insurable purpose. Rules for reporting continuity of records also apply to applicants/insureds certifying percentages of grade or other applicable grade factors when applicable.

Contract - see "Policy".

Contract Change Date - The calendar date by which changes to the policy, if any, will be made available in accordance with the BP and CP.

Controlled Substance – has the same meaning provided in 7 CFR § 3021.610.

Conventional Farming Practice - A system or process that is necessary to produce an agricultural commodity, excluding organic farming practices.

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

Conviction – A judgment or any other determination of guilt of a criminal offense by any court of competent jurisdiction, whether entered upon a verdict or plea, including a plea of no contest.

Cooperative Extension System – A nationwide network consisting of a State office located at each State's land-grant university, and local or regional offices. These offices are staffed by one or more agricultural experts, who work in cooperation with the National Institute of Food and Agriculture, and who provide information to agricultural producers and others.

County - CCIP - Any county, parish, or other political subdivision of a state listed in the actuarial documents and designated on the accepted Application ("county" includes acreage in a field that extends into the adjoining county or state if the county or state boundary is not readily discernible).

County - ARPI - Any county, parish, political subdivision of a state, or other area specified on the actuarial documents shown on the accepted application, including acreage in a field that extends into an adjoining county or state if the county or state boundary is not readily discernible.

County Crop Program – The offering of insurance coverage by FCIC on a crop in a specified county or parish as approved by FCIC.

B. Definitions (continued)

Cover Crop - A crop generally recognized by agricultural experts as agronomically sound for the area for erosion control or other purposes related to conservation or soil improvement. A cover crop may be considered to be a second crop (see the definition of "second crop").

Coverage (Guarantee) – The amount of insurance protection against insured loss of production or value, by unit as shown on the insured's summary of coverage.

Coverage Begins, Date – The calendar date insurance begins on the insured crop, as contained in the CP (SP, if applicable), or the date planting begins on the unit.

Crop Endorsement – An adjunct to the BP that contains crop-specific provisions.

Crop Loss Adjustment Standards – The FCIC-issued crop-specific procedures that must be used to perform loss adjustment. They contain appraisal methods, forms completions instructions, and any other loss adjustment instructions specific to the crop. The AIP must comply with these standards when performing loss adjustment.

Crop of Economic Significance – A crop or a type of a crop (if the applicable policy allows the option to separately insure individual crop types) that has either contributed in the previous crop year, or is expected to contribute in the current crop year, 10 percent or more of the total expected value of the producer's share of all crops grown in the county. However, a crop will not be considered a crop of economic significance if the expected liability under the CAT Endorsement is equal to or less than the administrative fee required for the crop.

Crop Provisions – An adjunct to the BP that contains crop-specific provisions (appraisal of production, production to count, indemnity calculations, definitions, etc.)

Crop Year -

APH Crop Year. For APH purposes, the term does not include any year the crop was not planted, prevented from being planted by an insurable cause (including acreage with an assigned yield because PP payments were limited to 35% of the PP payment) or not produced for an insurable purpose as provided in the crop's policy.

Example 1 When an insured plants insurable acreage in a county to wheat for harvest as grain, that year is a crop year for APH data purposes. If the land is summer fallowed the next calendar year, that year is not a crop year for APH data purposes.

Example 2 A year that oats were planted as a cover crop, pastured, or put up for hay is not considered an APH crop year unless such acreage was reported and insured as "intended for harvest as grain" under a policy.

Policy Crop Year - The period within which the insured crop is normally grown, regardless of whether or not it is actually grown and designated by the calendar year in which the insured crop is normally harvested, unless otherwise specified in the CP.

Crop Year - The period within which the insured crop is normally grown and designated by the calendar year in which the crop is normally harvested.

B. Definitions (continued)

Cropland Acreage - Acreage devoted to the production of annual and perennial crops including fallow acreage. Do not just use the acreage planted to insured crops or FSA program payment acreage.

Cropland Acreage Limitations – For added land and new crop/P/T/TMA determinations, the criteria that establishes the total cropland acreage that may be added to the insured's farming operation, to an existing BU or OU or added as a separate OU and the use existing unit's approved yield or SA T-yield

Damage – Injury, deterioration, or loss of production of the insured crop due to insured and/or uninsured causes.

Days - Calendar days, unless otherwise noted.

Debt – An amount of money which has been determined by an appropriate agency official to be owed, by any person, to FCIC or an insurance provider under any program administered under the Act based on evidence submitted by the insurance provider. The debt may have arisen from an overpayment, premium or administrative fee nonpayment, interest, penalties, or other causes.

Debtor – A person who owes a debt and that debt is delinquent.

Deductible – The amount determined by subtracting the coverage level percentage the insured chooses from 100 percent. For example, if the insured elected a 65 percent coverage level, the insured's deductible would be 35 percent (100% - 65% = 35%).

Delayed Claim – A claim for indemnity form signed by the insured later than the time required in the applicable policy.

Delayed Notice – A notice of damage or loss filed by the insured after the time required in the policy.

Delinquent Debt - Any debt owed to FCIC or the insurance provider, that arises under any program administered under the authority of the Act, that has not been paid by the termination date specified in the applicable contract of insurance, or other due date for payment contained in any other agreement or notification of indebtedness, or any overdue debt owed to FCIC or the insurance provider which is the subject of a scheduled installment payment agreement which the debtor has failed to satisfy under the terms of such agreement. Such debt may include any accrued interest, penalty, and administrative charges for which demand for repayment has been made, or unpaid premium including any accrued interest, penalty and administrative charges (7 CFR § 400.116). A delinquent debt does not include debts discharged in bankruptcy and other debts which are legally barred from collection.

De Minimis Acres – Native sod acres that are cumulatively 5 acres or less in a county.

Denial of certification (Organic) - A determination made by AMS NOP that a grower who has applied for certification is not able to comply with the OFPA and 7 CFR part 205 certification standards.

Destroyed Without Consent – A determination made by an adjuster that an insured has altered the condition of a crop (without permission) so that an accurate appraisal cannot be made.

Diameter –A straight line measurement passing through the center of a circle. Normally an inside measurement when measuring the volume of a round storage structure.

Digitizer – A measuring tool that computes areas and lengths by tracing an area and directly entering the results into a computer. Some digitizers have small internal computers. It is used to obtain acreage measurements.

Disinterested Third Party - A person who does not have any familial relationship (parents, brothers, sisters, children, spouse, grandchildren, aunts, uncles, nieces, nephews, first cousins, or grandparents, related by blood, adoption or marriage, are considered to have a familial relationship) with the insured or who will not benefit financially from the sale of the insured crop. Persons who are authorized to conduct quality analysis in accordance with the CP are considered disinterested third parties unless there is a familial relationship.

Disinterested Third Party (Loss) – A person that does not have any familial relationship (parents, brothers, sisters, children, spouse, grandchildren, aunts, uncles, nieces, nephews, first cousins, or grandparents, related by blood, adoption or marriage, are considered to have a familial relationship) with the insured or who will not benefit financially from the sale of the insured crop. Persons who are authorized to conduct quality analysis in accordance with the CP are considered disinterested third parties unless there is a familial relationship. When making quality determinations, persons employed by USWA licensed warehouses and warehouses holding a storage agreement with CCC shall be considered disinterested third parties.

> **Note**: For crops having quality provisions in the SP, the SP state:
>
> In addition to the definition of "Disinterested third party," a person or business who does not routinely purchase production for resale or for feed will not be considered a disinterested third party if the RIVs applied by the buyer are not reflective of the RIVs in the local market.

Document – A form developed according to RMA standards for policies, endorsements, procedures, and other materials used for the purpose of administering the crop insurance program in accordance with the Standard Reinsurance Agreement.

Dollar Amount of Insurance Per Acre – The guarantee calculated by multiplying the expected county yield by the projected price and by the protection factor. The dollar amount of insurance per acre is shown on the Summary of Protection. Following release of the harvest price, the dollar amount of insurance may increase if Area Revenue Protection was purchased and the harvest price is greater than the projected price.

Double Crop – Producing two or more crops for harvest on the same acreage in the same crop year.

Drift – The physical movement of prohibited substances from the intended target site onto an organic operation or portion thereof.

Earliest Planting Date – The date contained in the SP, which is the earliest date the insured may plant an insured agricultural commodity and qualify for a replanting payment if such payments are authorized by the CP. If planted prior to this date, the crop is not eligible for a replanting payment, but is still insurable.

B. Definitions (continued)

Electronic Signature – As defined by the Electronic Signatures in Global and National Commerce Act, P.L. 106-229, includes an electronic sound, symbol, or process, attached to or logically associated with a contract or other record and executed or adopted by a person with the intent to sign the record.

Eligible Crop – A crop must be grown on insurable acreage in a county for which a method of establishing insurance yields/guarantees and premium rates has been established for the crop in order for insurance to attach.

Eligible Crop Insurance Contract – An insurance contract with an eligible producer: (1) covering an agricultural commodity authorized to be insured under the Act and approved for sales by FCIC, (2) with terms and conditions in effect as of the applicable contract change date, (3) that is sold and serviced in accordance with the Act, FCIC regulations, FCIC procedures, and the Standard Reinsurance Agreement, and (4) that has a SCD within the reinsurance year.

Eligible producer – A person who has an insurable interest in an agricultural commodity, who has not been determined ineligible to participate in the Federal crop insurance program, and who possesses a United States issued SSN or EIN.

Employee – A person who works for FCIC or AIP in return for wages or salary.

Employer Identification Number – As defined and required under section 6109 of the Internal Revenue Code of 1986.

End of Insurance Period – The date upon which the insured's crop insurance coverage ceases for the crop year.

Enterprise Unit - All insurable acreage of the same insured crop or all insurable irrigated or non-irrigated acreage of the same insured crop in the county in which an insured has a share on the date coverage begins for the crop year provided the EU requirements are met.

Entity – See "person".

Established Price – The price per unit of production issued by RMA by each crop's filing date.

Excluded Parties List System – A list maintained by the General Services Administration, or successor, that proves a source of exclusion records that identify those parties excluded from receiving federal contracts, certain subcontracts and from certain types of federal financial and non-financial assistance and benefits.

Expected Area Revenue – The expected area yield multiplied by projected price.

Expected Area Yield – The yield contained in the actuarial documents for the insured crop, type, and practice in the production area. The expected area yield is used to determine if an indemnity will be due.

Expected Crop Value – The value of the crop based on the insured's approved yields and the projected price or price election, as applicable. For revenue protection underlying policies only, expected crop value may increase if the harvest price is higher than the projected price.

B. Definitions (continued)

Expected County Revenue - The expected county yield multiplied by the projected price.

Expected County Yield - The yield, established in accordance with ARPI section 15, contained in the actuarial documents on which coverage for the crop year is based**.**

Existing Units and/or APH Databases – Units and/or APH databases for the crop that were in the insured person's farming operation the previous crop year that remain in the farming operation for the current crop year. If units or APH databases that were in the farming operation the previous crop year are divided or combined for the current crop year, existing units or APH databases are those as structured for the current crop year. Units or APH databases that are no longer a part of the policyholder's farming operation for the current crop year (sold, lost the lease, no longer renting, etc.) are not considered to be existing units or APH databases.

Familial Relationship – The same as relative. Refer to "Relative."

Farm Service Agency - An agency, Farm Service Agency, or its successor, of the United States Department of Agriculture.

Farm Number – means an identification number assigned to a farm by FSA.

Farming Organization – One or more individuals who participate in establishing a yield history; corporations, partnerships, and family operations are included under this title.

FCIC-Issued Policy Provisions – Includes BP, CP, SP, endorsements, options and/or amendments published in the Federal regulations or otherwise approved by FCIC (e.g., pilot programs approved by the FCIC Board of Directors) that the AIP provides to the insured.

Federal Crop Insurance Corporation - A wholly owned Government Corporation administered by the Risk Management Agency within USDA.

Field - All acreage of tillable land within a natural or artificial boundary (e.g., roads, waterways, fences, etc.). Different planting patterns or planting different crops do not create separate fields.

Final Acreage Reporting Date – For each insured crop in the county on or before the ARD contained in the SP for the insured crop except as follows: (1) if multiple crops are insured (by the same AIP) that have FPDs on or after August 15 but before December 31, the acreage report must be submitted for all such crops on or before the latest applicable ARD for such crops; (2) if multiple crops are insured (by the same AIP) that have FPDs on or after December 31 but before August 15, the acreage report must be submitted for all such crops on or before the latest applicable ARD for such crops; (3) If the SP designate separate planting periods for a crop, the acreage report for each planting period must be submitted on or before the ARD contained in the SP for the planting period; and (4) If planting of the insured crop continues after the FPD or is prevented from planting during the LPP, the ARD will be the later of: (a) the ARD contained in the SP or applicable date described in (1) or (2) above if there are multiple insured crops insured by the same AIP; or (b) Five days after the end of the LPP for the insured crop, if applicable. (See Late-Filed Acreage Reports for acreage reports filed after this date.)

Final Area Revenue – The revenue determined by multiplying the final area yield by the harvest price, released by FCIC at the time specified in the actuarial documents. The final area revenue is used to determine if an indemnity will be due for revenue protection underlying policies.

Final Area Yield – The yield for the insured crop, type and practice in the production area, as determined and released by FCIC at a time specified in the actuarial documents. The final area yield is used to determine if an indemnity will be due.

Final Claim – A claim signed by the insured after a final inspection has been completed and after all the necessary information to make an applicable indemnity payment, replant payment, or a prevented planting payment has been recorded on the claim form.

Final Planting Date – The date contained in the SP for the insured crop by which the crop must initially be planted in order to be insured for the full production guarantee or amount of insurance per acre.

> **Note**: Crops initially planted after this date are not insurable unless the CP provide for coverage that extends beyond the planting date. Also, refer to definitions for "Timely Planted" and "Late Planting Period."

Final County Revenue – The revenue determined by multiplying the final county yield by the harvest price with the result used to determine whether an indemnity will be due for Area Revenue Protection and Area Revenue Protection with the Harvest Price Exclusion, and released by FCIC at a time specified in the Crop Provisions.

Final County Yield – The yield, established in accordance with section 15 of the ARPI BP, for each insured crop, type, and practice, used to determine whether an indemnity will be due for Area Yield Protection, and released by FCIC at a time specified in the Crop Provisions.

Final Inspection – An inspection that requires all of the necessary verifications and determinations of production (if applicable for the type of inspection), acreage, practice, etc., to have been made on a unit prior to processing an indemnity payment, replant payment, or prevented planting payment.

Final Policy Protection - For Area Revenue Protection only, the amount calculated in accordance with section 12(e) of the ARPI policy.

First Insured Crop - With respect to a single crop year and any specific crop acreage, the first instance that an agricultural commodity is planted for harvest or prevented from being planted and is insured under the authority of the Act. For example, if winter wheat that is not insured is planted on acreage that is later planted to soybeans that are insured, the first insured crop would be soybeans. If the winter wheat was insured, it would be the first insured crop.

Flood Irrigation – A method of irrigation other than sprinkler (traveling gun, center pivot, or other recognized forms of sprinkler systems) or furrow irrigation in which the cropland (wider than a furrow) between raised borders, embankments, or dikes of soil is inundated with controlled amounts of water.

B. Definitions (continued)

FSA Field – As defined by FSA, is part of a farm which is separated from the balance of the farm by permanent boundaries such as fences, permanent waterways, woodlands, and croplines in cases where farming practices make it probable that such cropline is not subject to change, or other similar features.

FSA Common Land Unit - As defined by FSA, is the smallest unit of land that has a permanent, contiguous boundary, common land cover and land management, common owner, and common producer association. This information is used by RMA as an electronic representation of the FSA Field.

FSA Farm Number (FN) - An identification number assigned to a farm by FSA.

FSA Tract - As defined by FSA, is a unit of contiguous land under one ownership, which is operated as a farm, or part of a farm.

Furrow Irrigation – A type of irrigation means carried out by use of gravity water flow at the soil surface that is contained within furrows between planted rows. Rows must be far enough apart to allow water furrows. The land must be formed to allow uniform distribution of water to the entire irrigated acreage without undue impoundment (ponding).

Generally Recognized - When agricultural experts or organic agricultural experts, as applicable, are aware of the production method or practice and there is no genuine dispute regarding whether the production method or practice allows the crop to make normal progress toward maturity and produce at least the yield used to determine the production guarantee or amount of insurance.

Gleaning – The collection of crops from farmers' fields that have already been harvested or fields where it is not economically profitable to harvest.

Gleaner – A person who harvests for free distribution to the needy, or for donation to a nonprofit organization for ultimate distribution to the needy, an agricultural crop that has been donated by the crop owner(s).

Good farming practices – The production methods utilized to produce the insured crop and allow it to make normal progress toward maturity and produce at least the yield used to determine the production guarantee or amount of insurance, including any adjustments for late planted acreage, which are those generally recognized by agricultural experts or organic agricultural experts, depending on the practice, for the area. The AIP may, or the insured may request the AIP to, contact RMA to determine if production methods will be considered "good farming practices."

Good Irrigation Practice – Application of adequate water in an acceptable manner, at the proper times to allow production of a normal crop which is often identified as the approved yield for crops under APH.

B. Definitions (continued)

Gross Production - Net delivered production of the commodity (by removing truck weight and other weights which are considered tare from the gross scale weight) prior to deductions made for dockage, test weight, moisture content, poor quality, foreign material, etc. For APH purposes, harvested or appraised gross production, documented in the unit of measure indicated by the crop's policy, is acceptable. However, when acceptable records that indicate dockage, low test weight, high moisture content, poor quality, foreign material, etc., are available at the time production reports are filed, gross production MUST be adjusted for APH purposes to reflect the same quality of production as provided in the crop's policy for loss payment purposes.

Guarantee - Unit – The guarantee for the unit expressed in the unit of measure for the crop (e.g., bushels, pounds, hundredweight, dollars, etc.) calculated by multiplying the total insured acres on the unit by the guarantee per acre times the insured's share.

Harvest Price - A price determined in accordance with the Commodity Exchange Price Provisions and used to value production to count for revenue protection.

Harvest price - ARPI - A price determined in accordance with the CEPP and used to determine the final county revenue.

Harvest Price Exclusion - Revenue protection with the use of the harvest price excluded when determining the insured's revenue protection guarantee. This election is continuous unless canceled by the cancellation date.

Headed – When the plant's head has emerged from the leaf sheath and is visible to the naked eye.

Heading – At least 50 percent of the crop has headed.

Household - A domestic establishment including the members of a family (parents, brothers, sisters, children, spouse, grandchildren, aunts, uncles, nieces, nephews, first cousins, or grandparents, related by blood, adoption or marriage, are considered to be family members) and others who live under the same roof.

Immature Acreage - Perennial crop acreage which has not yet met the age requirements specified in the policy.

Immediate Family - An individual's father, mother, stepfather, stepmother, brother, sister, stepbrother, stepsister, son, daughter, stepson, stepdaughter, grandparent, grandson, granddaughter, father-in-law, mother-in-law, brother-in-law, sister-in-law, son-in-law, daughter-in-law, the spouse of the foregoing, and the individual's spouse.

Indemnity – The dollar amount paid in the event of an insured loss.

Indemnity Summary – A computer-generated document showing the insured's dollar amount of indemnity payment by crop and unit number.

Ineligible Person – A person who is denied participation in any program administered under the authority of the Act.

Ineligible Tracking System – An electronic system to identify persons who are ineligible to participate in any program pursuant to 7 CFR Part 400, Subpart U.

Initially Planted – The first occurrence of planting the insured crop on insurable acreage for the crop year.

Insurable Acreage – Acreage that meets all policy insurability requirements, regardless of whether or not such acreage is reported as "insured acres" by the ARD for the applicable insured crop.

Insurance Contract – Refer to "Policy."

Insurable Interest - The insured's percentage of the insured crop that is at financial risk.

Insurable Loss - Damage for which coverage is provided under the terms of the policy, and for which the insured accepts an indemnity payment.

Insurance Period – The period during which liability for loss due to insured causes is assumed according to the applicable endorsement or policy.

Insurance Policy – Defines the rights and responsibilities of the insured and the AIP. Refer to "Insurance Contract."

Insurance Premium – The dollar amount paid for insurance. Does not include administrative fees.

Insured - The named person as shown on the Application accepted by the AIP. This term does not extend to any other person having a share or interest in the crop (for example, a partnership, landlord, or any other person) unless specifically indicated on the accepted application.

Insured Acres – Insurable acreage that is insured in accordance with the policy. This would include, but is not limited to: (1) Insurable acreage reported by the insured by the ARD; or (2) Insurable acreage of the insured crop reported by the insured after the ARD and the AIP accepts such acreage as allowed by the CP and LAM/Crop Loss Standards procedure.

Insured Cause of Loss – An unavoidable cause of loss defined in the policy or endorsement for which an indemnity can be paid.

Insured Crop - The crop in the county for which coverage is available under the insured's policy as shown on the Application accepted by the AIP.

Intended Acreage Report - A report of the acreage the insured intends to plant, by crop, for the current crop year and used solely for the purpose of establishing eligible prevented planting acreage.

Intended Use - The expected end use or disposition of the commodity at the time the commodity is reported.

Interval - A period of time designated in the actuarial documents.

Interplanted - Acreage on which two or more crops are planted in a manner that does not permit separate agronomic maintenance or harvest of the insured crop.

B. Definitions (continued)

Irrigated Practice - A method of producing a crop by which water is artificially applied during the growing season by appropriate systems and at the proper times, with the intention of providing the quantity of water needed to produce at least the yield used to establish the irrigated production guarantee or amount of insurance on the irrigated acreage planted to the insured crop.

Irrigated Practice - ARPI - A method of producing a crop by which water, from an adequate water source, is artificially applied in sufficient amounts by appropriate and adequate irrigation equipment and facilities and at the proper times necessary to produce at least the (1) yield expected for the area; (2) yield used to establish the production guarantee or amount of insurance/coverage on the irrigated acreage planted to the commodity; or (3) producer's established approved yield, as applicable. Acreage adjacent to water, such as but not limited to a pond, lake, river, stream, creek or brook, shall not be considered irrigated based solely on the proximity to the water. The insurable irrigation practices are specified in the actuarial documents.

Irrigation Adequacy of Facilities – Irrigation facilities are considered adequate if it is determined that, at the time insurance attaches to planted or perennial acreage, they will be available and usable at the times needed and have the capacity to timely deliver water in sufficient quantities to carry out a good irrigation practice for the acreage insured under the irrigated practice.

Irrigation Reasonable Expectation – The insured had no reason to know at the time coverage began, that the amount irrigation water may be limited or reduced. If the insured knew or had reason to know that the amount of irrigation water may be reduced before coverage begins, no reasonable expectation exists.

Irrigation Water Supply – The water source and means for supplying irrigation water, without regard to the equipment or facilities. This includes the water source and dams, canals, ditches, pipelines, etc., which contain the water for movement from the source to the acreage and (a) are not under the control of the insured, or (b) routinely deliver water to acreage in addition to that which is owned or operated by the insured. It does not include any irrigation equipment or facilities.

Landlord is the person who holds the ownership interest to the land that is leased or rented to another person, called the tenant, on which the crop is grown. The landlord receives a cash payment or a share of the crop as a lease or as rental payment from the tenant.

Lag Year – When there is a one-year lag in the APH database due to production records generally not available by the cancellation date for the most recent crop year. For example, for the 2012 crop year the base period will begin with the 2010 crop year and may contain up to ten consecutive APH crop years.

Late-Filed Acreage Report – Any original acreage report obtained from the policyholder after the final ARD established by the actuarial documents.

Late-Filed Application – Any original application for insurance signed by the producer after the SCD established by the actuarial documents.

Late-Filed Claim – Refer to "Delayed Notice."

Late Planted - Acreage initially planted to the insured crop after the final planting date.

B. Definitions (continued)

Late Planting Period - The period that begins the day after the final planting date for the insured crop and ends 25 days after the final planting date, unless otherwise specified in the CP or SP. For acreage planted during the late planting period, coverage is reduced according to the CP.

Leaf Year - The policy crop year which is designated by the calendar year following the year in which bloom is normally set.

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

Level Election/Coverage Level – 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 - The 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 section of the applicable CP.

Liability Adjustment Factor – 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.

Limited Resource Farmer - Has the same meaning as the term defined by USDA at lrftool.sc.egov.usda.gov.

Loss Adjuster – 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 policy.

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

Loss Limit Factor - Unless otherwise specified in the Special Provisions a factor of .18 is used to calculate the payment factor. This factor represents the percentage of the expected county yield or expected county revenue at which no additional indemnity amount is payable. For example, if the expected county yield is 100 bushels and the final county yield is 18 bushels, then no additional indemnity is due even if the yield falls below 18 bushels. The total indemnity will never be more than 100 percent of the final policy protection.

Management of a Crop – 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.

B. Definitions (continued)

Master Yield – An optional yield calculation method for an insured to elect in addition to APH databases. Master yields are only available for select crops, practices, and locations by crop/state. Generally, master yields are recommended by the RMA ROs as an allowable calculation method for the crop/state due to agronomic practices that generally prevent accumulation of complete four years of production history in a ten year calendar period for an APH database. Agronomic practices may include observed rotation patterns and diversity of available crops grown which often limit the amount of recent yield data availability to build a unit's APH database.

Measuring Wheel – 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.

Minor – Any person under 18 years of age. Court proceedings, conferring majority on an individual under 18 years of age will result in such person no longer being considered a minor.

NASS – An agency, National Agricultural Statistics Service, or its successor, within the United States Department of Agriculture, that publishes the official United States Government yield estimates.

Native Sod – Acreage that has no record of being tilled (determined in accordance with information collected and maintained by an agency of the USDA or other verifiable records provided by the insured and are acceptable to the AIP) for the production of an annual crop on or before February 7, 2014, and on which the plant cover is composed principally of native grasses, grass-like plants, forbs, or shrubs suitable for grazing and browsing.

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

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

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

New APH Databases - APH databases, as required by procedure, which were not established prior to the current crop year.

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

New Insured - A person who was not insured the previous crop year without respect to the AIP or plan of insurance.

New Producer – A person who has not been actively engaged in farming for a share of the production of the insured crop in the county for more than two APH crop years. Actively engaged in farming for a share of an insured crop's production in the county is hereafter referred to as "produced the insured crop". Formation or dissolution of an entity which includes individuals with more than two APH crop years of production history during the base period does not qualify the new entity as a new producer for APH yield determination purposes.

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

Non-Contiguous - 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 for FSA – As defined by FSA, covers non-insured crops or other agricultural commodities (except livestock), and provides coverage similar to CAT coverage.

Non-Organic farming practice - A practice commonly recognized in a conventional farming operation by which synthetic pesticides and fertilizers are used.

Non-reinsured Supplemental (NRS) Policy - A policy, endorsement, or other risk management tool not reinsured by FCIC under the Act, that offers additional coverage, other than for loss related to hail.

Non-Synthetic (Natural) - A substance originated from mineral, plant or animal matter that does not undergo a synthetic process.

Notice of Acceptance – Refer to "Policy Confirmation."

Notice of Loss – The written notice required to be provided by the insured to the AIP not later than 72 hours after certain occurrences or 15 days after the EOIP, whichever is earlier, as identified in the policy provisions. Refer to the BP or the PPSH for the insured's required Notices of Prevented Planting.

Nurse Crop – A crop planted into the same acreage as another crop, that is intended to be harvested separately, and which is planted to improve growing conditions for the crop with which it is grown. Also referred to as a "companion crop".

Official File – The original insurance documents for an insured maintained by the AIP in their headquarters or as otherwise specified in the AIPs Plan of Operations as required by Appendix II of the SRA.

Offset - The act of deducting one amount from another amount.

Organic Agricultural Experts - Persons who are employed by the following organizations: Appropriate Technology Transfer for Rural Areas, Sustainable Agriculture Research and Education or the Cooperative Extension System, the agricultural departments of universities, or other persons approved by FCIC, whose research or occupation is related to the specific organic crop or practice for which such expertise is sought.

Organic Crop – An agricultural commodity that is organically produced consistent with section 2103 of the OFPA.

Organic Farming Operation - An operation that uses organic farming practices to produce organic agricultural commodities.

B. Definitions (continued)

Organic Farming Practice - A system of plant production practices used on organic acreage and acreage in transition to organic to produce an organic crop that is approved by a certifying agent in accordance with 7 CFR part 205.

Organic Foods Production Act (OFPA) - The statute enacted in 1990 as amended (7 U.S.C. 6501 et seq.) mandating the development of national standards for the production and handling of foods labeled as organic.

Organic Plan – (also referred to as an Organic System Plan) A written plan, in accordance with the National Organic Program published in 7 CFR part 205, that describes all aspect of the organic farming practice that an insured and a certifying agency agree upon annually or at such other times as prescribed by the certifying agency.

Organic Standards - Standards in accordance with the Organic Foods Production Act of 1990 (7 U.S.C. 6501 *et seq.*) and 7 CFR part 205.

Original Acreage Report or Raisin Tonnage Report – The initial report filed for a crop year, by crop, used to determine the liability, amount of coverage, and premium. Refer to "Acreage Report."

Other Use – Using insured acreage in a manner that is different from the original intended use as provided in the CP.

Otherwise Harvested – same as the definition contained in the PPSH.

Owner-Operator – A person who holds an ownership interest to the land on which the crop is grown.

Palmer Drought Severity Index – A meteorological index calculated by the National Weather Service to indicate prolonged and abnormal moisture deficiency or excess.

Payment factor – A factor no greater than 1.0 used to determine the amount of indemnity to be paid in accordance with ARPI section 12(g).

Perennial Crop - A plant, bush, tree or vine crop that has a life span of more than one year.

Person - 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.

Personally Identifiable Information – Any information about an individual maintained by the AIP and its affiliates, including but not limited to, education, financial transactions, medical history, and criminal or employment history and information which can be used to distinguish or trace an individual's identity, such as name, social security number, date and place of birth, mother's maiden name, biometric records, etc., including any other personal information which is linked or linkable to an individual.

Planted Acreage - Land in which seed, plants, or trees have been placed as appropriate for the insured crop and planting method, at the correct depth, into a seedbed that has been properly prepared for planting method and production practice.

Planted Acreage -ARPI - Except as otherwise specified in the SP, land in which seed, plants, or trees have been placed, appropriate for the insured crop and planting method, at the correct depth, into a seedbed that has been properly prepared for the planting method and production practice in accordance with good farming practices for the area.

Polar Planimeter – An instrument moved along boundaries on aerial photography. The instrument readings are used to convert photograph measurements to acreages.

Policy - The agreement between the insured and the AIP to insure an agricultural commodity and consisting of the accepted application, the BP, the CP, the SP, the Commodity Exchange Price Provisions, if applicable, other applicable endorsements or options, the actuarial documents for the insured agricultural commodity, the Catastrophic Risk Protection Endorsement, if applicable, and the applicable regulations published in 7 CFR chapter IV. Insurance for each agricultural commodity in each county will constitute a separate policy unless otherwise specified in the CP (e.g. grapes).

Policy Confirmation – A form or document issued to the insured indicating that the application, cancellation, etc., has been accepted.

Policyholder - See "insured".

Policyholder File or Folder – The file(s) maintained for each insured. The file(s) contains copies of documents, such as, application, acreage report, appraisal worksheets, claims, etc. Also known as insured's contract file or folder.

Policy Issue Log – a Customer Relationship Management platform for AIP submission of policy or procedural questions.

Policy Issuing Company – An insurance company that issues eligible crop insurance contracts reinsured under the Standard Reinsurance Agreement on behalf of the AIP.

Policy Protection - ARPI - The liability amount calculated in accordance with section 6(f) of the ARPI BP, unless otherwise specified in the SP.

Postmarked - Postal imprint on letters, flats, and parcels that shows the name of the Post Office that accepts custody of the mail, along with the two-letter state abbreviation and Zip Code of the Post Office, and the date of mailing, and the time abbreviation a.m. or p.m. The USPS postmark is generally applied, either by machine or hand, with cancellation or killer bars to indicate that the postage cannot be reused; or the date of tender to the private delivery service as recorded in the tracking and tracing record for the parcel, provided the private deliver service is available to the general public and has tracking and tracing procedures for its deliveries, such as DHL, Federal Express, or UPS. Postmarked does not include metered mail (including company or individually marked or stamped mail), self-postmarked envelopes or parcels, and hand delivered payments.

B. Definitions (continued)

Practical to Replant – The AIP's determination, after loss or damage to the insured crop, that the insured is able to replant to the same crop in such areas and under such circumstances as it is customary to replant and that replanting the insured crop will allow the crop to attain maturity prior to the calendar date for the end of the insurance period. The AIP may consider circumstances as to whether: (1) it is physically possible to replant the acreage; (2) seed germination, emergence, and formation of a healthy plant is likely; (3) field, soil, and growing conditions allow for proper planting and growth of the replanted crop to reach maturity; or (4) other conditions exist, as provided by the Crop Provisions or Special Provisions. Unless the AIP determines it is not practical to replant, based on the circumstances listed above, it will be considered practical to replant through: (1) the final planting date if no late planting period is applicable; (2) the end of the late planting period if the late planting period is less than 10 days; or (3) the 10th day after the final planting date if the crop has a late planting period of 10 days or more. The AIP will consider it practical to replant regardless of the availability of seed or plants, or the input costs necessary to produce the insured crop such as seed or plants, irrigation water, etc.

Practice – Production methodologies used to produce the insured crop consisting of unique combinations of irrigated practice, cropping practice, organic practice, and interval as shown on the actuarial documents as insurable.

Precision Farming – The utilization of systems' technologies and agronomic principles to manage variability within and between fields and/or over time that is associated with all aspects of agricultural production. It requires the use of technologies, such as global positioning system (GPS) and geographic information systems (GIS) management tools for the purpose of improving crop management. Precision farming may include the combination of variable seeding and fertilizer rates, minimizing seed and chemical overlaps, and the use of GPS/GIS yielding mapping technology (i.e., a producer using variable seeding, cutting planting rate from 36,000 to 18,000 seeds/acreage for non-irrigated corners, indicating a discernible break in yield with the use of GPS/GIS mapping).

Preliminary Inspection – A farm visit by an adjuster in which an appraisal is usually made on a part of an insured crop unit, and in some instances, written permission is given to make other use of or destroy the affected crop.

Preliminary Yield – The APH yield calculated by the agent prior to approval by the verifier. Preliminary yields are used to provide coverage estimates and premium quotations and are calculated using the same procedure as approved APH yields.

Premium Adjustment – A premium cost adjustment applicable to some policies, based on continuous favorable insurance experience or unfavorable insurance experience for the crop. Also referred to as experience adjustment factor.

Premium Billing Date – The earliest date upon which the insured will be billed for insurance coverage based on the acreage report. The premium billing date is contained in the actuarial documents.

Premium Discount – A reduction in the base premium rate for unit consolidation, good experience, as applicable, etc.

B. Definitions (continued)

Premium Subsidy – The portion of the base premium paid by FCIC for the level elected as authorized by law.

Prevented Planting – Failure to plant the insured crop by the final planting date designated in the SP for the insured crop in the county, or within any applicable late planting period, due to an insured cause of loss that is general to the surrounding area and that prevents other producers from planting acreage with similar characteristics. Failure to plant because of uninsured causes such as lack of proper equipment or labor to plant acreage, or use of a particular production method, is not considered prevented planting.

Price election - The amount contained in the actuarial documents that is the value per pound, bushel, ton, carton, or other applicable unit of measure for the purposes of determining premium and indemnity under the policy. A price election is not applicable for crops for which revenue protection is available.

Prior APH Yield – For carryover insureds, the approved APH yield from the previous crop year.

Prior Crop Year – Two or more crop years preceding the current crop year.

Procedures – The applicable handbooks, manuals, bulletins, memorandums or other directives issued by the RMA on behalf of FCIC, related to the eligible crop insurance policy and the SRA. The AIP must comply with these procedures.

Producer Premium – The portion of the premium for an eligible crop insurance policy that a policyholder must pay after the subsidy is deducted.

Production Area – For ARPI, the geographical area that the expected and final area yields are based on, designated generally as a county but may be smaller or larger geographical area as specified in the actuarial documents.

Production Guarantee Per Acre – The number of pounds, bushels, tons, cartons, or other applicable units of measure determined by multiplying the approved APH yield per acre by the coverage level percentage elected.

Production Not to Count – Harvested production of the same crop that is subtracted from the unit's production before the indemnity is computed.

Production Report - A written record certified by the insured containing the insured's annual production, including planted acreage, in accordance with the applicable policy. This report must be supported by production evidence as provided in FCIC approved procedures, e.g., CIH.

To be acceptable, production reports must meet the procedural requirements and must be signed, dated, and submitted by the insured on or before the PRD.

Production Reporting Date - CCIP - The latest date production reports will be accepted for inclusion in the APH database used to calculate approved APH yields for the current crop year. The PRD is the earlier of the ARD or 45 calendar days after the earliest cancellation date for the crop for the current crop year unless otherwise stated in the SP.

If a crop has both a spring and fall SCD, and Application for insurance is made after the fall/winter SCD or land is added after the PRD (e.g., leased after the PRD) on which the spring type will be planted, the initial PRD is the earlier of the ARD or 45 calendar days after the spring SCD. If Application is made after the fall/winter SCD and acreage is planted for that type, insurance is not available for the crop until the subsequent crop year.

Production Reporting Date - ARPI - The date contained in the actuarial documents by which the insured is required to submit their production report.

Production to Count – Harvested and/or appraised quantities of a crop produced (including appraised production from uninsured causes of loss) from a unit, which are subtracted from the unit's production guarantee in computing an indemnity.

Projected Price - The price for each crop determined in accordance with the Commodity Exchange Price Provisions. The applicable projected price is used for each crop for which revenue protection is available, regardless of whether the insured elects to obtain revenue protection or yield protection for such crop.

Prohibited Substance - Any biological, chemical, or other agent that is prohibited from use or is not included in the organic standards for use on any certified organic, transitional or buffer zone acreage. Lists of such substances are contained at 7 CFR part 205.

Protected Information – Includes, but is not limited to, any personally identifiable information about a policyholder, agent, or loss adjuster; and information about the policyholder's farming operation or insurance policy. Such information is generally acquired from the policyholder, agent or loss adjuster, USDA, the Comprehensive Information Management System, or the insured's previous or current approved insurance provider or agent that is protected from disclosure by the Privacy Act, section 502(c) of the Federal Crop Insurance Act (Act), or any other applicable statute. This includes all hard copy or electronic information.

Protection factor (PF) - The percentage an insured chooses that is used to calculate the dollar amount of insurance per acre and policy protection.

Quality Assurance – An established review process maintained by the AIP to inspect and document the performance of its operations, employees, and adjusters. This review process is also known as quality control.

Quality Adjustment Factor – A factor used to reduce production to count when the policy allows for reduction of production to count and the production grades at or lower than the specified quality stated in the policy.

Raisin Tonnage Report – Refer to "Acreage Report."

B. Definitions (continued)

RAN (RMA Assigned Number) - A term used by RMA to refer to a number issued by RMA to an individual who is considered a qualified alien as determined by the Personal Responsibility and Work Opportunity Reconciliation Act of 1996, 8 U.S.C. §1611; or, to a trust administered by the Bureau of Indian Affairs, and Indian Tribal Ventures that does not have an EIN.

Range – All of the six-section north/south rows of a township identified as being east or west of the principal meridian.

Rate Yield - The yield used to determine the premium rate. The rate yield is either the average yield or approved APH yield, depending on the method the approved APH yield is calculated (e.g., application of floors, YA or YE to the APH database). See CIH Part 15 for requirements.

Rebate – To pay, allow, or give, or offer to pay, allow or give, directly or indirectly, either as an inducement to procure insurance or after insurance has been procured, any benefit (including money, goods or services for which payment is usually made except any service provided to fulfill an obligation of the AIP under the Standard Reinsurance Agreement), discount, abatement, credit, or reduction of the premium named in the insurance policy and any other valuable consideration or inducement not specified in the policy.

Recognized Good Farming Practices – Refer to "Good Farming Practice."

Reduction in Value – The dollar and cents RIV (discount) that the buyer applies for each quality (RIV) defect of the crop allowed by the policy provisions. The RIV applies only when there is at least one type or level of defect for which there is not a pre-established discount factor listed in the quality section of the SP.

Reinstatement Late Payment of Debt – If a policy meets the criteria set forth in Part 7 of this handbook, the policy will retain the same plan of insurance, coverage levels, endorsements and options the person had prior to termination, provided the person continues to meet all eligibility requirements, comply with the terms of the policy, and there is no evidence of misrepresentation or fraud. No new application is required and no requests to change coverage level, plans of insurance or add or remove options or endorsements will be accepted unless such changes were made and submitted on an application form on or prior to the sales closing date for the crop.

Reinsurance Year – As defined in the SRA, beginning July 1 and ending on June 30 of the following year and, for reference purposes, identified by reference to the year containing June.

Reinsured Company – Private insurance companies selling and adjusting multiple peril crop insurance reinsured by FCIC. Also known as AIP.

Relative – An individual who: (1) is immediate family; (2) resides in the household of; or (3) engages in business with respect to, a farming operation with the person in question, regardless of whether or not the individual is immediate family.

Releasing Agent – Refer to "Ceding Agent."

B. Definitions (continued)

Replant Claim – An insurance document submitted by the insured after an inspection that records the number of acres replanted, not replanted, and the cost of replanting any damaged acres from which a replant indemnity will be computed.

Replanted crop (for crops with a contract change date prior to 11/30/2017) – (1) The same agricultural commodity replanted on the same acreage as the insured crop for harvest in the same crop year if: (i) The replanting is specifically made optional by the policy and you elect to replant the crop and insure it under the policy covering the first insured crop; or (ii) Replanting is required by the policy. (2) Unless otherwise specified in the Special Provisions, the crop will be considered an insured replanted crop and no replanting payment will be paid if the AIP has determined it is not practical to replant the insured crop and you choose to plant the acreage to the same insured crop within or prior to the late planting period or after the final planting date if no late planting period is applicable. If it is determined it is not practical to replant and the insured plants the acreage to the same insured crop, any indemnity will be based on the greater of: (i) the appraised production on the initially planted crop; (ii) the subsequent appraisal of the replanted crop if the replanted crop is not harvested; or (iii) The harvested production from the replanted crop.

Replanted Crop - The same agricultural commodity replanted on the same acreage as the insured crop for harvest in the same crop year if: 1) the replanting is specifically made optional by the policy and the insured elects to replant the crop and insure it under the policy covering the insured crop; or 2) replanting is required by the policy. The crop will be considered a replanted insured crop and no replanting payment will be paid if the AIP determined it is not practical to replant the insured crop and the insured chose to plant the acreage to the same insured crop.

Replanting – Performing the cultural practices necessary to prepare the land to replace the seed or plants of the damaged or destroyed insured crop and then replacing the seed or plants of the same crop in the same insured acreage. The same crop does not necessarily mean the same type or variety of the crop unless different types or varieties constitute separate crops or it is otherwise specified in the policy.

Replant Payment – The payment received when acreage qualifies for a replanting payment in accordance with the BP and applicable CP.

Reported Damage or Loss – A responsibility of the insured to promptly notify the AIP of any probable crop damage or loss.

Representative – Any person authorized by the AIP to work in the field or in an office to carry out in whole or in part the Federal crop insurance marketing, or contract servicing for new applicants or present policyholders. Refer to "Agent."

Representative Sample – Portions of the insured crop that must remain in the field for examination and review by the AIP's loss adjuster when making a crop appraisal, as specified in the CP. In certain instances, the AIP may allow the insured to harvest the crop and require only that samples of the crop residue be left in the field.

Representative Strips (Sample) – Strips of the unharvested crop that the insured is required, in accordance with policy provisions, to leave if damage is initially discovered within 15 days of or during harvest.

B. Definitions (continued)

Resource Land Unit (RLU) – Generic geospatial data standard, established between AIPs and RMA, used to meet geospatial reporting requirements per Appendix III of the Standard Reinsurance Agreement.

Revenue Protection - A plan of insurance that provides protection against loss of revenue due to a production loss, price decline or increase, or a combination of both. If the harvest price exclusion is elected, the insurance coverage provides protection only against loss of revenue due to a production loss, price decline, or a combination of both.

Revenue Protection with Harvest Price Exclusion – Insurance coverage that excludes the use of the harvest price in the determination of the revenue protection guarantee.

Revenue Protection Guarantee Per Acre – For revenue protection only, the amount determined by multiplying the production guarantee (per acre) by the greater of the projected price or the harvest price. If the harvest price exclusion is elected, the production guarantee (per acre) is only multiplied by the projected price.

Revised Acreage Report or Raisin Tonnage Report – A report that is completed when changes and/or corrections are made to the original acreage or tonnage report. Revised acreage reports (tonnage reports) prepared after the acreage (tonnage) reporting date, must be approved by the AIP before they are processed.

Revoked Certification - An organic operation that was originally certified and certification is subsequently revoked by AMS NOP designated official. The organic operation (or person(s) involved with the organic operation) whose certification has been revoked will be ineligible to receive certification for a period of five years following the date of such revocation, except the Secretary of Agriculture may, when in the best interest of the certification program, reduce or eliminate the period of ineligibility.

RO Determined Yields - The approved APH yield determined by the RMA Regional Office.

Root Mean Square Error - The square root of the average of the set of squared differences between dataset coordinate values and coordinate values from an independent source of higher accuracy for identical points.

RMA – The Risk Management Agency, which operates the Federal crop insurance program on behalf of the Federal Crop Insurance Corporation.

RMA Web Site - A Web site hosted by RMA and located at www.rma.usda.gov or a successor Web site.

Sales Closing Date (SCD) - A date contained in the SP by which an Application must be filed. The last date by which the insured may change insurance coverage for a crop year. If a crop has both a spring and fall SCD, and Application for insurance is made after the fall/winter SCD and acreage is planted for that type, insurance is not available for the crop until the subsequent crop year.

B. Definitions (continued)

Scale Ruler – A calibrated ruler for use with tapes graduated in chains and feet. Scale rulers for chains are graduated in 660 feet (60 parts to inch and 2,000 feet (75.7 parts to inch)). A tool that can be used by FSA to determine acreage measurements.

SCO Payment Factor – The factor that represents the production area wide loss as compared to the supplemental coverage range. The payment factor is used to determine the amount of indemnity to be paid under the SCO Endorsement.

Second Crop - With respect to a single crop year, the next occurrence of planting any agricultural commodity for harvest following a first insured crop on the same acreage. The second crop may be the same or a different agricultural commodity as the first insured crop, except the term does not include a replanted crop. A cover crop, planted after a first insured crop and planted for the purpose of haying, grazing or otherwise harvesting in any manner; or that is hayed or grazed during the crop year, or that is otherwise harvested is considered to be a second crop. A cover crop that is covered by FSA's NAP or receives other USDA benefits associated with forage crops will be considered as planted for the purpose of haying, grazing or otherwise harvesting. A crop meeting the conditions stated herein will be considered to be a second crop regardless of whether or not it is insured. Notwithstanding the references to haying and grazing as harvesting as stated within the BP and above, for the purpose of determining the EOIP, harvest of the crop will be as defined in the applicable CP.

Secretary - The Secretary of the United States Department of Agriculture.

Section - A unit of measure under a rectangular survey system (PLSS) describing a tract of land usually one mile square and usually containing approximately 640 acres.

Section Equivalent - Units of measure which are legally recorded and consist of at least 640 acres.

Share - The insured's insurable interest in the insured crop as an owner, operator, sharecropper, or tenant at the time insurance attaches. However, only for the purposes of determining the amount of indemnity, the insured's share will not exceed the insured's share at the earlier of the time of loss or the beginning of harvest. Unless the accepted Application clearly indicates that insurance is requested for a partnership or joint venture, or is intended to cover the landlord's or tenant's share of the crop, insurance will cover only the share of the crop owned by the person completing the application. The share will not extend to any other person having an interest in the crop except as may otherwise be specifically allowed in the BP.

Cash Lease (100 Percent Share). Acreage rented for cash is considered a cash lease. A lease containing provisions for either a minimum payment or a crop share will be considered a cash lease.

Crop Share. Acreage rented for a percentage of the crop will be considered a crop share lease. A lease containing provisions for both a minimum payment (such as a specified amount of cash, bushels, pounds, etc.) and a crop share will be considered a crop share lease.

Sharecropper – A person who works the land for a share of the crop produced on the land.

Short rated Acreage – If authorized by the applicable CP and actuarial documents, acreage that will be destroyed prior to harvest and reported to the AIP by the date designated in the crop's SP, the insured will obtain a reduced premium rate.

B. Definitions (continued)

Simple Average T-Yields - Simple Average T-Yields are calculated from the individual insured's yield data by determining a simple average of all approved APH yields (and adjusted yields if YE, TA or cups apply to an APH database) by P/T/TMA for existing units' APH databases that contain at least one actual or assigned yield for the crop for the insured's farming operation for the county/crop policy.

Sketch Map – A diagram showing where fields or production are located.

Social Security Number – A 9-digit number issued by the United States Social Security Administration to an individual for purposes of section 205(c)(2)(A) of the Social Security Act.

Special Provisions - The part of the policy that contains specific provisions of insurance for each insured crop that may vary by geographic area, and is available for public inspection in an agent's office and published on RMA's Web site.

Special Report – A form used to record facts; e.g., used as an attachment to claims or acreage reports when there is not enough room in the narrative to record required documentation and for additional documentation regarding controversial claims, unusual cases, uninsured causes, not following good farming practices, etc.

Split Farming Operation - An operation that uses conventional, sustainable and organic farming practices to produce both organic and nonorganic agricultural products.

Standard Reinsurance Agreement (SRA) – The agreement between an AIP and FCIC by which the insurer cedes to FCIC certain liabilities arising from the insurer's sales of insurance policies in return for a portion of premium monies and administrative expense reimbursements.

State - The state shown on the insured's accepted application.

State Premium Subsidy – The portion of the premium paid by the state, when applicable.

Subclass – A specific subgroup of class.

Sub-Field – A part of a field where damage is so variable within the field that smaller divisions of the field are necessary in order to make accurate appraisals.

Subsidy – The portion of the total premium that FCIC will pay in accordance with the Act.

Subsidy factor – The percentage of the total premium paid by FCIC as a subsidy.

Substantial Beneficial Interest – An interest held by any person of at least 10 percent in the applicant/insured (e.g., two partnerships each have a 50 percent interest in the insured and each partnership is made up of two individuals, each with a 50 percent share in the partnership. In this case, each individual would be considered to have a 25 percent interest in the insured, and both the partnerships and the individuals would have a substantial beneficial interest in the insured. The spouses of the individuals would not be considered to have a substantial beneficial interest unless the spouse was one of the individuals that made up the partnership. However, if each partnership is made up of six individuals with equal interests, then each would only have an 8.33 percent interest in the insured and although the partnership would still have a substantial beneficial interest in the insured, the individuals would not for the purposes of reporting in person with a substantial beneficial interest). The spouse of any individual applicant or individual insured will be presumed to have a substantial beneficial interest in the applicant or insured unless the spouses can prove they are legally separated or otherwise legally separate under the applicable state dissolution of marriage laws. Any child of an individual applicant or individual insured will not be considered to have a substantial beneficial interest in the applicant or insured unless the child has a separate legal interest in such person.

Summary of Coverage – A statement to the insured, based upon the insured's acreage report, specifying the insured crop and the guarantee or amount of insurance coverage provided by unit.

Supplemental Coverage Range – The percent of the insured's expected crop value that can be covered by the SCO Endorsement. It is the difference between the area loss trigger and the coverage level of the underlying policy, expressed as a whole percentage.

Supplemental Protection – The dollar amount of insurance provided by the SCO Endorsement for each coverage level, type and practice.

Substituted Yield - A yield established by multiplying the applicable T-Yield by 60 percent or 80 percent for BFR or VFR.

Suspended Certification - An organic operation that was originally certified; however, certification for the operation or portion of the operation is subsequently suspended by AMS NOP designated official.

Sustainable Farming Practice – A system or process for producing an agricultural commodity, excluding organic farming practices, that is necessary to produce the crop and is generally recognized by agricultural experts for the area to conserve or enhance natural resources and the environment.

Synthetic - A substance originated from a manufactured chemical process or by a process that chemically changes a substance extracted from naturally occurring plant, animal, or mineral sources, except that such term shall not apply to substances created by naturally occurring biological processes.

Temporary Yield - A yield used (by APH database) when an insured is unable to finish harvest (due to an insurable cause), or records are unavailable from the processor, marketing outlets, etc., by the PRD. The temporary yield is considered an actual yield when determining the number of actual or assigned yields for APH calculation purposes. The temporary yield is valid for one year only and a production report indicating the actual yield for that year must be filed by the following year's PRD or assigned yield provisions will apply.

B. Definitions (continued)

Tenant - A person who rents land from another person for a share of the crop or a share of the proceeds of the crop (see the definition of "share" above).

Termination Date - The calendar date contained in the CP upon which insurance ceases to be in effect because of nonpayment of any amount due under the policy, including premium.

Third Party Damage – Damage to a crop that results from the actions of a third party, outside of the control of the insured. An example of third party damage would be when a neighbor negligently applies chemicals and the resulting spray drift damages the insured's crop.

Tilled - The termination of existing plants by plowing, disking, burning, application of chemicals, or by other means to prepare acreage for the production of a crop.

Timely Planted - Planted on or before the final planting date designated in the SP for the insured crop in the county.

Total Premium – The amount of premium before subsidy, calculated in accordance with section with the policy.

Township – Generally, a tract of land approximately 6 miles square containing approximately 36 sections, each 1-mile square.

Transfer of Coverage – Refer to "Transfer of Coverage and Right to an Indemnity."

Transfer of Contract/Policy – The transfer of a contract/policy to another person or AIP.

Transferee – The person who receives the Transfer of Coverage and Right to an Indemnity from another person, the transferor.

Transferor – The insured who transfers its coverage under the policy and the right to an indemnity to another person, the transferee.

Transitional Acreage - Acreage in transition to organic where organic farming practices are being followed; but the acreage that does not yet qualify as certified organic acreage.

Transitional Yield (T-Yield) - A yield provided in the Actuarial documents which is used in calculating average and approved APH yields when less than four years of actual, temporary, and/or assigned yields are available. Any regulation references to D Yields are considered T-Yields for APH purposes.

Trigger Yield – The yield amount calculated in accordance with ARPI section 12(c).

Type – Categories of the insured crop consisting of unique combinations of commodity type, class, subclass, and intended use as shown on the actuarial documents as insurable.

T-Yield Map Area – An area classification in the actuarial documents for a county that contains a specific T-Yield for that area.

B. Definitions (continued)

Upside harvest price protection - Coverage provided automatically under the Area Revenue Protection plan of insurance. This coverage increases the final policy protection when the harvest price is greater than the projected price. This coverage is not available under either the Area Revenue Protection with the Harvest Price Exclusion or the Area Yield Protection plans of insurance.

Uninsurable Acreage – Acreage that does not meet the insurability requirements as defined by the policy.

Unmanned Aerial Vehicle – An aircraft piloted by remote control or onboard computers; also referred to as a drone or unmanned aerial system.

Unavoidable Uninsured Fire - Fires caused by an uninsured cause of loss by actions outside the control of the insured and are unavoidable. For example, fires caused by drivers throwing lit cigarettes out of a car window are clearly caused by third parties and are unavoidable; fires caused by an insured who sets a fire to burn brush which spreads and burns his crop was clearly caused by the insured and was avoidable.

Unit - The insurable acreage of the insured crop in the county used to establish the approved APH yield, production guarantee/amount of insurance, indemnity, as applicable. Unit structure is defined in the policy.

Unrated Land – Land which is not rated in the actuarial documents (also referred to as unclassified or uninsurable). This land requires a WA for insurability.

Variable T-Yields - Sixty-five, 80, 90, or 100 percent of the applicable T-Yield based on the number of years of actual, assigned, or temporary yields. Applicable to Category B and C Crops.

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

Verifiable Records - Contemporaneous records of acreage and production provided by the insured, which may be verified through an independent source, and which are used to substantiate the acreage and production reported on the production report.

Verifier - An AIP authorized by RMA to calculate approved APH yields.

Verify – To, determine by 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.

B. Definitions (continued)

Veteran Farmer or Rancher – An individual who has served on active duty in the United States Army, Navy, Marine Corps, Air Force, and Coast Guard, including the reserve components, was discharged or released under conditions other than dishonorable, and: (1) Has not operated a farm or ranch; (2) Has operated a farm or ranch for not more than 5 years; or (3) First obtained status as a veteran during the most recent 5-year period. A person, other than an individual, may be eligible for veteran farmer or rancher benefits if all substantial beneficial interest holders qualify as a veteran farmer or rancher. A spouse's veteran status does not impact whether an individual is considered a veteran farmer or rancher.

Void - When the policy is considered not to have existed for a crop year.

Volatility factor - A measure of variation of price over time found in the actuarial documents.

Weather Event Late Payment of Debt – A weather event that is severe and so unusual that it creates, or could have created, a situation that prevented timely payment.

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

Written Agreement -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 WAs on behalf of the FCIC.

Yield Based Plan of Insurance – A plan of insurance in which the guarantee is based on production yields.

Yield Descriptors – Codes used to identify different types of yields reported in APH databases.

Yield Indicators – Codes used to identify different types of APH databases. See Appendix III for a list of yield indicators.

Yield Limitations/Yield Floor - Adjustments made to average APH yields, when applicable, which result in the approved APH yield.

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

Yield Protection Guarantee Per Acre - When yield protection is selected for a crop that has revenue protection available, the amount determined by multiplying the production guarantee by the projected price.

Zero Acreage Report - An acreage report, filed by an insured that certifies the insured does not have a share in the crop.

A. Person Types and Documentation

PERSON TYPE	APPLICATION	SIGNATURE(S) REQUIRED	DOCUMENTATION NEEDED	ID NUMBER
INDIVIDUAL	John C. Doe	John C. Doe	None	SSN of Individual
INDIVIDUAL Operating As Business	Northam Land Company c/o James T. Anderson	Northam Land Company By James T. Anderson, Sole Owner	None	EIN 1 and 3
INDIVIDUAL (Joint & Survivorship Interest)	John W. Doe or Mary C. Doe	(Both must sign) John W. Doe Mary C. Doe	If they are not spouses, statements signed by both parties showing authority of one to act for the other	SSN of Individual
INDIVIDUAL (Minor, Natural Guardian)	John Doe, (minor) by Fred Doe, Guardian	Fred Doe, Guardian for John Doe, and John Doe	Statement signed by minor and guardian showing qualifications as separate person	SSN of Minor
INDIVIDUAL (Minor Unable To Enter Into Contracts Or Incompetent With Court-Appointed Guardian)	Frank W. Doe c/o John H. Doe, Guardian	John H. Doe Guardian for Frank W. Doe,	Statements signed by court-appointed guardian showing where court decree can be verified	SSN of Minor or Incompetent
INDIVIDUAL (Authorized Signature)	John C. Doe c/o Richard C. Roe, Authorized Representative	John C. Doe By Richard C. Roe, Under Power of Attorney	POA	SSN of insured
INDIVIDUAL (Married)	John C. Doe	John C. Doe	POA authorizing signature, if applicable	SSN of Individual 3
Entity Insuring A Landlord's Or Tenant's Share	John C. Doe	John C. Doe	Evidence of other parties' approval such as lease or POA	EIN or SSN of landlord/tenant 1, 2, 3 or 4
JOINT VENTURES, Including **JOINT OPERATORS** **CO-OWNERS**	James l. Smith and John A. Brown, Joint Venture James L Smith and John A. Brown, Joint Venture James L. Smith, and John A. Brown, Joint Venture	(All must sign) James L. Smith John A. Brown	Note if all sign, or POA authorizing signature	Joint Interest EIN or SSN's 2

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

A. Person Types and Documentation (continued)

PERSON TYPE	APPLICATION	SIGNATURE(S) REQUIRED	DOCUMENTATION NEEDED	ID NUMBER
PARTNERSHIP (Written Or Oral)	Jones and Smith, A Partnership c/o Sam Jones	Jones and Smith, A Partnership By Sam Jones, A Partner	Statement signed by all partners certifying they are members of the partnership or copy of written partnership agreement signed by all partners	EIN of the Partnership 4
CORPORATION (With Stockholders)	ABC Company, Inc. c/o Richard Roe, (Title) First National Bank of Dallas c/o John H. Doe, (Title)	ABC Company, Inc. By Richard Roe, (Title) First National Bank of Dallas By John H. Doe, (Title)	Statement where articles of incorporation/organization are filed. Indicate in which State incorporation was filed. Application must be signed by authorized person.	EIN of the Corporation 4
LIMITED LIABILITY COMPANY (LLC)	Jones Farms, LLC c/o Sarah Jones	Jones Farms, LLC By Sarah Jones	Statement indicating which state the Articles of Organization are filed. Application must be signed by authorized person.	SSN or EIN for the LLC. 4
ESTATE	Estate of Richard Roe, Deceased, c/o John H. Doe, Executor (or Administrator)	Estate of Richard Roe, Deceased, by John H. Doe Executor (or Administrator)	Statement advising where authority can be found	Estate EIN
TRUST	John H. Doe Trust, c/o Richard Roe, Trustee or Administrator	John H. Doe, Trust by Richard Roe, Trustee or Administrator	Statement advising where authority can be found	SSN/EIN for Trust 1, 3, and 4 if applicable
TRUST – IRREVOCABLE	Ralph R. Doe, Trust, c/o Richard Roe, Trustee or Administrator	Ralph R. Doe Trust, c/o Richard Roe, Trustee or Administrator	Statement advising where authority can be found	EIN for Trust 4
TRUST - REVOCABLE	John H. Doe, Trust, c/o Richard Roe, Trustee or Administrator	John H. Doe, Trust, c/o Richard Roe, Trustee or Administrator	Statement advising where authority can be found	SSN/EIN for Trust (if applicable) and 4. SSN of Grantor 4
TRUST - BIA	(Name of Trust) BIA Trust 0016	BIA Trust 0016 by John Doe Trustee or Power of Attorney	Statement advising where authority can be found	State County BIA# Example: 01 201 0016
RECEIVER OR LIQUIDATOR	XYZ Company c/o John H. Doe, Receiver (or Liquidator)	XYZ Company By John H. Doe, Receiver or Liquidator & Court-Appointed	Statement advising where authority can be found	EIN of Named Insured or Correspondent's EIN

B. Qualified Alien Status Documentation

A. General Information

In accordance with the 14th amendment to the U.S. Constitution, any person born in and subject to the jurisdiction of the United States is a citizen of the U.S. at birth. United States citizenship may also be acquired through derivation from a U.S. citizen parent when children are born abroad or through naturalization after meeting the necessary residency requirements. All persons not citizens or nationals of the U.S. are aliens, which generally are classified as Permanent Residence ("immigrants"), Non-immigrants, or Undocumented Aliens.

(1) Permanent Aliens enjoy almost all of the same rights as U.S. citizens. This status may be obtained through a number of different procedures, and unless taken away administratively, is granted for life. Aliens with permanent residency must carry evidence of their status.

(2) Non-Immigrant Aliens are admitted to the U.S. for a temporary period of time and for a specific purpose, most often as tourist. There are different categories of non-immigrants, and they are identified through letter/symbol (e.g., B-2). Non-immigrants are also required to present evidence of their lawful status in the U.S. to officers of the U.S. Immigration and Customs Enforcement. This will usually consist of a passport containing a visa and an Arrival/Departure Record (Form I-94 or CBP I-94A).

(3) Undocumented Aliens are those who may have crossed the border illegally and/or been smuggled into the interior of the U.S., or those who have violated their non-immigrant status by accepting unauthorized employment, remaining longer than permitted, or committing some other violation. Some of these aliens purchase counterfeit documents or assume another person's identity by using fraudulently obtained genuine documents.

B. Status Documentation

Any of the following documents is acceptable evidence of eligible immigration status:

(1) Alien Lawfully Admitted for Permanent Residence

(a) CIS Form I–551 (Permanent Resident Card, commonly known as a ''green card'');

(b) Unexpired Temporary I–551 stamp in foreign passport or on CBP Form I–94;

(c) Machine Readable Immigrant Visa (MRIV) and unexpired temporary I-551 stamp in a foreign passport;

(d) MRIV containing temporary I-551 language and endorsed with an unexpired CBP admission stamp in a foreign passport; or

(e) United States Travel Document.

B. Status Documentation (continued)

(2) Asylee

(a) CIS Form I–766 (Employment Authorization Document) annotated ‘‘A5’’;
(b) Grant letter from the Asylum Office of CIS;
(c) Order of an immigration judge granting asylum; or
(d) United States Travel Document.
(e) CBP Form I–94 annotated with stamp showing grant of asylum under § 208 of the INA;

(3) Refugee

(a) CIS Form I–766 (Employment Authorization Document) annotated ‘‘A3’’;
(b) CIS Form I–571 (Refugee Travel Document); or
(c) CIS United States Travel Document.
(d) CBP Form I–94 annotated with stamp showing admission under § 207 of the INA;

(4) Alien Paroled Into the U.S. for a Least One Year

CBP Form I–94 with stamp showing admission for at least one year under § 212(d)(5) of the INA. (Applicant cannot aggregate periods of admission for less than one year to meet the one-year requirement.)

(5) Alien whose Deportation or Removal was Withheld

(a) CIS Form I–766 (Employment Authorization Document) annotated ‘‘A10’’; or
(b) Order from an immigration judge showing deportation withheld under § 243(h) of the INA as in effect prior to April 1, 1997, or removal withheld under § 241(b)(3) of the INA.

(6) Alien Granted Conditional Entry

(a) CBP Form I–94 with stamp showing admission under § 203(a)(7) of the INA; or
(b) CIS Form I–766 (Employment Authorization Document) annotated “A3”.

(7) Cuban/Haitian Entrant

(a) CIS Form I–551 (Permanent Resident Card, commonly known as a ‘‘green card’’) with the code CU6, CU7, or CH6;

(b) Unexpired temporary I–551 stamp in foreign passport or on *CBP Form I–94 with the code CU6 or CU7; or

(c) CBP Form I–94 with stamp showing parole as ‘‘Cuba/Haitian Entrant’’ under § 212(d)(5) of the INA.

B. Qualified Alien Status Documentation (continued)

(8) Alien Who Has Been Battered or Subjected to Extreme Cruelty

Refer to "Interim Guidance on Verification of Citizenship, Qualified Alien Status and Eligibility under Title IV of [PRWORA]", 62 Federal Register 6344-02 (Nov. 17, 1997), Exhibit B.

C. Selected U.S. Travel and Identity Documents

(1) ''Pink'' I–551 ''Resident Alien'' Card

This card is valid for 10 years from the date of issue. The expiration date indicates the card expires and must be renewed. It does NOT indicate that the alien's status has expired. The Alien Registration Receipt Card, commonly referred to as a "green card" contains no expiration and is commonly confused with the "resident alien" card. However, this card is not acceptable evidence of permanent residence.

(a) FRONT: Pink background (blue header bar); blue INS seal overlaps photo area. Repeating ''I–551'' becomes visible when card is tilted under normal light. Expiration date on front of card: Month, day, and year.

(b) BACK: Color gradually changes from pink to blue, with map of U.S. in white. Three lines of machine readable printing at bottom on white background. Immigrant classification and admission/adjustment date on back of card. First set of code is immigrant classification, beginning with letter(s) followed by numbers(s). Third set of code is admission/adjustment date, beginning with year, month, and day. White box should contain the Alien's fingerprint.

(2) ''White'' I–551 ''Resident Alien'' Card

This card was issued between 1977 and 1989 and does not have an expiration date. The Alien Registration Receipt Card, commonly referred to as a "green card" contains no expiration and is commonly confused with the "resident alien" card. However, this card is not acceptable evidence of permanent residence.

(a) FRONT: White background (blue header bar); salmon lines cover the photo in an unbroken pattern. Printing ''detail'' in eagle is excellent. Immigrant classification is on front of card in lower right corner, beginning with letter(s) followed by number(s).

(b) BACK: Pale greenish background, map of U.S. in white and three lines of machine readable codes. Admission/adjustment date is at bottom, left corner on back of card, beginning with year, month, and day.

C. Selected U.S. Travel and Identity Documents (continued)

(3) "Permanent Resident Card" I-551

Introduced in 1997, replaces the Resident Alien Card.

(a) FRONT: White background includes a three-line machine readable zone and the addition of a hologram.

(b) BACK: The Optical Memory Stripe on the reverse contains encoded cardholder information as well as a personalized etching which depicts the bearer's photo, name and signature, date of birth, alien registration number, card expiration date, and card number.

The latest version introduced in 2004, retains many of the same features of the 1997 version while updating the design.

(c) FRONT: The card shows the seal of the Department of Homeland Security and contains a more detailed hologram.

(d) BACK: The Optical Memory Stripe on the reverse retains the same features of the 1997 card. The stripe contains the encoded cardholder information on the card bearer. Each card is personalized with an etching showing the bearer's photo, name and signature, date of birth, alien registration number, card expiration date, and card number.

(4) Unexpired Foreign Passport With I–551 Stamp

An I–551 stamp may be present in a foreign passport, with a handwritten ''Valid Until'' date. A proof of entry and inspection stamp will also present in the passport, similar to the stamp for an I–94. Date of entry is stamped. Immigrant visa classification (letter and number) is printed or stamped on ''Admitted'' line. Valid status expires on date enumerated at ''Until'' section of I–551 stamp. The alien number may be printed beginning with letter A.

(5) I–94 Arrival/Departure Record

When an alien has been granted admission to the U.S. by a U.S. Customs and Border Protection Inspector at an authorized port of entry, he/she will be issued an ARRIVAL/DEPARTURE RECORD, Form I-94, the bottom portion of which is stapled to a page in the alien's passport. This document explains how long the bearer may remain in the U.S. and the terms of admission.

Many ports of entry along the land borders with Canada and Mexico use a modified I-94, the I-94A. This form is computer generated, with both the bearer's personal information and the terms of admission printed onto the form instead of written by hand.

C. Selected U.S. Travel and Identity Documents (continued)

Proof of entry is signified by U.S. immigration stamp. Date of entry is stamped.

(a) Non-immigrant visa classification (letter or letter and number) is printed or stamped on ‘‘Admitted’’ line. Valid status expires on date enumerated at ‘‘Until’’ section of stamp.

(b) Refugees and asylees each receive a separate INS stamp. Asylum seekers have ‘‘valid to’’ date, while refugees have a date of admission.

(6) ‘‘Red’’ I–766 ‘‘Employment Authorization’’

(a) FRONT: White background, red header bar. Statue of Liberty, USA, and Immigration and Naturalization Service symbols become visible when tilted under normal light. Expiration date is at bottom, right corner. Non-immigrant category listed over justice seal by a letter and number abbreviation of the 274A.12 immigration law citation.

(b) BACK: White background, black magnetic strip and standard bar code and two-dimensional barcode.

(7) “USA B1/B2 Visa/Bcc” Dsp-150 “Border Crosser Card”

The bearers of this card are not entitled to work in the U.S. and this is not acceptable evidence of qualified alien status.

(8) Decision Granting Asylum

Documents issued to aliens, granted asylum vary.

(9) Refugee Travel Document Form I–571

Form I–571 is issued by the INS to aliens who have been classified as refugees or asylees. The refugee travel document is valid for only one year.

(10) Order Granting Withholding Of Deportation

The documents used by immigration judges to grant withholding of deportation vary.

C. Person Status Change

Person Type	PASS ID Type Code	Date of Death, Disappearance, Judicial Declaration of Incompetence, or Dissolution	Payee	Action
Individual	I	More than 30 days before Cancellation Date	N/A	Policy cancelled
		30 Days or less before the Cancellation Date	Pay person determined to be beneficially entitled	Policy continues in effect through crop year, changed to appropriate person in subsequent crop year
Joint/Survivor	I		Survivors in equal shares without court proceedings	Interest transfers to the survivors in equal shares without court proceedings
Minor	I	More than 30 days before Cancellation Date	N/A	Policy cancelled
		30 Days or less before the Cancellation Date	Pay person determined to be beneficially entitled	Policy continues in effect through crop year, changed to appropriate person in subsequent crop year
Mentally Incompetent	I	More than 30 days before Cancellation Date	N/A	Policy cancelled
		30 Days or less before the Cancellation Date	Pay person determined to be beneficially entitled	Policy continues in effect through crop year, changed to appropriate person in subsequent crop year
Competent Individuals	I	More than 30 days before Cancellation Date	N/A	Policy cancelled
		30 Days or less before the Cancellation Date	Pay person determined to be beneficially entitled	Policy continues in effect through crop year, changed to appropriate person in subsequent crop year
Represented by Appointees	I	More than 30 days before Cancellation Date	N/A	Policy cancelled
		30 Days or less before the Cancellation Date	Pay person determined to be beneficially entitled	Policy continues in effect through crop year, changed to appropriate person in subsequent crop year
Spousal Married: share converts to estate *	S	More than 30 days before Cancellation Date	N/A	Policy cancelled
		30 Days or less before the Cancellation Date	Pay person determined to be beneficially entitled	Policy continues in effect through crop year, changed to appropriate person in subsequent crop year

*Share converts to an estate or is otherwise legally transferred to a person other than a spouse, see Para. 231A(2)

C. Person Status Change (continued)

Person Type	PASS ID Type Code	Date of Death, Disappearance, Judicial Declaration of Incompetence, or Dissolution	Payee	Action
Spousal married: share converts to spouse	S	N/A	Pay surviving spouse	Policy continues in effect through current crop year and is converted to name of spouse in subsequent year.
Individual Operating as a Business	X	More than 30 days before Cancellation Date	N/A	Policy cancelled
		30 Days or less before the Cancellation Date	Pay person determined to be beneficially entitled	Policy continues in effect through crop year, changed to appropriate person in subsequent crop year
Partnership: General/Limited/ Limited Liability	P	More than 30 days before Cancellation Date	N/A	Policy cancelled
		30 Days or less before the Cancellation Date	Pay person determined to be beneficially entitled	Policy continues in effect through crop year, changed to appropriate person in subsequent crop year
Joint Ventures	J	More than 30 days before Cancellation Date	N/A	Policy cancelled
		30 Days or less before the Cancellation Date	Pay person determined to be beneficially entitled	Policy continues in effect through crop year, changed to appropriate person in subsequent crop year
Corporations	C	More than 30 days before Cancellation Date	N/A	Policy cancelled
		30 Days or less before the Cancellation Date	Pay person determined to be beneficially entitled	Policy continues in effect through crop year, changed to appropriate person in subsequent crop year
LLC	Y	More than 30 days before Cancellation Date	N/A	Policy cancelled
		30 Days or less before the Cancellation Date	Pay person determined to be beneficially entitled	Policy continues in effect through crop year, changed to appropriate person in subsequent crop year
Estate	D	Entity formed as a result of previous individual's death	EIN of Estate	Continues until settlement of the estate
Irrevocable Trust	T			
Revocable Trust	R	More than 30 days before Cancellation Date	N/A	Policy cancelled
		30 Days or less before the Cancellation Date	Reverts to Irrevocable Trust	Policy continues in effect through crop year, changed to appropriate person in subsequent crop year

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A. Crop Policy Information

This is intended to be a quick reference guide and does not change any policy or procedural requirements. Please refer to the appropriate policy documents for more detailed requirements and limitations.

2020 Crop Policy Information							
Yield Protection, Revenue Protection[1] & Revenue Protection with Harvest Price Exclusion[1] Crops	FCIC		LP/PP	Replant[1]	Unit of Measure	Unit(s): Basic (B) Optional (O)[1] Enterprise (E)[1] Whole Farm (W)[3]	High-Risk Land Ex. Opt.[4]
	Policy	Crop Provisions					
Barley[5]	20-BR	17-0011	LP/PP	Yes	bu.	B/O/E/W	Yes
Canola/Rapeseed	20-BR	17-0015	LP/PP	Yes	lbs.	B/O/E/W	Yes
Coarse Grains: Corn, Grain Sorghum, Soybeans	20-BR	17-0041	LP/PP	Yes	bu./ton	B/O/E/W	Yes
Cotton	20-BR	17-0021	LP/PP		lbs.	B/O/E/W	Yes
Peanut	20-BR	18-PT-075	LP/PP	Yes	lbs.	B/O[6]/E	Yes
Pecan Revenue	20-BR	14-0020			$/lbs.	B/O/E	Yes
Popcorn (Revenue)	20-BR	17-PRC-043	LP/PP	Yes	lbs.	B/O/E[7]	Yes
Rice	20-BR	17-0018	LP/PP	Yes	lbs.	B/O/E/W	Yes
Sunflower Seed	20-BR	17-0078	LP/PP	Yes	lbs.	B/O/E/W	Yes
Wheat	20-BR	17-0011	LP/PP	Yes	bu.	B/O/E/W	Yes

2020 Crop Policy Information							
Margin Protection	FCIC		LP/PP	Replant[1]	Unit of Measure	Unit(s): Basic (B) Optional (O)[1] Enterprise (E)[1] Whole Farm (W)[3]	High-Risk Land Ex. Opt.[4]
	Policy	Crop Provisions					
Corn	19-MP	19-MP-041			$/bu.	1. MP without a base policy. all the planted acreage in the county by share, type, and practice 2. For MP with a base policy will use the unit structure of the base policy, but will not allow whole farm units	
Rice	19-MP	19-MP-018			$/lbs.	1. MP without a base policy. all the planted acreage in the county by share, type, and practice 2. For MP with a base policy will use the unit structure of the base policy, but will not allow whole farm units	
Soybean	19-MP	19-MP-081			$/lbs.	1. MP without a base policy. all the planted acreage in the county by share, type, and practice 2. For MP with a base policy will use the unit structure of the base policy, but will not allow whole farm units	
Wheat	19-MP	19-MP-011			$/bu.	1. MP without a base policy. all the planted acreage in the county by share, type, and practice 2. For MP with a base policy will use the unit structure of the base policy, but will not allow whole farm units	

A. Crop Policy Information (continued)

2020 CROP POLICY INFORMATION							
APH CROPS	FCIC		LP/PP	REPLANT	UNIT OF MEASURE	UNIT(S) BY: BASIC (B) OPTIONAL (O)[1] ENTERPRISE (E)[7]	HIGH-RISK LAND EX. OPTION
	POLICY	CROP PROVISIONS					
Almonds	20-BR	08-028			lbs.	B/O	Yes
Apples	20-BR	11-0054			box/bu.	B/O	Yes
Avocados – CA	20-BR	20-0019			lbs.	B/O	Yes
Avocados – FL	20-BR	11-0019a			bu.	B/O by type	Yes
Beans, Dry	20-BR	17-0047	LP/PP	Yes	lbs.	B/O/O by Type[8]	Yes
Beans, Fresh Market	20-BR	11-0105			carton	E[8]	No
Beans, Processing	20-BR	17-046	LP/PP		ton	B/O/O by Type	Yes
Blueberries	20-BR	05-012			lbs.	B/O by type	Yes
Cabbage	20-BR	11-0072		Yes	cwt.	B[8]/O[8]	Yes
Camelina	20-BR	14-0333		Yes	lbs.	B/O[8]	Yes
Caneberry, Fresh Market	20-BR	19-CB-6000			lbs.	B/O[6]/E[7]	Yes
Chile Peppers (Pilot)	20-BR	10-045			$/lbs.	B/O by Type by County	Yes
Citrus - AZ & CA	20-BR	15-0126			carton	B by Crop/O	Yes
Citrus Fruit - FL	20-BR	14-0026			$/box	B by Group/O	Yes
Citrus Fruit – TX	20-BR	18-0226			ton	B by Crop/O	Yes
Citrus Tree - TX	20-BR	16-TCT			$/tree	B/O	Yes
Clary Sage	20-BR	16-0079	LP	Yes	$/lbs	B/O	Yes
Cotton, ELS	20-BR	17-022	PP		lbs.	B/O	Yes
Cranberries	20-BR	99-058			barrel	B/O	Yes
Cucumbers, Pickling Machine Harvested	20-BR	17-0132		Yes	bu.	B/O[8]	Yes
Cultivated Clams	20-BR	19-0116		Yes	AQ $/per clam	B/O[8]	Yes
Cultivated Wild Rice	20-BR	09-0055			LBS.	B/O[8]	YES
Figs	20-BR	01-060			lbs.	B BY TYPE/O	Yes
Florida Fruit Tree	20-BR	20-0014			$/per tree	B/O BY COUNTY	Yes
Forage Production	20-BR	01-033 REV. 3/00			ton	B[8]/O	Yes
Forage Seed – Alfalfa (Pilot)	20-BR	15-0107			lbs.	B/O[8]	Yes
Forage Seeding (Dollar Plan)	20-BR	04-032		Yes	$	B[8]/O	Yes
Grapes	20-BR	10-0053			ton	B/O/Variety	Yes
Grapes, Table	20-BR	10-0052			lug	B/O/Variety	Yes

A. Crop Policy Information (continued)

2020 Crop Policy Information							
APH Crops	**FCIC**		**LP/PP**	**Replant**	**Unit of Measure**	**Unit(s) by:** Basic (B) Optional (O)[1] Enterprise (E)[7]	**High-Risk Land Ex. Option**
	Policy	**Crop Provisions**					
Grass Seed (Pilot)	20-BR	15-0102			lbs.	B[8]/O	Yes
Hawaiian Tropical Fruit	20-BR	19-0255			lbs.	B/O	Yes
Hawaiian Tropical Tree	20-BR	19-0265			$	B/O	Yes
Hybrid Seed Corn	20-BR	17-062	LP/PP		$	B/O[8]	Yes
Hybrid Sorghum Seed	20-BR	17-050	LP/PP		$	B/O[8]	Yes
Hybrid Sweet Corn Seed (Pilot)	20-BR	18-0093	LP/PP		$	B by contract	No
Hybrid Vegetable Seed	20-BR	20-HVS-0066		Yes	$	B by contract	No
Macadamia Nut	20-BR	17-0023			lbs.	B/O	Yes
Macadamia Tree (Pilot)	20-BR	19-MT			$	B/O	Yes
Millet	20-BR	17-017	LP/PP		bu.	B/O	Yes
Mint	20-BR	08-074			lbs.	B[8]/O	Yes
Mustard	20-BR	17-0069	LP/PP	Yes	lbs.	B/O[9]	Yes
Nursery (Container/Field Grown)	20-BR	19-0073			plant value	B[10]	Yes
Olives	20-BR	18-0501			ton	E	Yes
Onions	20-BR	17-0013	LP/PP	Yes	cwt.	B/O[9]	Yes
Peaches	20-BR	13-0034			bu.	B/O	Yes
Pears	20-BR	15-0089			ton	B/O[11]	Yes
Peas, Dry	20-BR	17-0067	LP/PP		lbs.	B/O/O by Type	Yes
Peas, Green	20-BR	17-064	LP/PP		lbs.	B/O/O by Type	Yes
Peppers, Fresh Market	20-BR	99-083		Yes	box (1 1/9)	B/B by planting period/O	Yes
Pistachios	20-BR	12-0470			lbs.	B/O	Yes
Popcorn	20-BR	17-043	LP/PP	Yes	lbs.	B/O/E	Yes
Potatoes, Central/Southern	20-BR	17-0284	LP/PP		cwt.	B[8]/O	Yes
Potatoes, Northern	20-BR	17-0184	LP/PP		cwt.	B/O	Yes
Processing Pumpkins	20-BR	09-0147			Ton	B/O[8]t	Yes
Prunes	20-BR	13-0036			ton	B/O[12]	Yes
Raisins	20-BR	98-037			ton	B by Variety/O[6]	Yes
Safflower	20-BR	17-0049	LP/PP	Yes	lbs.	B/O	Yes
Sesame (Pilot)	20-BR	19-0396		Yes	lbs.	B/O[8]	No
Small Grains: Buckwheat, Flax, Oats, Rye[13]	20-BR	17-0011	LP/PP	Yes[14]	bu.	B/O	Yes

A. Crop Policy Information (continued)

2020 Crop Policy Information							
APH Crops	FCIC		LP/PP	Replant	Unit of Measure	Unit(s) by: Basic (B) Optional (O)[1] Enterprise (E)[7]	High-Risk Land Ex. Option
	Policy	Crop Provisions					
Stone fruit: Peaches (Fresh/Process), Apricots(Fresh/Process), Nectarines (Fresh), Plums (Fresh)	20-BR	11-0077			Lug/ton	B/O by Type/Variety	Yes
Sugar Beets	20-BR	19-039	LP/PP	Yes	ton	B/O[8]	Yes
Sugarcane	20-BR	18-0038			lbs.	B/O	Yes
Sweet Corn, Fresh Market	20-BR	08-044		Yes	container	B/B by planting period/O	Yes
Sweet Corn, Processing	20-BR	17-042	LP/PP		ton	B/O[8]	Yes
Sweet Potatoes	20-BR	15-0156			cwt.	B[8]/E	No
Tobacco	20-BR	17-0071	LP/PP		lbs.	B by FSN/O[16]/E[7]	Yes
Tomatoes, Fresh Market $	20-BR	13-0086		Yes	carton	B/B by planting period/O[17]	Yes
Tomatoes, Fresh Market Guarantee Production	20-BR	99-186		Yes	carton	B/B by planting period/O[17]	Yes
Tomatoes, Processing	20-BR	05-087		Yes	ton	B[8]/O[8]	Yes
Triticale	20-BR	18-TC-0158	LP/PP	Yes	Bu.	B by Type	Yes
Walnuts	20-BR	08-029			lbs.	B/O[6]	Yes
CAT Endorsement	[15]	18-CAT					No

2020 Crop Policy Information							
ARH Crops	FCIC		LP/PP	[18]Replant	Unit of Measure	Unit(s) by: Basic (B) Optional (O)[1] Enterprise (E)[1]	High-Risk Land Ex. Option[4]
	Policy	Crop Provisions					
Cherries, ARH (Pilot)	14-ARH	18-0057			$/lbs.	B/O/O[18]	Yes
Citrus, ARH (Pilot)	14-ARH	18-0227			$	B/O	Yes
Strawberries, ARH (Pilot)	14-ARH	18-0154			$/lbs	B/O/B by planting period	No

2020 Crop Policy Information					
Rainfall Index (RI) (Pilot)	FCIC		Expected County Yield	Unit of Measure	Unit(s) by: Basic (B)
	Policy	Crop Provisions			
Annual Forage (Pilot)	18-RIVI	20-RI-AF	Final Grid Index	Deviation of Normal	B by ID/share/interval
Apiculture (Pilot)	18-RIVI	13-RI-API	Final Grid Index	Deviation of Normal	B by ID/share/interval
Pasture, Rangeland, Forage (Pilot)	18-RIVI	18-RI-PRF	Final Grid Index	Deviation of Normal	B by ID/type/share/interval

A. Crop Policy Information (continued)

2020 CROP POLICY INFORMATION							
Whole-Farm	FCIC		LP/PP	REPLANT	UNIT OF MEASURE	WHOLE FARM (W)	HIGH-RISK LAND EX. OPTION
	POLICY	CROP PROVISIONS					
Whole-Farm Revenue Protection (Pilot)	19-0076			Yes	$	W	No

2020 CROP POLICY INFORMATION								
GROUP RISK PROTECTION (GRP)	FCIC		EXPECTED COUNTY YIELD	LP/PP	REPLANT	UNIT OF MEASURE	UNIT(S) BY: COUNTY (C)	HIGH-RISK LAND EX. OPTION[4]
CROPS	POLICY	CROP PROVISIONS						
Oysters (Pilot)	09-GRP-Oysters		Yes			lbs.	C	No

2020 Crop Policy Information								
AREA RISK PROTECTION INSURANCE & AREA RISK PROTECTION WITH HARVEST PRICE EXCLUSION	FCIC		Expected County Yield	LP/PP	Replant	Unit of Measure	Unit(s) by:	High-Risk Land Ex. Option
	Policy	Crop Provisions					County (C)	
Corn	18-ARPI	14-ARPI-0041	Yes			bu./$	C	No
Cotton	18-ARPI	14-ARPI-0021	Yes			lbs./$	C	No
Forage Production	18-ARPI	17-ARPI-0033	Yes			bu./$	C	No
Grain Sorghum	18-ARPI	14-ARPI-0051	Yes			bu./$	C	No
Popcorn	18-ARPI	15-ARPI-0043	Yes			bu./$	C	No
Rice	18-ARPI	14-ARPI-0018	Yes			bu./$	C	No
Soybeans	18-ARPI	14-ARPI-0081	Yes			bu./$	C	No
Wheat	18-ARPI	14-ARPI-0011	Yes			bu./$	C	No

A. Crop Policy Information (continued)

2020 Policy Information							
Livestock	**FCIC**		**Unit of Measure**	**Sales Closing**	**Coverage Levels**	**Contract Length**	**Policy Limits**
	Policy	**Livestock Provisions**					
Dairy Revenue Protection	20-DRP		lbs./$	Daily	80-95	Quarterly	
Livestock Gross Margin – Cattle (Pilot)	LGM-Cattle 2020		cwt./$	Monthly	$0-$150/head	11 months	
Livestock Gross Margin – Swine (Pilot)	LGM-Swine 2020		cwt./$	Monthly	$0-$20/head	6 months	
Livestock Gross Margin – Dairy (Pilot)	LGM-Dairy 2020		cwt./$	Monthly	$0-$2.00/cwt	11 months	
Livestock Risk Protection – Swine (Pilot)	20-LRP-Basic	20-LRP-Swine	cwt./$	Daily	70-100	13, 17, 21, or 26-week periods	20,000 head/SCE or 75,000 head/year
Livestock Risk Protection – Fed Cattle (Pilot)	20-LRP Basic	20-LRP-Fed Cattle	cwt./$	Daily	70-100	13, 17, 21, 26, 30, 34, 39, 43, 47, or 52 week periods	3,000 head/SCE or 6,000 head/year
Livestock Risk Protection – Feeder Cattle (Pilot)	20-LRP Basic	20-LRP-Feeder Cattle	cwt./$	Daily	70-100	13, 17, 21, 26, 30, 34, 39, 43, 47, or 52 week periods	3,000 head/SCE or 6,000 head/year
Livestock Risk Protection – Lamb (Pilot)	20-LRP Basic	15-LRP-Lamb	cwt./$	Weekly	80-95	13, 26, or 39 week periods	2,000 head/SCE or 28,000 head/year

2020 Crop Policy Information									
Endorsements & Options	**FCIC**			**Crop**	**LP/PP**	**Replant**	**Unit of Measure**	**Unit(s) by:** **Basic (B)** **Optional (O)** **Enterprise (E)** **Whole Farm (W)** **County (C)**	**High-Risk Land Ex. Option**
	Endorsement Number	**Basic Provisions**	**Crop Provisions**						
Barley or Wheat Winter Coverage Endorsement	04-011a	20-BR	17-0011	Barley, Wheat	LP/PP	Yes	bu.	B/O/E	Yes
Malting Barley Endorsement	18-0091b	20-BR	17-0011	Barley	LP/PP	Yes	bu.	B/O/E	Yes
Cottonseed (pilot)	12-0021a	20-BR	17-0021 17-0022	Cotton or ELS Cotton	LP/PP		lbs.	B/O/E	Yes
Downed Rice Endorsement	16-DR-0018a	20-BR	17-0018	Rice	LP/PP	Yes	lbs.	B/O[17]/E[7]/W[19]	Yes
Sprinkler Irrigated Rice Endorsement	16-SIR-0018b	20-BR	17-0018	Rice		Yes	lbs.	B/O/E[7]/W[19]	Yes
Dry Bean Revenue Endorsement	17-0047a	20-BR	17-0047	Dry beans	LP/PP	Yes		B/O/O by Type[8]/E	Yes

A. Crop Policy Information (continued)

2020 Crop Policy Information									
Endorsements & Options	**FCIC**			**Crop**	**LP/PP**	**Replant**	**Unit of Measure**	**Unit(s) by:** **Basic (B)** **Optional (O)** **Enterprise (E)** **Whole Farm (W)** **County (C)**	**High-Risk Land Ex. Option**
	Endorsement Number	**Basic Provisions**	**Crop Provisions**						
Dry Pea Revenue Endorsement	17-0067a	20-BR	17-0067	Dry Peas	LP/PP	Yes		B/O/E	Yes
Farm Bill Amendment	15-Farm Bill	1[i]							
Florida Fruit Tree Insurance Comprehensive Tree Value (CTV) Endorsement	18-0014a	20-BR	20-0014	Orange, Grapefruit All other citrus, Avocado				B/O by County	Yes
Florida Fruit Tree Insurance Occurrence Loss Option (OLO) Endorsement	18-0014a	20-BR	20-0014	Orange, Grapefruit All other citrus, Avocado				B/O by County	Yes
Hawaii Tropical Tree Crop Insurance Comprehensive Tree Value (CTV) Endorsement	19-0265a	20-BR	19-0265	Coffee, Papaya				B/O	Yes
High-Risk Alternate Coverage Endorsement	17-HR-ACE	20-BR	17-0041 17-0011	Corn, Soybeans, Wheat, Grain Sorghum	LP/PP	Yes	bu.	B/O/E	Yes
Hybrid Seed Price (Pilot)	02-HSPE	20-BR	17-062 17-050	Hybrid Seed Corn, Sorghum	LP/PP		bu.	B/O	No
Northern Potato Certified Seed Endorsement	08-084c	20-BR	17-0184	N. Potatoes	LP/PP		CWT	B/O	Yes
Northern Potato Processing Quality Endorsement	08-084b	20-BR	17-0184	N. Potatoes	LP/PP		CWT	B/O	Yes
Northern Potato Quality Endorsement	08-084a	20-BR	17-0184	N. Potatoes	LP/PP		CWT	B/O	Yes
Northern Potato Storage Coverage Endorsement	08-084d	20-BR	17-0184	N. Potatoes	LP/PP		CWT	B/O	Yes
Nursery Peak Inventory Endorsement	08-073A	20-BR	19-073	Nursery			Plant Value	B	Yes

A. Crop Policy Information (continued)

2020 Crop Policy Information									
Endorsements & Options	**FCIC**			**Crop**	**LP/PP**	**Replant**	**Unit of Measure**	**Unit(s) by:** **Basic (B)** **Optional (O)** **Enterprise (E)** **Whole Farm (W)** **County (C)**	**High-Risk Land Ex. Option**
	Endorsement Number	**Basic Provisions**	**Crop Provisions**						
Nursery Crop Provisions Rehabilitation Endorsement	06-073B	20-BR	19-073	Nursery			Plant Value	B	Yes
Nursery Grower's Price Endorsement (Pilot)	06-073C	20-BR	19-073	Nursery			Plant Value	B	Yes
Onion Stage Removal Option (Pilot)	00-013A	20-BR	17-0013	Onions	LP/PP	Yes	CWT	B/O/O by Type[9]	Yes
Peanuts – Commodity Exchange Price Provisions	15-CEPP-PT	20-BR	18-PT-075	Peanuts	LP/PP	Yes	lbs.	B/O/E	Yes
Quarantine Endorsement (Pilot)	11-QE	20-BR	18-0019	CA APH Avocados (pilot),				B/O	
			15-0126	AZ-CA Citrus, ARH-Citrus (pilot)					
			2012-0215 47						
Sanctions Amendment	09-Sanctions	20-BR							
Silage Sorghum (Pilot)	11-0059	20-BR	17-0041	Silage Sorghum	LP/PP	Yes	ton	B/O	Yes
Sugarcane Crop Insurance Crop Replacement Endorsement	18-0038a	20-BR	18-0038	Sugarcane			lbs.	B/O	Yes
Supplemental Coverage Option	19-SCO	20-BR	17-0011	Barley, Corn, Soybeans, Wheat, Sorghum, Cotton, Rice	LP/PP	Yes			Yes
			17-0041						
			17-0021						
			17-0018						

A. Crop Policy Information (continued)

2020 CROP POLICY INFORMATION									
ENDORSEMENTS & OPTIONS	FCIC			CROP	LP/PP	REPLANT	UNIT OF MEASURE	UNIT(S) BY: BASIC (B) OPTIONAL (O) ENTERPRISE (E) WHOLE FARM (W) COUNTY (C)	HIGH-RISK LAND EX. OPTION
	ENDORSEMENT NUMBER	BASIC PROVISIONS	CROP PROVISIONS						
Sweet Potato Crop Insurance Storage Coverage Endorsement	15-0156a	20-BR	15-0156	Sweet Potatoes		Yes	CWT	B/E	No
Texas Citrus Tree Crop Insurance Comprehensive Tree Value Endorsement	16-TCT-a	20-BR	16-TCT	Tangerine Trees				B/O	Yes
Texas Citrus Tree Crop Insurance Coverage Enhancement Option	12-TCT-b	20-BR	16-TCT	Tangerine Trees				B/O	Yes

Footnotes for Crop Policy Information

1 Applies to additional coverage only.
2 Reserved.
3 WU(s) are available if the insured has a Revenue Protection plan of insurance policy or a Revenue Protection with Harvest Price Exclusion plan of insurance policy in effect, unless prohibited by the SP. WU are only available for "Yield Protection" if allowed by the SP.
4 Requires insured's signature, refer to Actuarial Documents.
5 See Malting Barley Price & Quality Endorsement on the Option and Endorsement in Table below.
6 OUs only by non-contiguous land.
7 EU(s) if allowed in the SP.
8 Refer to CP for limitation.
9 OU allowed by type, if on SP.
10 BUs by share/plant/type.
11 OUs by varietal group if on SP.
12 Unless limited by CP or SP.
13 Replanting is not available for Rye.
14 Not available for fall planted types with only fall final planting date.
15 Endorsement attaches to specific crop policies or endorsements when CAT coverage is selected by insured.
16 OUs available if allowed by SP.
17 OUs by irrigated and non-irrigated practice are not applicable.
18 OUs by non-contiguous land and type.
19 WUs allowed if on SP.

B. Rounding Rules Pertaining Program Administration

ITEM	FORM	ROUNDING RULES			
ACRES**\1	Production Report, APH Database, Acreage Report, All Loss Forms.	Tobacco Round to (0.01) Other Crops Round to (0.10)			
		UNIT OF MEASURE			
		Bushels, Boxes, Cartons, Lugs, Hundredweight (cwt)	Tons	Barrels	Dollars, Pounds
APH YIELDS (PER ACRE)	Production Report, APH Database, Acreage Report.	Round To: 1.00	0.10	0.10	1.00
TOTAL PRODUCTION	Production Report, APH Database, Acreage Report	Round To: 1.00	0.10	0.10	1.00
PRODUCTION TO COUNT	All Loss Forms	Round To: .10	0.10	0.10	1.00
INSURED\1 (SHARE)	Acreage Report Notice, Loss Payment., All Loss Forms	Round To: 0.001 for all crops.			

\1 **Note:** To facilitate ACRSI, RMA's systems will allow acreage to be reported, and rounded, to hundredths (0.01); and for shares to be reported, and rounded, to the ten-thousandths (0.0001). Agents should adhere to the field size elected by their AIP for shares and acres and round accordingly to field size provided.

** See SRA Appendix III for line/record rounding rules.]

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

[For all Raisin rounding rules, refer to the Raisin Loss Adjustment Standards Handbook for Raisin rounding rules. For all other rounding rules for loss calculations (appraisals, cubic feet, moisture percentage, foreign material or dockage, test weight, etc.) refer to the FCIC-25010 LAM or individual crop Loss Adjustment Standards.].

C. Premium Adjustment Table

PERCENTAGE ADJUSTMENTS FOR FAVORABLE CONTINUOUS INSURANCE EXPERIENCE																
	NUMBER OF YEARS OF CONTINUOUS EXPERIENCE THROUGH PREVIOUS YEAR[1] 2/															
	0	**1**	**2**	**3**	**4**	**5**	**6**	**7**	**8**	**9**	**10**	**11**	**12**	**13**	**14**	**15+**
Loss Ratio Through Previous Crop Year[2]	PERCENTAGE ADJUSTMENT FACTOR FOR CURRENT CROP YEAR															
.00- .20	100	95	95	90	90	85	80	75	70	70	65	65	60	60	55	50
.21- .40	100	100	95	95	90	90	90	85	80	80	75	75	70	70	65	60
.41- .60	100	100	95	95	95	95	95	90	90	90	85	85	80	80	75	70
.61- .80	100	100	95	95	95	95	95	95	90	90	90	90	85	85	85	80
.81 +	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100

[1] For premium adjustment purposes, only the years during which premiums were earned will be considered.
[2] Loss Ratio means the ration of indemnity(ies) paid to base premium(s) earned.

Reserved

Reserved

Reserved

RLU Collection Standards

The RLU is a geospatial data layer collected or created by AIPs for acreage reporting purposes under the Federal crop insurance program. RLUs capture and define as-planted boundaries of insured acreage and can be derived from a variety of technology sources.

A. Core Accuracy Requirements

The following core accuracy requirements must be met for all submitted RLUs:

Data Collection Method	Accuracy/Requirement
Digitized from Remote Sensing (Imagery from Aerial, Satellite, and Unmanned Aerial Vehicle (UAV)	- Reference imagery must meet or not exceed 4 meters at 95% confidence level - Digitized at 1:1 not to exceed 1:4,800 - Metadata populated at time of creation and retained for standard document retention period
Global Positioning System (GPS)	- Less than or equal to 3 meters Root Mean Square Error at 95% confidence level with or without the use of differential corrections - GPS receiver raw data retained - Metadata populated at time of creation and retained for standard document retention period

B. Additional Requirements

In addition to the core accuracy requirements, the additional requirements apply to the RLU collection methods:

(1) Digitizing from Remote Sensing (Aerial Imagery, Satellite Imagery, and Unmanned Aerial Vehicle Imagery)

(a) When RLU field boundaries are digitized from photography including fixed wing, satellite and UAV imagery, the reference imagery must have a horizontal position accuracy that meets or exceeds the FSA National Agriculture Imagery Program absolute accuracy specification of "all well-defined points tested shall fall within 4-meters of true ground at a 95% confidence level."

(b) UAC imagery must use ground control points and/or differential GPS systems when possible to increase the absolute accuracy of the onboard GPS.

(2) GPS Data Collection

(a) The GPS receiver must operate in a 3D mode, where the receiver requires signals from a minimum of four satellites to determine a 3D (latitude, longitude, and elevation) location, or "fix". Fixes determined from calculations based on less than four satellites (2D or 2D/3D) are not permitted for acreage measurements.

B. Additional Requirements (continued)

(b) The Signal to Noise Ratio (SNR) describes beacon receiver performance and can be used to determine if the unit is properly processing differential corrections properly. For acreage measurement, the Signal to Noise Ratio reception must meet a minimum range of 'good' (15-20 SNR) .

C. RLU File Format

Submit all RLUs as Geographic JavaScript Object Notation (GeoJSON) files. GeoJSON files are formatted text strings of coordinate points representing the bounding shape of polygons with required and optional attribution. These polygons reflect the shape of mapped operational field boundaries or as-planted current-season field boundaries. RMA currently does not accept RLUs with multi-part polygons.

RLU GeoJSONs files must be submitted in a geographic coordinate reference system, using the World Geodetic System 1984 (WGS84) datum, and must include longitude and latitude units of decimal degrees.

D. Metadata

Geospatial data collected for USDA, including RLUs, must include metadata. Metadata is data that provides information about one or more aspects of that data (e.g., 'data about the data'). Metadata examples include file size, time and date of creation, location of creation, equipment on which the data was collected, etc.

Metadata and associated data quality information must be created and stored according to the Federal Geographic Data Committee or International Standards Organization Standards (ISO 19115). RMA can request metadata from AIPs during the standard document retention period, and requested metadata is delivered to RMA in an XML or other RMA approved file type.

(1) General metadata for all collection methods must include:

(a) positional accuracy, including horizontal and vertical accuracy;
(b) contact information;
(c) metadata creation and update date; and
(d) use constraints.
(e) spatial references, including horizontal coordinate system, vertical coordinate system, coordinate datum, and coordinate projection;

(2) If available, additional metadata for GPS data must include:

(a) receiver model and type;
(b) maximum position of dilution of position;
(c) configuration settings;
(d) post processing information;
(e) collection date;

D. Metadata (continued)

(f) total positions recorded; and
(g) method of collection (e.g. all-terrain vehicle, walking, horseback).

(3) If available, additional metadata for digitized data and imagery must include:

(a) imagery specifications;
(b) imagery source link;
(c) identification of imagery date used;
(d) sensor information, including unmanned aerial vehicle model and type;
(e) camera information, including lens, filter, sensor array, and shutter assembly; and
(f) flight parameters, including altitude, side overlap, and front overlap.
(g) certification the imagery used meets or exceeds the FSA National Agriculture Imagery Program standards;

E. Best Practices

The best practices below will help AIPs meet the core accuracy and additional requirements for the collection of RLUs:

(1) Unmanned Aerial Vehicles and Unmanned Aerial Systems

(a) Altitude: Flying at a lower altitude will increase the image resolution and the accuracy of the image;

(b) Speed: Flying at a slower speed can reduce pitch and yaw of the drone in some instances and put less stress on the gimbal to keep the camera at the appropriate zenith angle;

(c) Image resolution: Increasing camera resolution facilitates collection of higher resolution data; and

(d) Number of georeferenced photos: Photos that contain GPS metadata can be georeferenced and increasing the number of georeferenced photos improves mapping accuracy.

(2) GPS Data Collection

(a) Inspect GPS data in a GIS to identify errors and analyze precision. Before submitting geometry to RMA as an RLU, edit and correct any potential geometry errors, including dangles or dangling nodes where a RLU does not connect back to itself, switchbacks and loops created with extra vertices, and overlapping RLU;

(b) Use real-time differential techniques whenever possible for increased accuracy;

(c) For post processing techniques, use the base station closest to where the data is being collected to increase the quality of the data;

E. Best Practices (continued)

(d) GPS field work should be performed by personnel that are competent in GPS and GIS or have a surveying or mapping background;

(e) Use mapping and survey grade GPS receivers. Do not use recreational grade GPS receivers that cannot meet RLU accuracy requirements; and

(f) To limit unnecessary datum conversions, positional coordinate data should be recorded in the WGS84 datum before submitting RLU spatial data.

(3) GPS Received Parameter Settings

(a) Follow the GPS receiver parameters settings listed below:

Position Mode	Position fixes must be determined using four or more satellites 2D fixes (using only three satellites) are not acceptable
Elevation Mask	15 degrees above horizon
PDOP Mask	Less than or equal to 6
Signal to Noise Ratio Mask (SNR)	If available, set to manufacturer's recommendation that would achieve RMA's 3-meter standard
Logging of DOP	Receiver should be set to log DOP data along with position fixes
Logging Interval	Dependent upon velocity of receiver, recommend no more than 5 seconds
Datum	WGS84
Units	Decimal Degrees, meters
Coordinate System	Latitude/Longitude,
Elevation Mode	Height Above Ellipsoid

(b) When using real-time differential correction, follow the additional parameters below:

Logging of Post Process Data	Enables post-processing of the real-time differentially corrected data
Real Time Correction Messages	Enables receiver to use Real Time Correction Message GPS correction signals from the closest beacon