



United States
Department of
Agriculture



Federal Crop
Insurance
Corporation

FCIC-20240 (06-2017)
FCIC-20240-1 (12-2017)
FCIC-20240-2 (01-2019)

MALTING BARLEY ENDORSEMENT INSURANCE STANDARDS HANDBOOK

2019 and Succeeding Crop Years

**UNITED STATES DEPARTMENT OF AGRICULTURE
KANSAS CITY, MO 64133**

TITLE: MALTING BARLEY ENDORSEMENT INSURANCE STANDARDS HANDBOOK	NUMBER: FCIC-20240 FCIC-20240-1 FCIC-20240-2
EFFECTIVE DATE: 2019 and Succeeding Crop Years	ISSUE DATE: January 28, 2019
SUBJECT: Provides the procedures and instructions for the Malting Barley Endorsement crop insurance program	OPI: Product Administration and Standards Division
	APPROVED: <i>/s/ Richard H. Flournoy</i> Deputy Administrator for Product Management

REASONS FOR AMENDMENT

This handbook is issued to provide official FCIC-issued underwriting instructions for administering the Malting Barley Endorsement for the 2019 and subsequent crop years. It is effective until reissued or until the program is terminated by FCIC.

In the absence of industry developed, FCIC-approved procedure for this crop, all reinsured companies will utilize these standards for both underwriting and training.

This handbook has been revised as indicated below. Minor changes and corrections are not included in this listing. See changes or additions in text which have been highlighted. Three stars (***) identify where information has been removed.

Added instructions to “Element 65 – Quality Factor” to handle a claim when it is filed under both the MBE and the base policy.

MALTING BARLEY ENDORSEMENT INSURANCE STANDARDS HANDBOOK

CONTROL CHART

Control Chart For: Malting Barley Endorsement Insurance Standards Handbook							
	TP Page(s)	TC Page(s)	Text Page(s)	Exhibit Numbers	Exhibit Page(s)	Date	Directive Number
Remove	1-2	1-2	31-32			06-2017	FCIC 20240
Insert	1-2	1-2	31-32			01-2019	FCIC 20240-2
Current Index	1-2	1-2	1-4.2 5-30 31	1 2	32 33-34	01-2019	FCIC 20240-2
						01-2019	FCIC 20240-2
						12-2017	FCIC 20240-1
						06-2017	FCIC 20240
						01-2019	FCIC-20240-2
						01-2019	FCIC 20240-2
						06-2017	FCIC 20240

FILING INSTRUCTIONS

The handbook pages listed in the Control Chart above under the “Insert” heading replace such pages in the FCIC-20240-1 Malting Barley Endorsement Insurance Standards Handbook, dated December 2017. This handbook is effective for the 2019 and succeeding crop years and is not retroactive to any 2018 or prior crop year determinations.

MALTING BARLEY ENDORSEMENT INSURANCE STANDARDS HANDBOOK

TABLE OF CONTENTS

Page No.

Part 1 General Information and Responsibilities

1	General Information.....	1
2	Responsibilities.....	2
3-20 (Reserved)		

Part 2 Insurability

21	MBE Insurability Requirements	3
22	Insurable Types and Practices.....	4
23	Units and Coverage Levels	5
24	Insurable and Uninsurable Causes of Loss	5
25	Premium Rates	6
26	Approved Yields and Transitional Yields.....	6
27	Projected Price and Harvest Price.....	6
28	Quality Adjustment.....	9
29	Transfer of Policy	12
30	Approved Malting Barley Varieties.....	12
31	Proration of Acres Reportable as Contracted Acres and Non-contracted Acres when the Acreage to Fulfill the Contract is Located in Multiple Counties or Multiple Units.....	13
32-39 (Reserved)		
40	Example of Guarantee Calculation	16
41	Example of Indemnity Calculations.....	16
42	Conditioning	16
43-49 (Reserved)		
50	Example of Settlement of Claim.....	18

Part 3 Applicability of Handbooks

51	General Overview	27
52	Specific Information – CIH	27
53	Loss Adjustment Manual	27
54	Small Grains LASH	28
55-99 (Reserved)		

Exhibits

1	Acronyms.....	32
2	Definitions.....	33

(RESERVED)

54. Small Grains LASH (Continued)

LASH Reference	Supplemental Instructions
Element 64b MKT Price	<p>MALTING BARLEY:</p> <ul style="list-style-type: none"> a. If the malting barley fails any quality standards in accordance with the MBE and is not accepted by a buyer, enter the harvest price for malting barley in accordance with the MBE. b. If the malting barley initially fails any quality standards in accordance with the MBE but is accepted by a buyer at a price lower than the contract price and has not been conditioned, enter the contract price of the damaged production. <p>If the malting barley initially fails any quality standards in accordance with the MBE but is accepted by a buyer and has been conditioned, enter the harvest price for malting barley in accordance with the MBE.</p>
Element 65 Quality Factor	<p>MALTING BARLEY:</p> <p>If the production listed in item 63 is not eligible for quality adjustment, make no entry.</p> <p>If the production is eligible for quality adjustment, enter the 2- digit factor determined by dividing column 64a by column 64b as applicable.</p> <p>If a claim is filed under both the MBE and the Small Grains CP,</p> <ul style="list-style-type: none"> a. Calculate the quality factor for the MBE claim. b. Record the calculation and the result in the narrative. c. Calculate the quality factor relating to the claim under the base policy. d. Record the calculation and the result in the narrative. <p>Then calculate the final quality factor by:</p> <ul style="list-style-type: none"> c. Multiply the Quality Factor for the claim under the MBE by the Quality Factor for the claim under the base policy. d. Record the result in PW 65 and the calculation in the narrative. <p>Proceed with Production-to-Count calculation per the MBE.</p>

55-59 (Reserved)

Acronyms

The following table provides approved acronyms used in this handbook.

Approved Acronym	Term
AIP	Approved Insurance Provider
APH	Actual Production History
BP	Basic Provisions
CAT	Catastrophic Risk Protection
CEPP	Commodity Exchange Price Provisions
CIH	Crop Insurance Handbook
CP	Crop Provisions
GSH	General Standards Handbook
EOIP	End of the Insurance Period
FCIC	Federal Crop Insurance Corporation
LASH	Loss Adjustment Standards Handbook
LAM	Loss Adjustment Manual
MBE	Malt Barley Endorsement
PASD	Product Administration and Standards Division
RMA	Risk Management Agency
SP	Special Provisions