



United States  
Department of  
Agriculture



Federal Crop  
Insurance  
Corporation

**FCIC-25010 (12-2018)**  
**FCIC-25010-1 (11-2019)**

# **LOSS ADJUSTMENT MANUAL STANDARDS HANDBOOK**

## **2020 and Succeeding Crop Years**



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

<b>TITLE: Loss Adjustment Manual Standards Handbook</b>	<b>NUMBER: FCIC-25010 FCIC-25010-1</b>
<b>EFFECTIVE DATE: 2020 and Succeeding Crop Years</b>	<b>ISSUE DATE: November 26, 2019</b>
<b>SUBJECT:</b>  <b>Provides procedures and instructions for administering general loss adjustment of crop insurance programs.</b>	<b>OPI: Product Administration and Standards Division</b>
	<b>APPROVED:</b>  /s/ Richard H. Flournoy  <b>Deputy Administrator for Product Management</b>

**REASONS FOR AMENDMENT:**

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

1. Subparagraphs 1C & 2B – Revised links within as applicable.
2. Subparagraphs 201(1)(a) & (d) – Removed reference to MGR 05-018 as it is no longer applicable to Interpretations of Procedure.
3. Subparagraph 201(26) – Corrected reference from MGR 18-017 to the CIH.
4. Subparagraph 301A(1)(c) – Added language referencing FPD and LPP as it relates to restoring irrigation equipment to be consistent with the PPSH.
5. Subparagraph 702C – Corrected reference to Part 9.
6. Subparagraph 721C(1) & G – Moved language from subparagraph C to G, as it was not applicable to only subparagraph C.
7. Subparagraph 805(4) – Removed reference to MGR 18-017; the applicable language is now in CIH.
8. Subparagraph 843(6) – Added clarifying language regarding insured COLs that existed prior to water in contained structure exceeding elevation limits. Revised to eliminate redundancy and align with removal of referenced SP statements.
9. Subparagraph 843(6)(c) – Corrected reference to United States Geological Survey.
10. Subparagraphs 903A & B – Revised application of bypassed procedure to include sugar beets.
11. Subparagraphs 1109B(3), E(7), & J(1)(a) – Corrected reference to subparagraph H.
12. Subparagraph 1221D – Corrected reference to GFP Determination Standards Handbook.
13. Subparagraph 1235(4) – Added clarifying language regarding required information in the Narrative.
14. Subparagraph 123(1)(e) – Corrected reference.

## LOSS ADJUSTMENT MANUAL STANDARDS HANDBOOK

### CONTROL CHART:

Loss Adjustment Manual (LAM) Standards Handbook							
	TP Page(s)	TC Page(s)	Text Page(s)	Exhibit Number(s)	Exhibit Page(s)	Date	Directive Number
Remove	1-4		1-2 5-6 11-12 15-16 87-88 97-102 117-118 145-146 151-154 257-258 261-262 265-266 287-288 311-312 315-316			12-2018	FCIC-25010
Insert	1-4		1-2 5-6 11-12 15-16 87-88 97-102 117-118 145-146 151-154 257-258 261-262 265-266 287-288 311-312 315-316			11-2019	FCIC-25010-1

## LOSS ADJUSTMENT MANUAL STANDARDS HANDBOOK

### CONTROL CHART (Continued):

Loss Adjustment Manual (LAM) Standards Handbook							
	TP Page(s)	TC Page(s)	Text Page(s)	Exhibit Number(s)	Exhibit Page(s)	Date	Directive Number
Current Index	1-4	1-6	1-2			11-2019	FCIC-25010-1
			3-4			12-2018	FCIC-25010
			5-6			11-2019	FCIC-25010-1
			7-10			12-2018	FCIC-25010
			11-12			11-2019	FCIC-25010-1
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			263-264			12-2018	FCIC-25010
			265-266			11-2019	FCIC-25010-1
			267-286			12-2018	FCIC-25010
			287-288			11-2019	FCIC-25010-1
			289-310			12-2018	FCIC-25010
311-312	11-2019	FCIC-25010-1					
313-314	12-2018	FCIC-25010					
315-316	11-2019	FCIC-25010-1					
317-327	12-2018	FCIC-25010					
				1-23	328-404		

### FILING INSTRUCTIONS:

This inserted pages listed in the Control Chart above under the “Insert” heading replace such pages in the 2019 Loss Adjustment Manual (LAM) Standards Handbook, FCIC-25010 (12-2018). This handbook is effective for the 2020 and succeeding crop years and is not retroactive to any 2019 or prior crop year determinations.

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# PART 1 GENERAL INFORMATION

## 1 Purpose

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### A. Purpose of the Handbook

This handbook is the official publication of the RMA for all levels of insurance provided under the FCI program unless a specific crop (or commodity) LASH or insurance standards handbook or guide for a specific plan of insurance (e.g., ARPI plan, Rain Index or Vegetation Index plans of insurance, etc.) specifies that none or only specified parts of this handbook apply. Insurance policies available under the FCI program are sold and serviced by private insurance companies (hereafter called AIPs) reinsured by FCIC.

If an AIP is audited by a government agency or is selected for an RMA compliance review, the applicable procedures in this FCIC-issued handbook will be the basis for all determinations.

- (1) This handbook identifies standards (requirements):
  - (a) for general loss adjustment (not crop-specific) for adjusting losses in a uniform and timely manner;
  - (b) for the general loss adjustment process (e. g., assignment of indemnities, notices of loss, acreage determination, revising ARs, etc.);
  - (c) for completing policy-related inspections for the crop year (e.g., GSIs, pre-harvest inspection, etc.); and
  - (d) that are not adjuster specific, but are an overall part of the loss adjustment process for which the AIP (rather than the adjuster) is responsible; e.g., procedural standards for requesting appraisal deviations and modifications, etc.
- (2) The standards contained in this handbook are to be used with:
  - (a) The insurance standards handbooks or guides for a specific plan of insurance, unless these handbooks or guides specify otherwise, as stated above;
  - (b) PPSH (when applicable); and
  - (c) Crop specific LASH (e.g., Almond LASH) unless specified otherwise, as stated above.

### 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 FCI program is authorized by the following:

## 1 Purpose (Continued)

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### B. Source of Authority (continued)

- (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) 7 CFR part 400
- (6) SRA

### C. Title VI of the Civil Rights Act of 1964

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/Topics/Civil-Rights](http://www.rma.usda.gov/en/Topics/Civil-Rights).

## 2 Special Instructions

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### A. Titles

Specific titles of AIPs' approving officials for which certain events, function, etc., would require the approving official's approval are not indicated in this handbook. However, for specific events, functions, etc., that require FCIC approval, titles of approving offices (or officials) are stated.

### B. Forms and Specific Entry Instructions

AIP forms must meet the standards stated in the DSSH (FCIC-24040). The current Non-Discrimination Statement and Privacy Act Statement can be found on the RMA website at [www.rma.usda.gov/About-RMA/Laws-and-Regulations/Required-Statements](http://www.rma.usda.gov/About-RMA/Laws-and-Regulations/Required-Statements). Any changes to the forms shown in an updated FCIC LAM standards or FCIC crop LASHs require the same changes on AIP forms or trade-association-developed forms used by AIPs.

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

### C. Procedures

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



## **5 Multiple USDA Benefits & Dual Participation (Continued)**

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FSA or another USDA agency, as applicable, will determine and pay the additional amount due the insured for any applicable USDA program, after first considering the amount of any crop insurance indemnity.

- (1) For crops for which RP is not available:
  - (a) If the insured has an approved yield the total value of the crop:
    - (i) before the loss is the insured's approved yield times the highest price election for the crop; and
    - (ii) after the loss is the insured's PTC times the highest price election for the crop.
  - (b) If the insured has an amount of insurance the total value of the crop:
    - (i) before the loss is the highest amount of insurance available for the crop; and
    - (ii) after the loss is the insured's PTC times the price contained in the CP for valuing PTC.
- (2) For crops for which RP is available and the insured elects:
  - (a) YP the total value of the crop:
    - (i) before the loss is the insured's approved yield times the applicable projected price (at the one hundred percent (100%) price level) for the crop; and
    - (ii) after the loss is the insured's PTC times the applicable projected price (at the one hundred percent (100%) price level) for the crop.
  - (b) RP the total value of the crop:
    - (i) The total value of the crop before the loss is the insured's approved yield times the higher of the applicable projected price or harvest price for the crop. If the insured has elected the harvest price exclusion, the applicable projected price for the crop will be used; and
    - (ii) The total value of the crop after the loss is the insured's PTC times the harvest price for the crop.

**6-200 (Reserved)**

## PART 2 RESPONSIBILITIES

### 201 AIP Responsibilities

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The AIP is responsible for all loss adjustment responsibilities outlined in this handbook whether the requirement is performed by a contracted adjuster, employed adjuster, or other AIP employee.

- (1) The AIP and other parties involved with FCIC's crop insurance program are to administer the general loss adjustment in accordance with the procedures provided in this handbook and in conjunction with the following issuances:
  - (a) FCIC-issued crop LASHs (including the PPSH) and FCIC-issued Underwriting Guides (handbooks), any FCIC-issued amendments that supersede any portion of this handbook or crop LASHs, and any Interpretation of Procedures;  
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  - (b) Appendix IV of the SRA for AIPs to meet the minimum guidelines, procedures and performance standards that FCIC expects to be used in training agents and adjusters; and quality assurance functions.
  - (c) FCIC-Appendix III to the SRA Handbook for PASS data elements, data requirements, and edits;
  - (d) WAH (FCIC-24020) for WA standards;  
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  - (e) **GFP Determination Standards Handbook (FCIC-14060) for GFP determinations;**
  - (f) CIH (FCIC-18010) and GSH (FCIC-18190) for general underwriting and administrative standards that apply across all plans of insurance;
  - (g) Any RMA bulletins, informational memorandums, or memorandums pertinent to loss adjustment; and
  - (h) Applicable policies, BP, CP and any applicable FADs, AD, applicable options or endorsements, and applicable approved WA that are in effect for the crop policy being inspected.
- (2) Responsibilities include (but are not limited to) the following:
  - (a) Comply with and implement the loss adjustment standards and loss-related form standards and form completion instructions established by FCIC, through FCIC LASHs and/or the DSSH issued by RMA's PASD, or as otherwise specified in writing by FCIC;
  - (b) Comply with all other requirements issued by FCIC in the administration of contracts between the AIP and FCIC; and
  - (c) Ensure that all documentation, determinations, and calculations are completed as specified in FCIC policy provisions, LAM Standards Handbook, crop LASHs, and all other applicable FCIC issuances.

## 202 Loss Adjustment Responsibilities (Continued)

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- (16) Prior to obtaining the insured's (or authorized representative's) signature on the PW:
  - (a) Review all entries on appraisal worksheets and PWs with the insured;
  - (b) Explain any circumstances that may affect the indemnity; and
  - (c) Explain the Certification Statement on the PW and that the insured's (or authorized representative's) signature represents the insured's certification that the information on the PW is complete and accurate. Do not sign a final replant payment or final claim for indemnity (including PP payment) until satisfied with all determinations.
- (17) Use a Claim Checklist (similar to the one shown in exhibit 6) when instructed by the AIP.
- (18) Do not discriminate against any insured because of race, color, religion, sex, age, disability, marital status, national origin, or sexual orientation.
- (19) Do not solicit or accept money, gifts, or favors from any party that are designed to influence (or give the appearance of influencing) any loss adjustment finding or decision.
- (20) Do not use your position to gain favor, influence, or financial advantage over any insured or individual.
- (21) Adjusters must provide written consent (not verbal consent, unless specified otherwise in these procedures) to the insured when the adjuster is releasing acreage to:
  - (a) destroy the insured acreage;
  - (b) put the insured acreage to another use;
  - (c) replant the insured acreage (only for crops having replant provisions); or
  - (d) abandon the insured acreage.
- (22) Before a replanting, PP, or claim for indemnity is finalized, verify the insurability requirements of the crop and acreage; e.g., one of the insurability requirements of acreage is that the acreage upon which the insured crop is planted has had a crop planted and harvested or insured in one of the three previous crop years, unless it meets the exceptions, as stated in the CIH. Also, refer to the CIH for additional reasons that acreage would not be insurable. Insurability requirements for a crop can be found in the CIH, CP if applicable, or SP.
- (23) When there is contained water, verify and document the elevation of the contained water at the time of loss. Refer to subparagraph 843(6)(c) for details.
- (24) Loss Adjustment Form corrections.
  - (a) If during the time of loss adjustment the adjuster makes a correction on a loss adjustment form, the adjuster will follow the instructions for making corrections in the Section entitled PW Entries and Completion procedures in the applicable crop LASH.

## 202 Loss Adjustment Responsibilities (Continued)

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- (b) If a claims reviewer or auditor makes a correction on the claim for indemnity form prior to processing it for payment, the auditor/reviewer will:
  - (i) Line through the incorrect information and replace with the correct information,
  - (ii) Initial and date the correction/change, and
  - (iii) Document on an attached Special Report the reason why the correction/change was needed.
- (c) The AIP should notify the insured of any correction/change if the correction/change results in a reduced Indemnity Payment, Replant Payment, or PP Payment, if applicable.
- (25) Include in the insured's loss file, all documentation used to verify or support determinations as specified in this paragraph.
- (26) When the MCEU endorsement is in effect, applicable loss adjustment determinations and calculations are handled in accordance with current procedure for EUs. References to EUs and EPs in the LAM are applicable to MCEUs. Refer to **the CIH** for more information regarding MCEUs.

## 203 Insured's Responsibilities

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Besides the requirement to provide notice when damage occurs, the BP requires the insured to:

- (1) Protect the crop from further damage by providing sufficient care.
- (2) Cooperate with the AIP in the investigation or settlement of a claim, and as often as the AIP reasonably requires:
  - (a) Show the AIP the damaged crop;
  - (b) Allow the AIP to remove samples of the insured crop; and
  - (c) Provide records and documents requested and permit the AIP to make copies.
- (3) Establish:
  - (a) The total production or value received for the insured crop on the unit;
  - (b) That any loss occurred during the insurance period;
  - (c) That the loss was caused by one or more of the insured causes specified in the CP; and
  - (d) That he/she has complied with all provisions of the BP.
- (4) Obtain consent from the AIP before, and notify the AIP after:
  - (a) Destroying any of the insured crop that will not be harvested,
  - (b) Putting the insured crop to an alternative use,
  - (c) Putting the acreage to another use, or
  - (d) Abandoning any portion of the insured crop.

## PART 3 PRACTICES

### 301 Irrigated Practice

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#### A. Coverage and Documentation

- (1) The following are covered under an IRR practice, when due to an insured COL listed in the CP, there is:
  - (a) failure of the irrigation water supply;
  - (b) failure or breakdown of the irrigation equipment or facilities, or
  - (c) an inability for the insured to prepare the land for irrigation using the insured's established irrigation method (e.g., furrow irrigation). The insured must make all reasonable efforts to restore the equipment or facilities to proper working order **prior to the FPD or the end of the LPP, if applicable**, unless the AIP determines it is not practical to do so. Cost will not be considered when determining whether it is practical to restore the equipment or facilities.
  
- (2) Under the terms of the policy, the burden is on the insured to show that any loss on annually planted (or perennial) acreage was caused by an insured COL. Insured's documentation must:
  - (a) include any of the items covered in item (1) above;
  - (b) show that such failure was caused by an insured COL that occurred during the insurance period, and
  - (c) demonstrate that the insured has the physical resources, other than water, used to regulate the flow of water from a water source to the acreage. This includes pumps, valves, sprinkler heads, and other control devices. It also includes pipes or pipelines which:
    - (i) are under the control of the insured, or
    - (ii) routinely deliver water only to acreage which is owned or operated by the insured. A center pivot system is considered irrigation equipment and facilities.
  
- (3) AIPs/adjusters must verify and document:
  - (a) that the insured qualified for an IRR practice (refer to the DSSH);
  - (b) if the condition(s) for an irrigated practice outlined in item (1) above apply; and
  - (c) any other information pertinent to the case.

**A. Coverage and Documentation (continued)**

- (4) If due to an insured COL the surface water (e.g., river) level has decreased to the point that the insured's existing equipment cannot lift the amount of water historically lifted to adequately irrigate the crop (even if the pumps run 24 hours per day) the insured is not expected to take extraordinary measures to modify their irrigation facilities to deliver adequate irrigation water to their crop(s) such as:
  - (a) placing other equipment not usually used such as extra runs of irrigation pipe; or
  - (b) purchasing more expensive or larger motors or lift stations.
- (5) Insureds are required to keep separate production records for acreage insured under the IRR practice from acreage insured under a practice other than IRR (or with no practice applicable) and uninsured acreage.

**B. Uninsurable Causes of Loss**

- (1) Increased costs for water, electricity, fuel, etc., from sources (reservoir, etc.) historically used by the insured are not considered insurable COL under the policy. Any acreage for which the irrigation water supply has been reduced by the insured before insurance attached because of such increased costs is not insurable under an IRR practice and no PP payment or indemnity payment may be made. The insured's reduction of irrigation water after insurance attaches because of increased costs is also an uninsured COL.

However, an insured would not be denied a claim if the insured did not purchase high-cost water, electricity, fuel, etc., that was available to them from sources from which the insured does not historically purchase these products or services.

- (2) Any reduction in the water supply due to participation in an electricity buy-back program or the sale of water under a water rights buy-back program (either before or after insurance attaches) is not considered an insurable COL under the policy. However, if an insured COL reduces the amount of irrigation water available, then subsequent participation in an electricity buy-back program (relative to the amount of water reduced by an insured COL) will not reduce the insured loss.
  - (a) Insureds that elect to participate in electricity buy-back programs or water rights buy-back programs that result in a reduction of the irrigation supply before insurance attaches cannot insure any acreage affected by this reduction in the irrigation water supply as an IRR practice or receive a PP payment on an IRR basis for such acreage.
  - (b) Insureds that elect to participate in electricity buy-back programs or water rights buy-back programs that result in a reduction of the irrigation supply after insurance attaches may not receive an indemnity related to the reduction in the irrigation water supply.

**C. Delayed Claim (continued)**

- (ii) The insured may submit a written request to delay measurement of his or her farm-stored production by unit, crop, or county basis. However, if an insured requests the 180-day delayed measurement for all units of a crop having farm-stored production or for all units of all crops insured in the county that has farm-stored production, then all of the associated claim units must be held open up to 180 days after the EOIP. When multiple units are stored in a single structure with different EOIPs, the latest EOIP date that applies to the stored crop will be used to determine the 180-day time period.
- (iii) If an election to delay measurement of the farm-stored production is in effect and the insured:
  - (A) Sells all of the production prior to the end of the 180-day period, the adjuster will use the settlement sheets from the buyer to settle the claim. However, any applicable quality determinations will be as described in item (iv) below.
  - (B) Delivers the production to commercial storage prior to the end of the 180 day period, the adjuster will use the Commercial Storage Records provided to the insured to determine the amount of production in storage. However, any applicable quality determinations will be as described in item (iv) below.
  - (C) Sells only a portion of the production prior to the end of the 180-day period and the balance of the crop is still in the structure at the end of the 180-day period, the adjuster will determine the gross production from the settlement sheet for the sold production plus the adjuster's measurements of the crop left in the storage structure at the end of the 180-day period. Any applicable quality determinations will be as described in item (iv) below.
  - (D) Feeds some of the production that was in the farm storage structure prior to the end of the 180-day period and has acceptable feed records in accordance with paragraph 933, the adjuster will use those records, plus the calculated production based on the adjuster's measurements of any remaining stored production at the end of the 180-day period. If the total production for the unit cannot be established and verified as stated herein, the adjuster will handle in accordance with the procedures in **Part 9** herein. Any applicable quality determinations will be as described in item (iv) below.

**C. Delayed Claim (continued)**

- (E) Has acceptable weight tickets for the production in the on-farm-storage structure, in accordance with paragraph 1002, the adjuster will follow the procedures in paragraph 1002 to determine at the end of the 180-day period whether the weight tickets or the production determined from the adjuster-measured production will be used. Any applicable quality determinations will be as described in item (iv) below.
- (iv) All samples of farm stored production used to determine insurable quality deficiencies must be obtained in accordance with the QA SP statement, but not later than 60 days after the EOIP. Damage that occurs after the EOIP is not covered; e.g., quality or additional quality damage occurring while in storage.
  - (A) Samples to determine all substances or conditions injurious to human or animal health must be obtained prior to production going into storage except for Vomitoxin; otherwise, no quality adjustment will be allowed for such deficiencies (refer to paragraph 1109 for more information).
  - (B) The AIP will use the quality deficiencies and levels of quality deficiencies determined on the initial inspection (for example, test weight, kernel damage, or Vomitoxin) to settle the claim, unless prior to 60 days after the calendar date for the EOIP, the production is: (1) delivered to a buyer or (2) put in commercial storage. If the production is delivered to a buyer or put into commercial storage prior to 60 days after the calendar date for the EOIP, the quality deficiencies determined by a licensed grain grader from the samples taken at time of the delivery can be used, EXCEPT for Aflatoxin or other mycotoxin that must be determined prior to storage, as stated in paragraph 1109.

**Caution:** Only Aflatoxin levels determined from samples taken prior to on-farm storage can be used to settle a claim. Copies of grade sheets must be retained in the insured's loss file.
- (v) If the insured has a 180-day delayed measurement request in effect, the insured may request that the AIP settle the claim at any time prior to the end of the 180-day period. When the insured makes the request to settle the claim prior to 180 days after the EOIP, the AIP will settle the claim as soon as possible after the date the insured made this request. The insured's signature on the PW will indicate the insured's intent to settle prior to the end of the 180-day period.



**A. Practical to Replant (continued)**

- (4) Insured notifies AIP of intent to replant, but the AIP determines it is not practical to replant:
  - (a) During the farm visit, appraise the acreage. Inform the insured that it is not practical to replant the original crop, but the AIP will release the acreage for another use if the insured desires. If the insured elects to plant the same insured crop (under any practice) within or prior to the late planting period or after the final planting date if no late planting period is applicable, unless otherwise specified in the SP, the crop will be considered an insured replanted crop and no replanting payment, if applicable, will be paid. Any indemnity will be based on the greater of the:
    - (i) AIP's appraised production on the initially planted crop;
    - (ii) AIP's subsequent appraisal of the replanted crop, if not harvested; or
    - (iii) harvested production from the replanted crop.
  - (b) If the entire unit acreage is damaged, the claim can be finalized after the insured certifies that the entire unit acreage was put to another use or a second crop. If the entire unit is released to go to another use or a second crop, a Certification Form should be left with the insured, refer to paragraph 831. Insurability of the second crop is determined in accordance with the applicable policy provisions and as outlined in paragraph 601.
  - (c) AIPs must document all sources of information used to make the determination that it was not practical to replant. This documentation must be retained in the insured's file folder.
- (5) When an herbicide has been properly applied as a recommended farming practice, and the label restrictions prohibit replanting the crop by the FPD, it will generally be considered not practical to replant the acreage. The individual circumstances should be documented using label restrictions and local CES information to make individual determinations.
  - (a) Advise the insureds that to protect their interest in determining it is not practical to replant they must notify the AIP of the circumstances in order to provide timely documentation of the facts.
  - (b) No standard response can be given as to the practicality to replant in this situation. Every case may have varied conditions that will affect the decision. Included in these conditions are the following:
    - (i) Label restrictions for herbicide used;
    - (ii) Crop variety;
    - (iii) Planting date;
    - (iv) Soil, moisture, and temperature conditions; and
    - (v) Stage of plant growth.

**B. Spring Wheat Replanted in Counties Having Only Fall Planting Dates**

If the insured's planted winter wheat is damaged to the point there is a loss situation and the insured wishes to plant the winter wheat acreage to a spring variety, the claim will be finalized based on the AIP's appraisal of the winter wheat crop. The spring-planted variety would not be considered replanted to the first crop (wheat). It would be considered an uninsurable second crop since spring wheat is not insurable in these counties. However, if the insured inter-seeds the spring variety into the existing winter variety, do not finalize the claim. The winter wheat will continue to be insured. Refer to subparagraph E below.

**C. Replanted Without Notifying AIP of Intent to Replant or Replants without Consent**

- (1) Insured's must provide all notices required under the policy provisions. This includes notices when the insured wants to destroy any acreage of an initially planted crop and replant it. Section 14 of the BP require these notices. The AIP must provide consent in advance of replanting.
- (2) Exceptions may not be made even when the original stand remained intact because the insured inter-seeded, replanted alongside the original damaged rows, or left RSAs at the insured's discretion. When the insured crop is destroyed without consent, the CP provide for an amount of PTC that is not less than the production guarantee. When an insured crop is destroyed without consent and then replanted, no replanting payment can be made (if replant payment provisions are applicable to the crop) and no indemnity payment associated with the acreage initially planted can be made.
- (3) Additional policy provisions provide guidance regarding replanting, determination of the first insured crop, the second crop and crops which may be planted subsequent to a second crop. A first insured crop includes acreage that is replanted when replanting is practical.
- (4) For any acreage where NOL was not given prior to the insured destroying any portion of the remaining stand and then replanting it, and the AIP determines replanting:
  - (a) Was not practical (for example, conditions were such that there was not adequate moisture, there was no marketing window, the condition of the field was not appropriate, etc.), no replant payment will be paid (if replant payment provisions applicable to the crop), and not less than the production GPA will be included as PTC. The subsequent planting will be the appropriate subsequent crop; e.g., second crop. Insurability of the second crop is determined in accordance with applicable policy provisions.
  - (b) Was practical and the insured crop was replanted, insurance may be provided for the replanted crop. However, no replant payment can be made (if replant payment provisions applicable to the crop) in this instance, and the AIP will apply uninsured COL appraisals for any reduction in yield that may have occurred due to replanting after the FPD.

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**D. Planting Other Acreage in Lieu of Replanting the Acreage Initially Planted**

- (1) Susceptibility to plant disease, susceptibility to damage due to soil borne insects or herbicides, blowing ground, or other soil conditions may make it impractical to replant on the initially-planted acreage. The insured is not allowed to receive a replanting payment on other acreage planted to replace the initially-planted and subsequently destroyed acreage. Any such “replacement” acreage is treated as any other initially-planted acreage.
- (2) If it is not practical to replant the crop on the initially-planted acreage, the insured must elect whether to carry the crop to harvest or receive consent for other use. Follow all instructions for the appropriate preliminary or final inspections as outlined in the LASHs.

**E. Replanting on Interplanted Acreage**

- (1) There is no specification in the endorsement/policy as to how a crop is to be replanted. However, if a replanting method contributes to any subsequent loss of production, such loss must be reflected in an appraisal for production lost due to uninsured causes.
- (2) An existing stand does not have to be destroyed prior to replanting in order to qualify for a replanting payment as long as the acreage being replanted meets the minimum requirements in the policy/endorsement.

If the insured chooses to interplant a spring variety with a winter variety, for example, the insured’s inability to market or loss of value of the production because of the mixed classes is not an insured COL. If subsequent damage occurs which lowers the quality of the crop due to insurable causes, a determination of the value of the grain without consideration of its mixed status must be made to determine the extent of any QA.

- (3) The actual cost of replanting must be considered when making the replant payment if the CP for the particular crop specify that the replant payment cannot exceed the actual cost of replanting. In cases of interplanting for such crops, it is even more important to ascertain the actual cost of the replant operation to assure that the replant payment claimed does not exceed this cost.

**F. Replanted During the Late Planting Period Due to an Uninsured Cause**

- (1) If the insured crop is replanted during the LPP due to the crop being destroyed by an uninsured cause (e.g., chemical damage), it will not be considered to be late planted and no reduction in the guarantee will apply. The replanted crop will be handled as any other replanted crop (i.e., the AIP’s consent is required before the insured can replant as stated in C(1) above, the earliest planting date, initial planting practice, applies, etc.), except the insured is not eligible for a replanting payment on such acreage, if it is a crop that has replanting payment provisions.

## 721 Replanted Crop (Continued)

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### F. Replanted During the Late Planting Period Due to an Uninsured Cause (continued)

- (2) During final loss adjustment of a unit containing acreage identified in (1), determine if there is any reduction of yield that can be directly attributed to replanting the crop acreage in the LPP by comparing the yields of the replanted acreage to the yields of timely planted acreage of the same crop in the surrounding area. If such acreage did not suffer any loss of yield due to an insured cause, show the per-acre amount of reduced yield as an uninsured cause appraisal.

### G. Inability to Replant

No potential production will be assessed to acreage the insured has destroyed with consent to replant if, due to weather and/or soil conditions, the insured is unable to replant. However, if it is determined that the insured could have replanted within the timeframe that it was still practical, prepare a revised AR designating the acreage as uninsurable (refer to the CIH for revised AR instructions).

## 722 Replanting Payment Determinations

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### A. On-the-Farm Replant Inspection

- (1) The AIP, upon receiving the NOL, will assign the claim as a Preliminary Inspection. The adjuster will determine at the time of inspection if it is a Final Inspection.
- (2) The adjuster upon field inspection will determine if the unit qualifies for a replanting payment based on the provisions of the individual crop policy or endorsement.
- (3) Refer to individual crop LASHs for completion instructions for preliminary and final replant claims.
- (4) Decisions regarding whether or not the unit qualifies for a replanting payment will be made on the basis that:
  - (a) Crop acreage initially planted before the earliest planting date specified in the SP for the applicable crop and county is not eligible for a replanting payment. However, if acreage is replanted on or after the earliest planting date, and then this acreage is replanted a second time, the acreage replanted a second time may be eligible for a replanting payment.
  - (b) The damaged acreage to be replanted must be at least the lesser of 20 acres or 20 percent of the insured planted acreage for the unit as determined on the FPD or within the LPP if a LPP is applicable. (This is not applicable to forage seeding.)
    - (i) Acreage planted after the FPD for crops not having a LPP or after the LPP for crops having LPPs, will not be considered in determining the 20 acres or 20 percent requirement to qualify for a replanting payment.

**A. On-the-Farm Replant Inspection (continued)**

- (ii) For EU, MCEU, and WFUs, the 20 acres or 20 percent requirement applies to the total acreage for the damaged crop (e.g., corn) in the unit.
- (c) A previous replanting payment must not have been made on the same acreage for the same crop year.
- (d) To qualify for a replanting payment, the appraised potential production cannot exceed the amount stated in the crop policy. Refer to the individual CP for specific amount. If crop damage is due to hail, blowing sandy soils, frost, or freeze, the appraisal must be deferred as stated in subparagraph 921B.

**Note:** Once the 20 acres or 20 percent requirement is met for the unit, a replanting payment may be made on any acreage eligible for a replanting payment within the unit.

**Example 1:** Insured planted acreage for the unit was 100 acres, all planted after the earliest planting date. The first replant notice includes 31 acres determined practical to replant that qualified and received a replanting payment. A second replant notice was filed at a later date for an additional 19 acres that were determined practical to replant (not part of the 31 acres that already received a replanting payment). Since the unit already qualified for a replanting payment, the additional 19 acres are not subject to the 20 acres or 20 percent requirement.

**Example 2:** Insured planted acreage for the unit was 100 acres, all planted after the earliest planting date. The first replant notice includes 19 acres determined practical to replant that did not qualify for a replanting payment. A second replant notice was filed at a later date on an additional 31 acres that were practical to replant. Since the combined acres (19 ac. + 31 ac.) meet the 20 acres or 20 percent requirement, a replanting payment may be made on all 50 replanted acres.

**Example 3:** Insured planted acreage for the unit was 100 acres; 81 acres planted before the earliest planting date (not eligible for a replanting payment) and 19 acres planted after the earliest planting date (eligible for a replanting payment). The replant notice includes 50 acres in the unit (40 acres initially planted before the earliest planting date; 10 acres planted after the earliest planting date). The insured replanted all 50 acres determined practical to replant. The insured may receive a replanting payment on the 10 eligible acres since the 50 replanted acres meet the 20 acres or 20 percent requirement.

**A. On-the-Farm Replant Inspection (continued)**

- (5) Replanting payments do not apply to crops insured under the Small Grains CP that have been initially planted to a winter type of the insured crop (including rye) in any county for which the SP has only a fall FPD (including FPDs in December, January, and February.)
- (6) If a replanting payment determination for the unit:
  - (i) cannot be made because additional insured acreage on the unit is to be planted and the minimum may not be met, consent to replant may be given, but the replant claim is to be handled as a preliminary replant inspection as instructed in the applicable crop LASH;
  - (ii) did not qualify the unit for a replanting payment, but later has a routine final claim filed, the original preliminary inspection entries must be reviewed and corrected as necessary; or
  - (iii) qualifies the unit for a replanting payment, the replant notice will be changed from a preliminary notice to a final notice (final replant claim) utilizing a Certification Form (exhibit 7).
- (7) A Certification Form cannot be accepted until the entire unit has been initially planted. The adjuster must have the completed Certification Form (by personal contact or otherwise) prior to signing the PW.
- (8) Certification Form spot-checks should be conducted regularly. The AIP will determine the number of reviews to be conducted. Any questionable Certification Form must be reviewed.
- (9) An AR must be submitted with the final replant claim, if not previously submitted. If the AR is revised after submission of a final replant claim, a corrected claim must be submitted with the revised AR.
- (10) Replanting payments will be based on the insured's actual cost per acre not to exceed the amount specified by the CP or SP, unless otherwise specified in the CP or SP.
- (11) If the insured replants the acreage to a different planting practice, the crop will continue to be insured under the practice originally planted and reported even when the crop is replanted by a practice that was uninsurable as an original planting. This is not applicable to such practices as IRR, NIRR, staked tomatoes, ground tomatoes, etc.; they are considered production practices rather than planting practices. This is also not applicable to skip-row planting patterns for cotton, corn, or grain sorghum. If the insured files a claim for indemnity, the practice originally reported will be entered in the appropriate column for practice on the PW, and the replanted practice will be documented in the Narrative.

## 804 Verifying Insured Crop


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- (1) Verify whether the crop is insured in accordance with the BP, CP, and SP.
- (2) When the adaptability of the seed or plant type/variety to the area is questionable (e.g., varieties not commonly produced in the area), consult with agricultural experts or organic agricultural experts as applicable. Document your findings.
- (3) If it is determined that the crop or part of the crop acreage is not insurable, the AR must be revised to show such acreage as uninsurable acreage.

## 805 Verifying Unit Structure

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Unit verification will be made by the adjuster during an on-the-farm inspection; however, no further division of OUs will be made after the ARD. BUs will be corrected when found to be in error.

- (1) Be knowledgeable with (and as needed refer to) unit provisions in the applicable policy provisions or endorsement/options (or if applicable, unit division provisions in the SP).
- (2) Use the procedure for units as outlined in the CIH.
- (3) If there is more than one BU, verify with the insured that the reported shareholders have an interest in the crop. If you suspect or question whether there is an interest or that there are separate insurable interests (such as spouse, children or other household members), contact the AIP.
-  (4) Verify the qualifications as stated in the CIH for an EU, EP, or MCEU (including primary county and the secondary county elected that is contiguous to the primary county). Refer to the CIH if it is determined that the insured does not qualify for an EU, EP, or MCEU during the loss adjustment inspection.
- (5) Verify that the WFU contains all of the insurable acreage of at least two crops; and at least two of the insured crops must each have planted acreage that constitutes ten percent (10%) or more of the total planted acreage liability of all insured crops in the whole-farm unit. Refer to the CIH if it is determined the insured does not qualify for a whole-farm unit.
- (6) For OUs:
  - (a) by section, section equivalent, or FSA FN, locate fields and verify that there is acreage planted in separate legally identifiable sections or other applicable OU separators allowed by the crop policy. Visit fields and determine whether planting patterns have crossed OU boundaries; e.g., section lines, FSA FN lines, or other section equivalent boundary lines.
  - (b) by IRR and NIRR practice, visit the fields and determine if planting patterns and other requirements outlined in this procedure qualify the unit as separate OUs by IRR and NIRR practices.

## 805 Verifying Unit Structure (continued)

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- (c) insured under an organic farming practice, verify the acreage qualifies as organic farming practice acreage. Verify the acreage specified for the OU under the organic farming practice is correct by visiting the fields and verifying against organic records required under the policy provisions for organic farming practices. Refer to the CIH for additional information regarding organic farming practices.
- (d) with Unit Division Option in effect, the section for the OU will be identified by the legal description of the parcels of land aggregated to form the “section.” To verify the “section” qualifies for an OU, use the same procedure used to verify other OUs divided out by section; e.g., planting pattern does not cross section lines, production is kept separate, etc.
- (e) by Written Unit Agreement (WUA) must be approved by the RMA RO. WUA may be completed for any Category B or C insured crop in the county. Refer to the WAH for more information.

**Note:** BUs will be corrected at loss time (or any other time they are found to be incorrect); however, no further division of OUs will be made after the ARD. Refer to the CIH.

- (7) The adjuster will use the Unit Division Option and the parcels of land in the OU that are identified as being part of the OU to verify the location and size of the optional unit(s), and whether the unit harvested production has been kept separate by aggregated OU. If the harvested production has not been kept separate by aggregated OU, the OU must be collapsed to a BU as stated in the CIH.

## 806 Verifying Insurable Share

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- (1) Verify the insured has an insurable interest in the crop (insured’s correct share by crop) by comparing the reported share on the crop insurance to the insured’s share shown on:
  - (a) Lease agreements, elevator summaries, packer statements, marketing records, etc.; or
  - (b) FSA-578. Do not use other FSA documents to verify crop share since these documents may contain “contract” shares rather than crop share. When crop shares are reported to the FSA, AIPs do not have to verify crop shares reported for crop insurance with the crop shares reported to the FSA, but are encouraged to do so since AIPs must ensure that producer-certified information is accurate so liability is established and indemnities are paid in accordance with the CP.
- (2) Verify there is only one share for the spouses shown on the AR, unless the spouses are legally separated or separate under State law. Refer to the GSH for separate policy criteria. However, the FSA-578 may list two, as explained in (a) below. If two crop insurance policies are identified, it must be verified that the spouses qualify for separate policies.



## 843 Uninsured Causes of Loss (Continued)

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- (3) Failure or breakdown of the irrigation equipment or facilities, or the inability to prepare the land for irrigation using the insured's established irrigation method (e.g., furrow irrigation), unless the failure, breakdown, or inability is due to a COL specified in the CP. The insured must make all reasonable efforts to restore the equipment or facilities to proper working order within a reasonable amount of time unless the AIP determines it is not practical to do so. Cost will not be considered when determining whether it is practical to restore the equipment or facilities;
- (4) Failure to carry out a good irrigation practice for the insured crop, if applicable;
- (5) Any COL that results in damage that is not evident or would not have been evident during the insurance period, including, but not limited to damage that only becomes evident after the EOIP unless expressly authorized in the CP. Even though the AIP may not inspect the damaged crop until after the EOIP, damage due to insured causes that would have been evident during the insurance period will be covered; and
- (6) Flood damage from water that is contained by or within structures that are designed to contain a specific amount of water, such as dams, locks or reservoir projects, etc., on any acreage when such water stays within the designed limits.

**Example:** A dam is designed to contain water to an elevation of 1,200 feet but the insured plants a crop on acreage at an elevation of 1,100 feet. A storm causes the water behind the dam to rise to an elevation of 1,200 feet. Under such circumstances, the resulting damage would not be caused by an insurable COL. However, if the insured planted on acreage that was above 1,200 feet elevation, any flood damage caused by water that exceeded that elevation would be caused by an insurable COL.

- (a) PP coverage is not available on such acreage if the elevation of the contained water reaches or exceeds the land elevation of (or denies access to) the insured acreage between the SCD and the FPD shown on the SP for the crop. However, if the insured can prove conditions existed that would have prevented planting through the FPD prior to the contained water elevation reaching or exceeding the land elevation, the AIP may pay the PP claim based on case-by-case determinations. Refer to paragraph 1221 for Controversial Claim procedure.

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- (b) The adjuster must specify the body of water and document the elevation of the contained water at the time of loss, as measured by the Corps of Engineers and/or other reliable public or governmental sources that measure such water elevations. The adjuster/AIP must also document the elevation of the subject land for use as a comparison to the elevation of the contained water. To determine the elevation of the subject land, the AIP is responsible for obtaining maps or data containing the elevations for the acreage.

### 843 Uninsured Causes of Loss (Continued)

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- (c) There are several websites offering topographical maps that provide land elevations. One such source is the United States **Geological** Survey website. There are also many other commercial sites that sell CDs containing topographical maps.
  - (d) Refer to the Maps section of the actuarial **documents** for additional information affecting the insurability of the land, if applicable.
- (7) During the on-the farm inspection, verification of whether the COL is insurable or uninsurable must be made. When it has been verified that there is an uninsurable COL it must be documented. Refer to paragraph 1221 for additional details about verifying whether there are uninsured COLs.

### 844 Abandon Versus not Following a Good Farming Practice

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- (1) Acreage where the producer has stopped caring for the crop, at whatever stage, is considered to have been abandoned, regardless of whether the crop was otherwise damaged by an insurable COL. There does not need to be an express intent to abandon the crop. The producer must simply have stopped all care for the crop, or the care provided must be so insignificant as to provide no benefit to the crop. An appraisal as stated in subparagraph 921A(3)(k) below must be assessed when the crop is abandoned.
- (2) Although rare, the insured may decide to harvest the abandoned acreage if there is production that can be harvested. If this happens, and the harvested production from the abandoned acreage is commingled with the harvested production from the acreage not abandoned, all of the harvested production from the abandoned acreage will be included in the PTC.
- (3) A crop damaged to the extent that harvest is not practicable will not be considered as abandoned because the producer fails to harvest the crop. In these cases, the producer should provide a NOL and the acreage should be appraised. For “failure to timely harvest” to be considered as abandonment, the crop must be in a condition where harvest would be considered as a GFP and no condition exists which would make it physically impossible to harvest the crop, such as the ground is too wet.
- (4) Insured turns in a NOL after the act of abandonment. It must be considered abandonment if the insured stops caring for the crop prior to providing NOL and the time elapsed is such that the AIP cannot satisfactorily distinguish whether damage is solely from the insured cause or a combination of the insured cause and the abandonment.
- (5) Insured abandons the crop for a length of time and then begins caring for the crop. If enough time has elapsed that the care is untimely and will not benefit the crop or the care is so insignificant that it does not benefit the crop, it is still considered abandonment as stated in (1) above.

**B. Verifying Total Harvested Production (continued)**

- (8) The location and quantity of a crop retained for seed, or which has been sold for seed.
- (9) Where the production is stored or sold, when production is questionable and the insured farms in surrounding counties.
- (10) Whether the insured shares with a tenant/landlord.

**C. Another Person Sharing in the Crop**

The CP specify the production guarantee and PTC are determined on a total unit basis. Therefore, all PTC for the unit (including all the production owned by the various shareholders and quality that applies to the individual shareholder's production dependent upon its disposition) must be included when calculating the unit indemnity with the share applied at the end of the calculation.

When another person is sharing in the crop/unit:

- (1) The adjuster must verify that all of the actual production for the entire unit(s) has been reported, (i.e., all production owned by the insured and various shareholders).
- (2) The adjuster must verify and make production determinations of the other person's production share as you would the insured's production share; i.e., if the other person's production is farm-stored, storage measurements must be made as specified in paragraphs 1002, 1003, or 1005, whichever is applicable for the situation.
- (3) When the other person sharing in the unit is uninsured, do not establish the total production for the unit based on the insured's production amount and share percentage, unless you are unable to establish it by any other means and the resulting total production for the unit is reasonable. If this should happen, document the circumstances preventing the measurement of the uninsured shareholder's share of the production, if farm-stored, or the reason the insured cannot obtain copies of the settlement sheets of the uninsured shareholders sold production along with other needed information/documents of the uninsured shareholder's sold production.

**Note:** The fact that the uninsured shareholder's share of farm-stored production is located in another storage structure at some other location is not a justifiable reason for determining the total unit production as stated above without making an attempt to obtain permission to make actual determinations of the uninsured shareholder's share.

- (4) A claim for indemnity may be completed once the final disposition of the crop and any applicable QAFs (refer to (5) below for information regarding uninsured shareholders) are determined for all PTC within the unit, except:

## 902 Verifying Total Appraised or Harvested Production (Continued)

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### C. Another Person Sharing in the Crop (continued)

- (a) In the case where the quality provisions are in the SP and the production falls under section C3e of the QA provisions in the SP, the claim cannot be processed until the adjuster can verify that all shares of the unit production is sold, used, fed, or destroyed by the shareholders.
- (b) In the case where the quality provisions are in the CP and the production falls under section 15(j) of the BP, the claim cannot be processed until the adjuster can verify that all shares of any unsold production is destroyed by all the shareholders.
- (5) When the other shareholder is uninsured and the insured producer is unable to obtain the necessary information from the uninsured shareholder regarding the disposition of the production (e.g., if sold or not sold. If shareholder's production is sold, the shareholder's settlement sheet for the share unit(s) showing the RIV applied by the buyers), to determine the QAF for the shareholder's share of the production, such production is considered undamaged.
- (6) If the other person(s) share is insured through another AIP, refer to the procedure for companion contracts in paragraph 401.
- (7) Refer to paragraph 1102 for more detailed information and examples. Also refer to exhibit 16 for examples involving crops with quality provisions in the SP.

## 903 Bypassed Acreage

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### A. General Information

Bypassed acreage procedures are applicable to crops under a processor contract that must be harvested within a certain timeframe to be acceptable by the processor; and have the definition of "Bypassed Acreage" within the CP; e.g., green peas, processing beans, processing pumpkins, processing tomatoes, and processing sweet corn.

**Exception:** References to bypass and the procedures in this paragraph, as applicable, may also be applicable to sugar beets that are not acceptable to the processor due to an insured cause and are not timely harvested.

- (1) Inspections must be made by the AIP on all UH acreage of insured crop to verify the COL and the reason the acreage was bypassed by the processor.
- (2) Appraisals are not required on acreage bypassed due only to an insurable COL. Appraisals will be made on all UH acreage when any uninsurable COL prevented timely harvest of the crop.

**A. General Information (continued)**

- (3) The insured must provide acceptable documentation of the reason the acreage was bypassed. Sometimes such acreage is bypassed by the processor for reasons that have nothing to do with an insurable COL that is preventing or delaying harvest. Failure to provide such documentation will result in the AIP's determination that the acreage was bypassed due to an uninsured COL.
- (4) Do not include processor payments for bypassed acreage in any appraisal or as PTC.

**B. Bypassed or Not Timely Harvested Due to Insured Cause**

- (1) Production losses from UH, not timely harvested, or bypassed acreage of the insured crop are insurable if the losses are due to an insurable COL (as stated in the CP), such as adverse weather conditions. Adverse weather includes, but is not limited to:
  - (a) Excessive moisture that prevents harvesting equipment from entering the field or that prevents the timely operation of harvesting equipment; and
  - (b) Abnormally hot or cold temperatures that cause an unexpected number of acres over a large producing area to be ready for harvest at the same time, affecting the timely harvest of a large number of such acres or the processing of such production is beyond the capacity of the processor, either of which causes the acreage to be bypassed. **Not applicable to sugar beets.**
  - (c) **For sugar beets, if the ground has frozen to the point that the sugar beets cannot be harvested with normal harvesting equipment or would not be accepted by the processor due to freeze damage.**
- (2) Refer to the applicable CP for NOL requirements. The insured should contact the AIP immediately upon being notified that acreage will be bypassed so an inspection by the AIP can be made, but not later than the time specified in the CP.
- (3) The stage column on the PW will show "UB" for UH acreage that is bypassed or not timely harvested by the processor because the insured crop was damaged due to insured causes of loss. The potential production per acre shown on the PW in the column for appraised potential will be zero ("0"). Consistent with the PW, no production from the bypassed acreage will be counted for APH purposes.

**C. Bypassed or Not Timely Harvested Acreage Due to Uninsured Cause**

- (1) Insurance coverage is not provided on any loss of production if acreage is not timely harvested (unless such delay in harvesting is solely and directly due to an insured COL) or is bypassed due to:
  - (a) breakdown or non-operation of equipment or facilities;
  - (b) the availability of a crop insurance payment;

**C. Bypassed or Not Timely Harvested Acreage Due to Uninsured Cause (continued)**

- (c) failure to follow the requirements contained in the processor contract; or
  - (d) for some CP, bypassed acreage would not be insured if the following apply (Check the applicable CP to see if either (a) or (b) or both (a) and (b) apply):
    - (i) The insured and the processor are the same or related persons, or insured acreage was not harvested first, or
    - (ii) Acreage insured under the terms of the applicable CP was bypassed and acreage not insured under the applicable CP was harvested instead.
- (2) The stage column on the PW will show “PB” for UH (bypassed) acreage when the insured COL did not prevent the processor or producer from timely harvesting (e.g., the processor over-contracted, equipment breakdown, etc.). The potential production per acre (as of the date the crop should have been harvested) shown on the PW in the column for appraised potential will be the appraised amount and will be counted as production against the guarantee for claim purposes and for APH purposes.
- (a) A separate appraisal is required to assess production lost on acreage damaged by uninsured causes of loss (i.e., livestock damage, failure to follow GFPs, etc.). The appraised per acre production from such acreage will be shown on the PW in the item for uninsured causes. This appraisal for uninsured causes will not be counted for APH purposes.
  - (b) Although acreage may have been bypassed and an insured COL did not prevent harvest (e.g., the processor over-contracted, equipment breakdown, etc.), an appraisal which shows production below the unit guarantee due to insurable causes (e.g., drought reduced the potential prior to bypass) may result in an indemnity.

**D. Damaged and Undamaged Acreage in the Same Field**

When there is damaged and undamaged insured crop acreage in the same field (and can be identified as such) and the processor chooses to bypass the entire field instead of accepting the harvested production or the processor harvesting the undamaged acreage, the damaged and undamaged acreage will be divided into separate subfields.

- (1) An appraisal is not required on the damaged acres, provided the AIP can verify the damage was due to an insurable COL.
- (2) The undamaged acreage will be appraised and the production will be counted as PTC for claim purposes.

## **1108 Flooded Crops (Continued)**

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### **A. Federal or State Agency Recommendations (continued)**

Prior to applying zero appraisals based on ZMV determinations, AIPs must perform an on-the-farm inspection to determine the amount of qualified UH acreage identified in above. Qualified UH acreage will:

- (1) be assessed a zero appraisal;
- (2) not require the loss adjuster to make any field level appraisals beyond determining qualified UH acreage;
- (3) not require the production to be sampled and tested by an approved laboratory; and
- (4) be considered zero PTC based on ZMV, if destroyed in accordance with subparagraph 1102H(3).

### **B. Federal or State Agency Requirements**

When a Federal or State agency requires destruction of any insured crop or crop production, as applicable, because it contains levels of a substance, or has a condition, that is injurious to human or animal health in excess of the maximum amounts allowed by the Food and Drug Administration, other public health organizations of the United States or an agency of the applicable State, the insured must destroy the insured crop or crop production and certify that such insured crop or crop production has been destroyed prior to receiving an indemnity payment. Failure to destroy such acreage will result in an appraisal for uninsured causes of not less than the production guarantee and penalties as stated in 15j of the BP.

## **1109 Quality Adjustment when Production Contains Mycotoxins, Other Substances, or Conditions at Levels Injurious to Human or Animal Health**

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### **A. General Mycotoxin Information**

- (1) AIPs must inform insured not to commingle units in accordance with subparagraph 1003B(1), if mycotoxins other than Vomitoxin are suspected.
- (2) Due to improved testing procedures, availability of test kits, animal and human health concerns, and general awareness of grain quality, the presence of mycotoxins in grain is becoming an ever-increasing factor in its sale.
- (3) Mycotoxins are the by-products of fungal activity promoted by environmental conditions, which are stressful to the affected host plant. Actual production yields may or may not be adversely affected by the presence of the organism, but harvestability and production quality (hence market value) may be adversely affected. Although over 200 mycotoxins have been identified, Aflatoxin, Fumonisin, and Vomitoxin have specifically caused insured grain to be unmarketable.

## 1109 Quality Adjustment when Production Contains Mycotoxins, Other Substances, or Conditions at Levels Injurious to Human or Animal Health (Continued)

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### A. General Mycotoxin Information (continued)

- (4) Mycotoxins at high enough levels in production are considered a substance or condition that can be injurious to human or animal health. FDA has identified specific mycotoxins (such as Aflatoxin, Vomitoxin, and Fumonisin) at the levels at which they are injurious to animal and human health. Of all the substances/conditions identified as injurious to human or animal health, Aflatoxin and Vomitoxin have been the most common ones affecting quality adjustment of insured grain.

### B. Level of Substance/Condition May Qualify the Production for Quality Adjustment

If the level of the substance or condition in the production is at a high enough level to qualify the production for QA (refer to the applicable SP, CP or quality endorsement), the PTC will be adjusted for quality in accordance with the applicable CP or SP, provided all of the following criteria are met:

- (1) For production that will be stored on the farm or in commercial storage, the appropriate samples must be obtained by the adjuster (or a trained disinterested third party approved by the AIP) prior to the production entering storage (other than the exception in (2) below) because mycotoxins have the potential to increase in stored production. Other substances or conditions may also have the potential to increase in storage. If appropriate samples are not obtained prior to storage, such production will not be adjusted for quality due to a substance or condition injurious to human or animal health (refer to exception in (2) below). Therefore, it is important that AIPs inform agents and insureds of the need to notify the AIP anytime that the insured suspects that a mycotoxin or other substances or conditions could be present in the production so the AIP can inspect the crop prior to storage.
- (2) Exception for obtaining samples prior to storage: Only for crops which contain Vomitoxin because the potential for Vomitoxin to increase in on-farm or commercially-stored production is very slight. Samples to determine Vomitoxin levels may be obtained after production is stored on the farm. Refer to subparagraph H for sample requirements.
- (3) Analysis of the samples pulled by the adjuster (or a trained disinterested third party approved by the AIP) must be performed by an approved laboratory. Refer to subparagraph H below for Criteria for AIP-Approved Testing Facilities (laboratories).
- (4) The presence and level of the condition/substance injurious to human/animal health must be due to insured causes. For example: Factors contributing to plant stress and subsequent mycotoxin presence such as insufficient irrigation (under an IRR practice), the use of marginally adapted varieties, non-weather related delayed harvest, inappropriately high plant populations, etc., will result in the determination that the mycotoxin was the result of uninsured causes.



## 1109 Quality Adjustment when Production Contains Mycotoxins, Other Substances, or Conditions at Levels Injurious to Human or Animal Health (Continued)

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### E. Requirements for Samples Required Prior to Storage (continued)

- (b) Do not blend samples suspected of containing levels of mycotoxins (or other substance or condition) with less than the minimum action or advisory levels from FDA, State, or other Federal agency for the particular mycotoxin (or condition or substance) with samples exceeding the minimum levels. Refer to the table in subparagraph P(7) or Q(5) below.
- (6) Refer to subparagraph J for requirements for sample size for testing, maintenance of sample until shipment, and the required timeframe for transporting or shipping the sample to the approved testing facility.
- (7) Testing must be done by a testing facility that meets the criteria for an AIP-approved testing facility as outlined in subparagraph H.

**Caution:** RMA has been advised by grain specialists that adjusters should wear protective clothing, including protective gloves and dust mask when handling mycotoxin infected grains. If a dust mask is not used, adjusters should at least position themselves so they are not downwind of any grain dust coming from the harvesting equipment or from any grain dust that might occur during the collection of the required representative samples.

### F. Representative Sampling Methods for Samples Required Prior to Storage

- (1) Hand-Harvested Method
  - (a) If the insured is not willing to harvest the selected RSAs, the adjuster must hand harvest representative samples from the selected RSAs of the production.
  - (b) After the representative samples have been taken, the sample for testing (refer to required size in subparagraph J(1) below) must be obtained and must be identified by unit number if one blended sample for a unit is used (or field ID and/or subfield ID (if applicable) and unit number if a sample was taken for each field or subfield). The samples must be transported or sent to the approved testing facility within the timeframe specified in subparagraph J(3) and maintained in accordance with subparagraph J(3).
- (2) Harvested Method
  - (a) If the insured will agree, have the insured harvest the selected RSAs of the field(s) or subfield(s) in the adjuster's presence and to the adjuster's satisfaction.
  - (b) After the RSAs have been harvested, the adjuster may obtain the samples by either of the following methods:

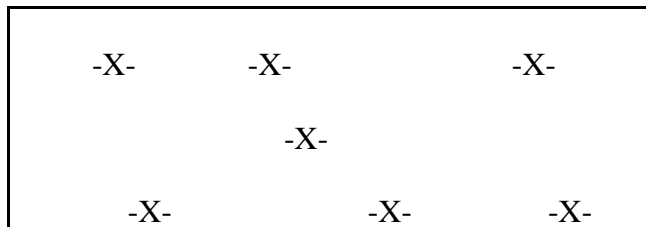
**1109 Quality Adjustment when Production Contains Mycotoxins, Other Substances, or Conditions at Levels Injurious to Human or Animal Health (Continued)**

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**F. Representative Sampling Methods for Samples Required Prior to Storage (continued)**

- (i) If the adjuster has a hand probe, the adjuster can extract grain from the combine hopper, wagon, or other temporary holding structure used for the harvested production from the RSAs. Obtain the required sample size (refer to subparagraph J(1) below) by using the hand probe and the FGIS sampling patterns as shown in (d) below as a guide to collect samples. Refer to the Grain Inspection Handbook- Book I – Grade Sampling, Chapter 2, Probe Sampling published by GIPSA.
- (ii) If the adjuster does not have a hand probe, have the insured unload the combine hopper into a wagon, truck, or other temporary holding structure used for the harvested production from the representative area, and collect the required sample size (refer to subparagraph J(1) below) from the stream of production at the beginning, at the end, and periodically in between as the production is being emptied from the combine.
- (c) After the sample(s) have been taken, the sample for testing must be identified by unit number if one blended sample for a unit is taken (or field ID and/or subfield ID (if applicable) and unit number if a sample was taken for each field or subfield). Because of the possible increase in mycotoxins due to high humidity, heat, and moisture content of the grain, the adjuster is to take samples for mycotoxins immediately after harvest. Do not have the insured harvest and leave the grain in a wagon, combine hopper, or other structure, then return the next day to obtain the samples. Samples must be transported or sent to an approved testing facility within the timeframe stated in subparagraph J(3) and maintained in accordance with subparagraph J(3).
- (d) The following examples are standard representative sampling pattern guidelines recommended by FGIS, and are to be used as a guide for locations of extraction when extractions are made with a probe. Insert the probe at the points marked, with the tip of the probe angled ten degrees. FGIS indicates that nearly ninety percent (90%) of error associated with Aflatoxin testing can be attributed to how the original sample was extracted.

**Example 1:**



Seven-probe pattern flat-bottom truck or trailer containing grain more than four feet deep.

## 1109 Quality Adjustment when Production Contains Mycotoxins, Other Substances, or Conditions at Levels Injurious to Human or Animal Health (Continued)

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### J. Harvested Production Delivered to Elevator or other Facility

If the insured harvests and delivers production to an elevator, processor, or other facility, any mycotoxin (or other substance or condition) testing done by the elevator, processor, or other facility cannot be accepted for insurance purposes unless the elevator, processor, or other facility has a testing facility that meets the criteria for an approved testing facility for testing mycotoxins (or other conditions or substances that are injurious to human or animal health).

(1) Who Pulls Samples:

- (a) If the elevator (or other facility) to which the insured delivers production does not meet the criteria for an approved testing facility (refer to subparagraph **H** above), the adjuster (using the criteria in (2) below) must obtain the samples for testing prior to the production being transported to the elevator, processor, or other facility; or
- (b) If the AIP agrees, the elevator, processor, or other facility can be advised to extract an additional sample per load (samples per load can be blended into one sample per unit) that can be sent to an approved testing facility in order for the damage from the mycotoxin (or other condition or substance) to be considered for quality adjustment purposes. However, before the AIP agrees to use the sample pulled by the elevator, processor, or other facility, the AIP/adjuster must assure that the elevator, processor, or other facility is following the criteria below.

(2) Samples:

- (a) For sample size, refer to subparagraph J(1) above.
- (b) The sample must be tagged in a way that will identify the insured's name, load number and unit from which the sample was obtained, and any other pertinent information.
- (c) The requirements in subparagraphs J(2) and (3) above for maintaining and transporting the sample are applicable.
- (d) When the elevator, processor, or other facility is willing to pull the samples and the AIP agrees to use the samples pulled by the elevator for QA:
  - (i) The AIP can agree to allow the elevator to submit the samples directly to an approved testing facility. When the elevator receives the test results for the insured's samples and notifies the insured, the insured must notify the AIP that the test results have been received.

## 1109 Quality Adjustment when Production Contains Mycotoxins, Other Substances, or Conditions at Levels Injurious to Human or Animal Health (Continued)

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### J. Harvested Production Delivered to Elevator or other Facility (continued)

- (ii) If the elevator is not going to submit samples to approved testing facilities, the adjuster or other authorized AIP representative must pick the samples up from the elevator in time to mail or transport the sample to the approved testing facility within 4 days of the time the elevator obtained the sample.

**Note:** No one other than the adjuster or other authorized AIP representative is allowed to pick the sample up from the elevator and maintain the sample until it can be mailed or transported to the approved testing facility.

- (3) If the elevator has a testing facility that meets the criteria for an approved testing facility (refer to subparagraph 1109H(3) for the mycotoxin or other substance or condition), and there is a test result for each load, use the test results of each load to determine the RIV for QA (value of damaged grain for crops that use value of damaged production instead of RIVs for QA purposes).
- (4) Loads having the same QAFs can be combined and entered on one line on the PW as stated in the LASHs.

### K. Discrepancy Between Test Results

AIPs shall only use test results from approved testing facilities to determine if the production is eligible for QA under section C of the SP. When there is a discrepancy between the test result of a sample from an approved lab used by the AIP and the one used by the disinterested third party buyer or commercial storage facility:

- (1) For crops having QA provisions in the SP (not applicable to Malting Barley – refer to applicable MBE):
  - (a) For sold production for which RIVs are applicable, the test results of the approved lab used by the disinterested third party who bought the production will be used, unless there is substantial reason to believe that the samples taken by the buyer were not done in accordance with approved industry standards for obtaining samples for the particular substance or condition. If the samples taken by the buyer were not done in accordance with approved industry standards, the AIP test result will be used.
  - (b) For UH production or for farm-stored production containing mycotoxins other than Vomitoxin (e.g., Aflatoxin), the only test results used will be those from samples obtained by the adjuster prior to entering storage and submitted to the approved lab.

**B. Included in Total Production to Count(continued)**

**RP Example:** Acres 50  
Production GPA 115 bu.  
PTC always valued at the Harvest Price

**Scenario 1:** Projected price (\$3) greater than Harvest price (\$2)

$50 \times 115 \times \$3 = \$17,250$  RP guarantee  
 $\$17,250 \div \$2 = 8,625$  bushels PTC

**Scenario 2:** Projected price (\$3) less than Harvest Price (\$4)

$50 \times 115 \times \$4 = \$23,000$  RP guarantee  
 $\$23,000 \div \$4 = 5,750$  bu. PTC

With Harvest Price Exclusion:  
 $50 \times 115 \times \$3 = \$17,250$  RP guarantee  
 $\$17,250 \div \$4 = 4,312.5$  bu. PTC

- (3) Some CP may also require notification to the AIP when the crop will be direct marketed. Failure to provide such notification may result in at least an appraisal of the per-acre guarantee or per acre DO.

**C. Determining Amount of Loss Due to Uninsured Cause(s)**

- (1) Use a visual inspection of production on same or similar crop(s) on other farms in the area to identify the possible presence of an uninsured COL, and if needed, compare productivity and yields of surrounding farms. Refer to subparagraphs E and F.
- (2) Verify the COLs (e.g. apparent loss may be poor weed control; however, the damage may have been indirectly caused by insufficient rainfall to activate a properly applied herbicide).
- (3) Determine and document on separate appraisal worksheets, the amount of damage attributed to uninsured and insured COL. Such determinations may be based on (a) and/or (b):
- (a) Agricultural expert's published materials or written opinion as to the yield loss attributable to the insurable and uninsurable COL; or
- (b) Comparison of productivity and yields of surrounding farms. The suggested comparison processes are found in subparagraphs E and F.
- (4) If an uninsured COL is identified (such as: failure to apply adequate fertilizer, herbicide, fungicide, etc.), it should be supported by agricultural publications, fact sheets, chemical labels, other research, or agricultural experts written opinion.

**C. Determining Amount of Loss Due to Uninsured Cause(s) (continued)**

- (5) Conduct a separate appraisal for any potential production remaining. Discuss appraisals with insured. Retain all appraisals as part of the claim file.
- (6) Ask the insured to document his/her efforts to prevent or control the situation (chemical used and/or methods followed, etc.). Record the number of applications and dates they were applied, supported by receipts or other verifiable third party records. Obtain copies of all supporting documents and retain as part of the claim file.
- (7) Obtain and retain agricultural expert's written or published materials and/or recommendations on production methods to prevent, control, mitigate, or manage the crop given the agronomic situation of the producer, including weather conditions, disease, pest risks, etc. to further support uninsured cause determinations.
- (8) Photograph the evidence of the crop in question and surrounding farms with identifying landmarks in each photograph.
- (9) Aerial photographs, satellite imagery, soil maps, and/or topography maps used as a basis to determine crop productivity potential may also be used to support the determinations of uninsured COLs and, if used, are to be retained as part of the claim file. For example, satellite imagery (and digital aerial photographs, highway, map, etc.) with Arc map may be used to develop a real time three dimensional image of the farm as it would have appeared prior to the uninsured COL.

**D. Failure To Follow Good Farming Practices**

The contract does not cover any loss that is due to the insured's failure to follow recognized GFPs. Refer to the **GFP Determination Standards Handbook** for GFP determinations. Such farming practices vary by crops and areas. Some uninsured COLs due to failure to follow recognized GFPs include:

- (1) Failure to plant the recommended quantity of seed or transplants;
- (2) Improper seedbed preparation;
- (3) Failure to properly plant, care for, or harvest the insured crop;
- (4) Failure to timely or properly apply the amounts of fertilizer for the crop and soil needs, as recommended by agricultural experts;
- (5) Failure to timely or properly apply control measures recommended by agricultural experts for the control of insects, plant diseases, or weeds;
- (6) Failure to apply adequate water under an IRR practice, failure to timely apply irrigation water, and/or failure to apply the recommended quality of irrigation water;

## 1234 Unreported Units (Continued)

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- (10) For claims having only an UH stage, in the “Uninsured Causes” column, using only one line, enter a per-acre amount of production (total allocated production ÷ number of acres for the line) that will equal the total allocated production or come as close as possible to the total allocated production without exceeding it when the per-acre amount is multiplied by the acres on that line. If possible, choose a line that does not have an actual uninsured cause appraisal in the “Uninsured Causes” column. However, if you must use a line that will have an actual uninsured cause appraisal in the “Uninsured Causes” column, add the per-acre amount of net production calculated for the allocated production to the uninsured cause appraisal.

**Example:** On the PW, the line selected to make the entry in the “Uninsured Causes” column showed 50.3 acres in the “Final Acres” column. 743.7 (total allocated production) ÷ 50.3 acres = 14.785 bu. This would be entered as 14.7 in the “Uninsured Causes” column) rather than 14.8 since 14.8 bu. x 50.3 acres = 744.4 bu., which would exceed 743.7 bu. (the total allocated production).

- (11) Enter the allocated net production in item 71 of the PW as instructed in the PW entries and completion procedures for the applicable crop LASH.
- (12) Document the following in the Narrative of the **PW** or on a Special Report: (If a Special Report is used, attach a copy to each claim.)
- (a) For actual production from the reported and unreported units, identify the location of the unreported unit by legal description and field I.D. number;
  - (b) The calculations used to arrive at the production allocated to the reported unit(s); and
  - (c) If the “Uninsured Causes” column has been used for the unreported-unit production, identify which line was used; e.g., line 2. Also, if any actual uninsured cause appraisal has been included with the allocated production in the “Uninsured Causes” column, separately identify the amount of each.

## 1235 Claims Involving Severe Wildlife Damage, Insect, Disease, or Weed Infestation

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- (1) The first crop year damage resulting from severe wildlife damage (only CP which mentions control measures for wildlife), insect, disease, or weed infestations (such as cheat grass) will generally be considered unavoidable if the insured was unaware of the conditions at planting time. However, if:
- (a) It is determined that the insured was (or should have been) aware of the wildlife presence, insect, disease, or weed infestation at planting time or later but did not follow appropriate recognized GFPs (e.g., crop rotation or soil treatment practices), or recognized wildlife control measures that could be effectively used on agricultural acreages, some or all of the loss will be considered an avoidable (uninsured) COL.
  - (b) A disease resistant variety exists for a disease that agriculture experts in the local area are recommending be planted, and the insured does not plant such a variety, the disease is considered to be an avoidable COL, even in the first year.

## **1235 Claims Involving Severe Wildlife Damage, Insect, Disease, or Weed Infestation (Continued)**

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- (2) Disease is not an insured COL, even when the first crop year damage is considered unavoidable, if the sole loss of production is due to a Federal or State quarantine that requires destruction of the diseased crop, unless otherwise stated in the CP or SP. Refer to subparagraph 1221H(1).
- (3) Advise the insured that some or all of the damage due to the same cause in subsequent years on the same acreage will be considered avoidable (uninsured) unless recognized GFPs or recognized wildlife control measures have been followed. Suggest that the insured contact the local county extension office to obtain their recommendations for treating and eradicating the infestation, or the state conservation department to determine if there are any recommended control measures for the wildlife on agricultural crop acreage.
- (4) Record the details of the case and identify the cause and name of weed, disease, or other pest and list the control measure(s) taken, in the Narrative section of the PW or on a Special Report.
- (5) Identify the infested field(s) on an aerial photomap and the PW or on a Special Report.
- (6) Appraise and record loss of production from avoidable causes according to applicable procedure. Refer to paragraph 1221.

## **1236 Airplane or Broadcast-seeded Barley, Oats, Rye, or Wheat**

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- (1) Insurance generally attaches at the time of seeding. The BP provide that the contract will not cover any loss of production due to failure to follow recognized GFPs. This subparagraph is not applicable to an air seeder implement that applies the seed to the soil surface and incorporates it into rows in a single operation. Application of seed with an air seeder implement is considered planted and insurance would attach at that time.
- (2) Some SPs for small grain crops state the following: Any fall planted acreage on which seed is spread onto the soil surface by any method (e.g., airplane or otherwise broadcast seeded) and is subsequently mechanically incorporated into the soil, will be insurable only if the insured requests an inspection for the acreage within 72 hours after the FPD or within 72 hours after the insured completed incorporating the seed in the LPP, and the AIP agrees in writing that the acreage has an adequate stand to produce the yield used to determine the insured's production guarantee. No coverage will be provided if an adequate stand is not established within 30 days after the end of the LPP or within 30 days after the FPD if no LPP is applicable. Insurance will attach to such acreage with adequate stand on the date the AIP inspects the acreage.
- (3) Mechanical incorporation is required unless excepted by the county actuarial documents. Item (6) below provides instructions for when the insured is prevented from mechanically incorporating the seed due to an insured COL.
- (4) All other insurability provisions of the contract must be met.
- (5) Failure to properly prepare the seed bed will be considered failure to follow recognized GFPs, and when it results in a loss of potential production, it will necessitate an appraisal for uninsured causes on any subsequent claim.



## 1238 Corrected Claims

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- (1) Once a claim is processed, the claim cannot be corrected unless:
  - (a) One or more entries on the PW is incorrect due to:
    - (i) an incorrect factor;
    - (ii) an incorrect appraisal amount due to an error in calculating the appraisal on the appraisal worksheet (e.g., an incorrect factor was used or error in calculation);
    - (iii) an incorrect measurement of a storage structure that can be verified to be incorrect;
    - (iv) the insured failing to report all of the production from the unit;
    - (v) all of stated production is not accounted for; under the provisions of the MI, current and/or prior year's claims would have to be corrected, etc.; or
    - (vi) the insured received multiple USDA benefits for the same acres and has chosen to repay the AIP.
  - (b) Entries of information that affect the indemnity were erroneously omitted (e.g., excess moisture percentage).
  - (c) A decision from an arbitration, appeal, or administrative review requires a corrected claim.
  - (d) A decision from a reconciliation review that the RMA is incorrect and the FSA data is correct. The \$250 tolerance described in (4) below is not applicable.
  - (e) Part or all of the claim is settled on appraised production and the insured later harvests the appraised production; or part or all of the production on the acreage is harvested using normal harvesting methods/equipment and the insured later harvests additional production from the same acreage using specialized harvesting methods/equipment. Depending on the circumstances, the claim may or may not be corrected. Refer to subparagraph 702A(12) for details;
  - (f) The individual crop LASH specifies a corrected claim may be done for a specific situation;
  - (g) The value received for damaged production has been increased after the claim was settled (e.g., after claim was settled, the buyer decreased the discounts for the damaged production and reimbursed the insured producers the difference) and this would result in an overpayment of at least \$250 for the policyholder's indemnity as described in (4) below; or
  - (h) A BU structure is determined to be incorrect.

## 1238 Corrected Claims (Continued)

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- (2) Corrected claims cannot be made solely because the insured subsequently sells more or less production;
  - (a) than was determined from measurements of production in a storage structure(s) at the time of final settlement of the claim, unless the dimensions of the structure or obstacle deductions (studs, vents, etc.) or other details or circumstances can be verified to be in error.
  - (b) than was determined from PFTS at the time of final settlement of the claim, unless the manufacturer provides written documentation that the combine yield monitor and/or PFTS software has malfunctioned. This written documentation identifies when and how the malfunction occurred.
- (3) Reprocessing claim information along with the proper codes to reduce or restore an indemnity or PP payment due to first and second crop acreage is not considered a corrected claim for the purpose of this paragraph. This type of administrative action does not require a PW to be completed. However, the claim information is processed through PASS with the proper codes to reduce or restore the indemnity or PP payment, as applicable. Documentation of why the indemnity or PP payment was required must be kept in the insured's loss file.
- (4) Prepare a corrected claim only when you are authorized by your AIP to do so, and in accordance with the following tolerances below. For types of corrected claims for which dollar tolerance apply, AIPs are not required to correct claims that are below the dollar tolerances. There is no time limit for when a corrected claim can be prepared. Even though the reason for the corrected claim is not discovered until the subsequent crop year(s), the corrected claim will be prepared if it is to be corrected in accordance with the procedures in paragraph 1238.
  - (a) There are no dollar tolerances for preparing corrected claims due to items (1)(c)(d) and (h) above.
  - (b) When errors as stated in (1)(a), (b), and (g) above are discovered, a corrected claim will be prepared if the underpayment or overpayment is in excess of the FCIC-approved tolerance (\$250). This tolerance applies on a policyholder basis. The results of a review on multiple policies held by a single policyholder within a county will be combined to determine the applicability of the tolerance.
- (5) Write "Corrected Claim" in the heading on all copies of the PW and prepare it in accordance to the applicable crop LASH.