

SUMMARY OF CHANGES FOR THE LIVESTOCK RISK PROTECTION INSURANCE POLICY

The following is a brief description of the changes to the Livestock Risk Protection Basic Provisions that are effective for the 2021 and succeeding crop years for all endorsements with closing date on or after January 20, 2021.

1. Definitions

- Clarified the definition to “Daily Price Limit” and removed examples of maximum daily price changes because CME plans to set initial daily price limits annually.
- Added a definition for “Unborn Livestock.”

2. Coverage, Life of Policy, Cancellation, and Termination

- Revised sections 2(h)(1) and (2) to align with approved policy changes. Insured is allowed to dispose livestock up to 60 days prior to the end date.
- In section 2(h)(3) clarified protocols and records for maintaining coverage in case of events which make livestock not deliverable, such as death or disease.
- In section 2(i) added protocols for verifying ownership of livestock unborn at the sales closing date.
- Revised section 2(l) to allow premium to be billed if allowed by actuarial documents.
- In section 11(a) updated the language to be consistent with the standard language in other policies.

LIVESTOCK RISK PROTECTION INSURANCE POLICY (This is a continuous policy. Refer to section 3.)

This is a policy for Livestock Risk Protection insurance between you and the policy issuing company, and, when approved by us in writing, each shall be subject to all of the terms and conditions of this policy. Each Livestock Risk Protection policy shall be reinsured by the Federal Crop Insurance Corporation (FCIC) under the authority of sections 508(h) and 523(b) of the Federal Crop Insurance Act (Act) (7 U.S.C. § 1508(h) and 1523(b)).

All provisions of the policy and rights and responsibilities of the parties are specifically subject to the Act. The provisions of the policy may not be waived or varied in any way by the crop insurance agent or any other agent or employee of the company. Neither FCIC nor the Risk Management Agency has the authority to revise, amend or otherwise alter this policy. They can only approve or disapprove for reinsurance those terms submitted by the developer of this policy. In the event we cannot pay your loss, your claim will be settled in accordance with the provisions of this policy and paid by FCIC. No state guarantee fund will be liable for your loss.

Throughout this policy, "you" and "your" refer to the named insured shown on the approved application and "we," "us," and "our" refer to the insurance company providing insurance. Unless the context indicates otherwise, use of the plural form of a word includes the singular and use of the singular form of a word includes the plural.

AGREEMENT TO INSURE: In return for the payment of premium, and subject to all of provisions of this policy, we agree with you to provide the insurance as stated in this policy. If a conflict exists among the policy provisions, the order of priority is as follows: (1) The Special Provisions; (2) Actuarial Documents; (3) The Livestock Risk Protection Endorsement; and (4) these Basic Provisions, with the provisions of (1) controlling (2), and the provisions of (2) controlling (3).

BASIC PROVISIONS TERMS AND CONDITIONS

1. Definitions.

Act - The Federal Crop Insurance Act (7 U.S.C. 1501*et seq.*)

Actual Ending Value - The actual ending value is the price at the end of the insurance period as defined in each Specific Coverage Endorsement

Actuarial Documents - The information for the crop year, available for public inspection in your agent's office or on the RMA website, which shows the dates, coverage prices, rates, coverage levels, practices, insurable class, and other related information regarding Livestock Risk Protection coverage in the county or state.

Agricultural Marketing Service (AMS) - An agency of the United States Department of Agriculture (USDA). The AMS website is <https://www.ams.usda.gov>.

Application - The form required to be completed by you and approved by us in writing before insurance coverage will begin. The Application form will identify the insured and the classes of livestock or livestock product (swine, for example) to be insured.

Assignment of Indemnity - A transfer of policy rights, requested on our form, and effective when approved by us. It is the arrangement whereby you assign your right to an indemnity payment to another party of your choice.

Beginning Farmer or Rancher – An individual who has not actively operated and managed a farm or ranch in any state, with an insurable interest in a crop or livestock as an owner-operator, landlord, tenant, or sharecropper for more than five crop years, as determined in accordance with FCIC procedures. Any crop year's insurable interest may, at your election, be excluded if earned while under the age of 18, while in full-time military service of the United States, or while in post-secondary education, in accordance with FCIC procedures. A person other than an individual may be eligible for beginning farmer or rancher benefits if there is at least one individual substantial beneficial interest holder and all individual substantial beneficial interest holders qualify as a beginning farmer or rancher.

CME - Chicago Mercantile Exchange

Class - The same species of livestock or livestock product that shares common traits or characteristics and can be insured under a Specific Coverage Endorsement.

Consent - Approval in writing by us allowing you to take a specific action.

Contract Change Date - The calendar date by which we make policy changes that will be effective for the following crop year available for inspection in the agent's office or on RMA's website. (See section 2.)

Coverage - The insurance provided by this policy insures against a decline in price as specified in the Specific Coverage Endorsement.

Coverage Level - The percent of the expected ending value that is the coverage provided by the policy.

Coverage Price - The level of protection provided by the policy on a dollar per cwt basis as published each day on RMA's website.

Crop Year - The twelve-month period, beginning on July 1 and ending on the following June 30 and designated by the calendar year in which the period ends. The crop year in which the effective date falls will determine the crop year for a Specific Coverage Endorsement.

Cwt - Hundredweight.

Days - Calendar days unless otherwise noted.

Daily Price Limit - For a given CME futures contract, the maximum daily price change allowed by the CME, either up or down, from the previous settlement price. The Daily Price Limit is defined as the standard amount that prices may vary from day to day and does not include expanded limits.

Deductible - The amount determined by subtracting the coverage level from 100 percent. For example, if you elected an 85 percent coverage level, your deductible would be 15 percent ($100\% - 85\% = 15\%$).

Delinquent Debt - Has the same meaning as the term defined in 7 CFR part 400, subpart U.

Effective Date - The date associated with the beginning of insurance for a Specific Coverage Endorsement. This is the date that coverage begins. The effective date will always be the date the rates were published on the RMA website. If the Specific Coverage Endorsement was purchased and we approved it on the day following the date the rates were published on the RMA website, the effective date is still the date that the rates were published on the RMA website.

End Date - The date selected by you, and stated in the Specific Coverage Endorsement, that coverage under a Specific Coverage Endorsement ends.

Ending Period - The period specified by the Specific Coverage Endorsement, ending on the end date, over which the actual ending value is determined.

Expected Ending Value - The expected value of the livestock at the end of the coverage period, as published on the RMA website.

FCIC - The Federal Crop Insurance Corporation, a wholly owned government corporation within USDA.

Insured - The named person(s) shown on the application approved by us. This term does

not extend to any other person having a share or interest in the livestock or livestock products.

Insured Share - Your percentage of insurable interest as an owner in the covered livestock or livestock product at the time coverage attaches.

Insured Value - The insured value is the total dollar amount of coverage calculated by multiplying the number of livestock or livestock product insured under the Specific Coverage Endorsement by the target weight (as shown in the Specific Coverage Endorsement), by the coverage price (in dollars per cwt.), and by the insured share.

Lean Weight - Lean weight is a measure of animal carcass weight, presented in cwt. To convert live weight to lean weight, multiply the live weight by the factor specified in the Specific Coverage Endorsement. For example, for hogs, a 2.50 cwt. per head live weight multiplied by .74 is equal to 1.85 cwt. lean weight.

Limited Resource Farmer or Rancher Has the same meaning as the term defined by USDA at https://lrftool.sc.egov.usda.gov/LRP_Definition.aspx or successor website.

Live Weight - Live weight is a measure of the live animal's weight, stated in cwt.

Livestock - A species of domestic animals sharing the same traits or characteristics which are insurable under a Specific Coverage Endorsement.

Livestock Product - A product derived from the type of livestock which is insurable under a Specific Coverage Endorsement.

Offset - The act of deducting one amount from another amount.

Person - An individual or an association, corporation, estate, partnership, trust, or other legal entity, and, where applicable, a State or a political subdivision or agency of a State. "Person" does not include the United States Government or any agency thereof.

Policy - The agreement between you and us consisting of the application approved by us in writing, these Basic Provisions, the Specific Coverage Endorsement, the Special Provisions, other applicable endorsements, and the actuarial documents for the insured livestock or livestock product.

Premium Billing Date - If applicable, the earliest date upon which you will be billed for the Specific Coverage Endorsement. The premium billing date is the first day of the month following the end date for the Specific Coverage Endorsement and is contained in the actuarial documents.

Producer Premium - Total premium minus the premium subsidy paid by FCIC.

Risk Management Agency (RMA) - An agency within USDA, who operates the crop insurance programs, including all livestock insurance programs on behalf of FCIC and whose Internet website is <https://www.rma.usda.gov>.

Sales Closing Date - The effective date of the Specific Coverage Endorsement.

Sales Period - The period of time that begins when the coverage price and rates are posted and ends at 9:00 am Central Time the following calendar day or as otherwise specified in each Specific Coverage Endorsement. Sales will not be available for purchase on any period that would have an effective date of a Federal or a market holiday or as otherwise specified in each Specific Coverage Endorsement.

Special Provisions - The part of the policy that contains specific provisions of insurance for each insured class and may vary by geographic area.

Specific Coverage Endorsement (SCE) - An endorsement to the policy necessary to provide coverage that includes information about the class to be insured.

Substantial Beneficial Interest - An interest held by any person of at least 10 percent in the applicant or insured. A spouse who resides in the household or households of the applicant or insured will be considered to have a substantial beneficial interest in the applicant or insured unless the spouse can prove that the class covered by the Specific Coverage Endorsement is in a totally separate farming operation in accordance with FCIC procedures and the spouse derives no benefit from the farming operation of the insured or applicant.

Target Weight - The anticipated weight at the end date as specified in the Specific Coverage Endorsement.

Termination Date - The calendar date contained in the actuarial documents upon which your insurance ceases to be in effect because of nonpayment of any amount due us under the policy, including premium if applicable.

Unborn Livestock - Livestock not born on the effective date but expected to be marketed before the end date.

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

- (1) Has not operated a farm or ranch;
- (2) Has not operated a farm or ranch for not more than 5 years; or
- (3) First obtained status as a veteran during the most recent 5-year period.

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

USDA - United States Department of Agriculture.

2. Coverage, Life of Policy, Cancellation, and Termination.

- (a) This policy provides coverage to protect you against price decreases during the insurance period.
- (b) The application and/or SCE must be received by

us not later than the sales closing date. If cancellation or termination of insurance coverage occurs for any reason, including but not limited to indebtedness, suspension, debarment, disqualification, cancellation by you or us or violation of the controlled substance provisions of the Food Security Act of 1985, a new application must be filed for the livestock or livestock product.

- (c) Coverage will not be provided if you are ineligible under the policy or under any Federal statute or regulation.
- (d) Unless otherwise limited by section 4 of this policy, an application for coverage under this policy may be submitted during the sales period, must be approved in writing by us before you can purchase coverage under an SCE, and must contain all the information required by us to be approved to insure your livestock or livestock product.
- (e) To obtain coverage on a specific livestock class, you must submit an SCE during the sales period that identifies the class, the location of the livestock to be covered, the effective date of coverage, the number of covered livestock, the target weight at the end date, the coverage price, and percent of your insured share. Any SCE submitted without these elements or outside of the sales period will not be accepted.
- (f) Your agent does not have authority to bind coverage under this policy. Once approved by us in writing coverage for the class described in the SCE begins on the effective date.
- (g) During each crop year where a policy is in effect, you may obtain coverage for as many head of livestock, under as many different SCEs, as you are eligible for, subject to the following restrictions:
 - (1) Coverage applies only to the class in which you have an insured share;
 - (2) You may not cover the same livestock or livestock products under more than one SCE at any one time;
 - (3) You may not have any other FCIC reinsured livestock price policy covering the same class of livestock at the same time; and
 - (4) The amount of any class that may be covered may be limited by the applicable SCE.
- (h) Coverage provided under each SCE will:
 - (1) Expire on the end date if:
 - (i) you do not dispose of your share in the insured livestock or livestock product prior to the end date, or
 - (ii) you dispose of your insured share in the insured livestock or livestock product during the last 60 days of coverage.
 - (2) Be terminated on the date of disposal for any portion of your insured share in the insured livestock or livestock product disposed of prior to the last 60 days of coverage, unless that portion of your share is properly transferred, on our form, to an eligible transferee under section 17.

- (i) Termination will be effectuated by reducing the number of livestock insured under the applicable SCE.
 - (ii) No indemnity will be paid for any portion of the endorsement that is terminated.
 - (iii) Because no indemnity is due as a result of a breach of this policy, no premium for any terminated portion will be refunded
- (3) Expire on the end date if at any time during the coverage period your livestock are seized, quarantined or destroyed by order of any governmental authority, or your livestock are not deliverable due to death or disease, and you provide us written notice of such circumstance within 72 hours after your knowledge of the livestock's death.
 - (i) For any livestock that die and we do not receive proper notification, that portion of the endorsement will be terminated.
 - (ii) For unborn feeder cattle or swine, written notice of death needs to include either evidence of pregnancy, or records on number of born livestock in one of the prior three years. If records for prior years are used in place of evidence of pregnancy, then the number of livestock born in a prior year must be higher than the number of insured unborn livestock. Valid records include, but are not limited to, veterinary reports, or supply or sales contracts.
 - (iii) Termination will be effectuated by reducing the number of livestock insured under the applicable SCE. No indemnity will be paid for any portion of the endorsement that is terminated.
 - (iv) Because no indemnity is due as a result of a breach of this policy, no premium for any terminated portion will be refunded, and any unpaid premium is still owed.
- (i) Coverage provided for unborn livestock requires that livestock are born prior to the SCE end date. For all insured livestock types, unless written notice is provided to us per section 2(h)(3), no indemnity will be paid if proof of ownership of live livestock is not provided upon request from us. Failure to provide ownership records upon request will result in no indemnity due but premium is still owed.
- (j) With respect to your application for coverage under this policy and or SCE:
 - (1) You must include your social security number (SSN) if you are an individual (if you are an individual applicant operating as a business, you may provide an employer identification number (EIN) but you must also provide your SSN); or
 - (2) You must include your EIN if you are a person other than an individual;
 - (3) In addition to the requirements of section 2(j)(1) or (2), you must include the following for all persons who have a substantial beneficial interest in you:
 - (i) The SSN for individuals; or
 - (ii) The EIN for persons other than individuals and the SSNs for all individuals that comprise the person with the EIN if such individuals also a substantial beneficial interest in you;
 - (4) Your application will not be accepted, and no insurance will be provided if the application does not contain your SSN or EIN. If your application contains an incorrect SSN or EIN for you, your application will be considered not to have been accepted, no insurance will be provided for the year of application and for any subsequent crop years, as applicable, and such policies will be void if:
 - (i) Such number is not corrected by you; or
 - (ii) You correct the SSN or EIN but:
 - (A) You cannot prove that any error was inadvertent (Simply stating the error was inadvertent is not sufficient to prove the error was inadvertent); or
 - (B) It is determined that the incorrect number would have allowed you to obtain disproportionate benefits under the crop insurance program, you are determined to be ineligible for insurance or you could avoid an obligation or requirement under any State or Federal law;
 - (5) With respect to persons with a substantial beneficial interest in you:
 - (i) The coverage for all the livestock or livestock products included on your SCEs will be reduced proportionately by the percentage interest in you of persons with a substantial beneficial interest in you (presumed to be 50 percent for spouses of individuals) if the SSNs or EINs of such persons are included on your application, the SSNs or EINs are correct, and the persons with a substantial beneficial interest in you are ineligible for insurance;
 - (ii) The coverage for all livestock or livestock products included on your SCEs for all applicable crop years, will be void if the SSN or EIN of any person with a substantial beneficial interest in you is incorrect or is not included on your application and:
 - (A) Such number is not corrected or provided by you, as applicable;
 - (B) You cannot prove that any error or omission was inadvertent (Simply

- stating the error or omission was inadvertent is not sufficient to prove the error or omission was inadvertent); or
- (C) Even after the correct SSN or EIN is provided by you, it is determined that the incorrect or omitted SSN or EIN would have allowed you to obtain disproportionate benefits under the crop insurance program, the person with a substantial beneficial interest in you is determined to be ineligible for insurance, or you or the person with a substantial beneficial interest in you could avoid an obligation or requirement under any State or Federal law; or
- (iii) Except as provided in sections 2(j)(5)(ii)(B) and (C), your policies will not be voided if you subsequently provide the correct SSN or EIN for persons with a substantial beneficial interest in you and the persons are eligible for insurance;
- (6) When any of your policies are void under sections 2(j)(4) or (5):
- (i) You must repay any indemnity that may have been paid for all applicable livestock or livestock products and crop years as determined by us;
- (ii) Even though the policies are void, you will still be required to pay an amount equal to 20 percent of the premium that you would otherwise be required to pay; and
- (iii) If you previously paid premium or administrative fees, any amount in excess of the amount required in section 2(j)(6)(ii) will be returned to you;
- (7) Notwithstanding any of the provisions in this section, if you certify to an incorrect SSN or EIN, or receive an indemnity and the SSN or EIN was not correct, you may be subject to civil, criminal or administrative sanctions;
- (8) If any of the information regarding persons with a substantial beneficial interest in you changes after the cancellation date for the previous crop year, you must revise your application by the cancellation date for the current crop year to reflect the correct information. However, if such information changed less than 30 days before the cancellation date for the current crop year, you must revise your application by the cancellation date for the next crop year. If you fail to provide the required revisions, the provisions in section 2(j)(5) will apply; and
- (9) If you are, or a person with a substantial beneficial interest in you is, not eligible to obtain a SSN or EIN, whichever is required, you must request an assigned number for the purposes of this policy from us:
- (i) A number will be provided only if you can demonstrate you are, or a person with a substantial beneficial interest in you is, eligible to receive Federal benefits;
- (ii) If a number cannot be provided for you in accordance with section 2(j)(9)(i), your application will not be accepted; or
- (iii) If a number cannot be provided for any person with a substantial beneficial interest in you in accordance with section 2(j)(9)(i), the amount of coverage for all crops on the application will be reduced proportionately by the percentage interest of such person in you.
- (k) Either you or we may cancel this policy in writing at any time prior to the July 1 renewal date as long as there are no SCEs in effect.
- (l) No insurance coverage is in effect with this application until a SCE is written and as applicable premium is paid for that SCE, unless a different premium billing date is provided in the actuarial documents, in accordance with section 5.
- (m) Any amount owed to us for any policy authorized under the Act will be offset from any indemnity or prevented planting due you for this or any other crop insured with us under the authority of the Act.
- (1) Even if your claim has not yet been paid, you must still pay the premium on or before the termination date for you to remain eligible for insurance.
- (2) If we offset any amount due us from an indemnity or prevented planting payment owed to you, the date of payment for the purpose of determining whether you have a delinquent debt will be the date that you submit the claim for indemnity in accordance with section 9. (Indemnity Payments for Losses.).
- (3) For this agricultural commodity policy, your premium and administrative fees will be offset from any indemnity or prevented planting payment due you even if it is prior to the premium billing date.
- (4) For any other agricultural commodity policy insured with us and it is:
- (i) Prior to the premium billing date, and you agree, your premium and administrative fees will be offset from any indemnity or prevented planting payment due you; or
- (ii) On or after the premium billing date, your premium and administrative fees will be offset from any indemnity or prevented planting payment due you.
- (n) A delinquent debt for any policy will make you ineligible to obtain crop insurance authorized under the Act for any subsequent crop year and result in termination of all policies in accordance with section 2(n)(2).
- (1) With respect to ineligibility:

- (i) Ineligibility for crop insurance will be effective on:
 - (A) The date that a policy was terminated in accordance with section 2(n)(2) for the crop for which you failed to pay premium, an administrative fee, or any related interest owed, as applicable;
 - (B) The payment due date contained in any notification of indebtedness for any overpaid indemnity if you fail to pay the amount owed, including any related interest owed, as applicable, by such due date; or
 - (C) The termination date for the crop year prior to the crop year in which a scheduled payment is due under a written payment agreement if you fail to pay the amount owed by any payment date in any agreement to pay the debt;
 - (ii) If you are ineligible and a policy has been terminated in accordance with section 2(n)(2), you will not receive any indemnity and such ineligibility and termination of the policy may affect your eligibility for benefits under other USDA programs. Any indemnity payment that may be owed for the policy before it has been terminated will remain owed to you, but may be offset in accordance with section 2(h), unless your policy was terminated in accordance with sections 2(n)(2)(i)(A), (B), or (D).
- (2) With respect to termination:
- (i) Termination will be effective on:
 - (A) For a policy with unpaid administrative fees or premiums, the termination date immediately subsequent to the billing date for the crop year (For policies for which the sales closing date is prior to the termination date, such policies will terminate for the current crop year even if insurance attached prior to the termination date. Such termination will be considered effective as of the sales closing date and no insurance will be considered to have attached for the crop year and no indemnity will be owed);
 - (B) For a policy with other amounts due, the termination date immediately following the date you have a delinquent debt (For policies for which the sales closing date is prior to the termination date, such policies will terminate for the current crop year even if insurance attached prior to the termination date. Such termination will be considered effective as of the sales closing date and no insurance will be considered to have attached for the crop year and no indemnity will be owed);
 - (C) For all other policies that are issued by us under the authority of the Act, the termination date that coincides with the termination date for the policy with the delinquent debt or, if there is no coincidental termination date, the termination date immediately following the date you become ineligible;
 - (D) For execution of a written payment agreement and failure to make any scheduled payment, the termination date for the crop year prior to the crop year in which you failed to make the scheduled payment (for this purpose only, the crop year will start the day after the termination date and end on the next termination date, e.g., if the termination date is November 30 and you fail to make a payment on November 15, 2019, your policy will terminate on November 30, 2018, for the 2019 crop year); or
- (ii) For all policies terminated under sections 2(n)(2)(i)(A), (B), or (D), any indemnities paid subsequent to the termination date must be repaid.
 - (iii) Once the policy is terminated, it cannot be reinstated for the current crop year unless:
 - (A) The termination was in error;
 - (B) The Administrator of the Risk Management Agency, at his or her sole discretion, determines that the following are met:
 - (1) In accordance with 7 CFR part 400, subpart U, and FCIC issued procedures, you provide documentation that your inadvertent failure to pay your debt is due to an unforeseen or unavoidable event or other extenuating circumstances that created the inadvertent failure for you to make timely payment;
 - (2) You remit full payment of the delinquent debt owed to us or FCIC with your request submitted in accordance with section 2(n)(2)(iii)(B)(3); and
 - (3) You submit a written request for reinstatement of your policy to us no later than 60 days after the termination date or the missed payment date of a previously executed written payment

agreement, or in the case of overpaid indemnity or any amount that became due after the termination date, the due date specified in the notice to you of the amount due, if applicable.

- (i) If authorization for reinstatement, as defined in 7 CFR part 400, subpart U, is granted, your policies will be reinstated effective at the beginning of the crop year for which you were determined ineligible, and you will be entitled to all applicable benefits under such policies, provided you meet all eligibility requirements and comply with the terms of the policy; and
 - (ii) There is no evidence of fraud or misrepresentation; or
- (C) We determine that, in accordance with 7 CFR part 400, subpart U, and FCIC procedures, the following are met:
- (1) You can demonstrate:
 - (i) You made timely payment for the amount of premium owed but you inadvertently omitted some small amount, such as the most recent month's interest or a small administrative fee;
 - (ii) The amount of the payment was clearly transposed from the amount that was otherwise due (For example, you owed \$892 but you paid \$829);
 - (iii) You timely made the full payment of the amount owed but the delivery of that payment was delayed, and was postmarked no more than seven calendar days after the termination date or the missed payment date of a previously executed written payment agreement, or in the case of overpaid indemnity or any amount that became due after the termination date, the due date specified in a notice to you of an amount due, as applicable.
 - (iv) For previously executed written payment agreements, you made the full payment of the scheduled payment amount owed within 15 calendar days after the missed payment date.
- (2) You remit full payment of the delinquent debt owed to us; and
 - (3) You submit a written request for reinstatement of your policy to us in accordance with 7 CFR part 400, subpart U, and applicable procedures no later than 30 days after the termination date or the missed payment

date of a previously executed written payment agreement, or in the case of overpaid indemnity or any amount that became due after the termination date, the due date specified in the notice to you of the amount due, if applicable; and

- (4) If authorization for reinstatement, as defined in 7 CFR part 400, subpart U, is granted, your policies will be reinstated effective at the beginning of the crop year for which you were determined ineligible, and you will be entitled to all applicable benefits under such policies, provided you meet all eligibility requirements and comply with the terms of the policy; and
 - (5) There is no evidence of fraud or misrepresentation.
- (iv) A determination made under:
- (A) Section 2(n)(2)(iii)(B) may only be appealed to the National Appeals Division in accordance with 7 CFR part 11; and
 - (B) Section 2(n)(2)(iii)(C) may only be appealed in accordance with section 11.
- (3) To regain eligibility, you must:
 - (i) Repay the delinquent debt in full;
 - (ii) Execute a written payment agreement, in accordance with 7 CFR part 400, subpart U, and make payments in accordance with the agreement; or
 - (iii) Have your debts discharged in bankruptcy.
 - (4) After you become eligible for crop or livestock insurance, if you want to obtain coverage for your crops or livestock, you must submit a new application on or before the sales closing date for the crop (Since applications for crop insurance cannot be accepted after the sales closing date, if you make any payment after the sales closing date, you cannot apply for insurance until the next available sales closing date).
 - (5) For example, for the 2021 crop year, if you purchase a Livestock Risk Protection Policy, with a termination date of June 30, 2021 and you do not pay the premium or other amounts due by the termination date, your livestock policy will terminate retroactive to the sales closing date that immediately follows the sales period for which the premium is delinquent, even if insurance has already attached to a subsequent sales period. The ineligibility date would be June 30, 2021. In accordance with section 2 (n)(2)(i)(C), for any other policy issued under the authority of the Federal Crop Insurance Act that does not have the same termination date of June 30, the termination for such other policy will be effective on the termination date following when a policyholder

becomes ineligible. For example, a producer purchased a Livestock Risk Protection SCE on July 5, 2020 and did not pay the premium by the premium due date and subsequently purchased a Federal reinsured corn policy on March 15, 2021. The Livestock Risk Protection Policy is terminated June 30, 2021, and the producer is ineligible for any livestock plan of insurance as of the next sales closing date that occurs after July 5, 2020. However, the Federal reinsured corn policy would remain in effect for 2021 and would be terminated as of March 15, 2022 if the Livestock Risk Protection premium remained delinquent. No indemnity will be due for that crop year for either crop. You will not be eligible to apply for crop insurance for any crop until after the amounts owed are paid in full or you file a petition to discharge the debt in bankruptcy.

- (6) If you are determined to be ineligible under section 2(m), persons with a substantial beneficial interest in you may also be ineligible until you become eligible again.
- (o) In cases where there has been a death, disappearance, judicially declared incompetence, or dissolution of any insured person:
 - (1) If any married individual insured dies, disappears, or is judicially declared incompetent, the named insured on the policy will automatically convert to the name of the spouse if:
 - (i) The spouse was included on the policy as having a substantial beneficial interest in the named insured; and
 - (ii) The spouse has a share of the crop.
 - (2) The provisions in section 2(o)(3) will be applicable if:
 - (i) Any partner, member, shareholder, etc., of an insured entity dies, disappears, or is judicially declared incompetent, and such event automatically dissolves the entity; or
 - (ii) An individual, whose estate is left to a beneficiary other than a spouse or left to the spouse and the criteria in section 2(o)(1) are not met, dies, disappears, or is judicially declared incompetent.
 - (3) If section 2(o)(2) applies and the death, disappearance, or judicially declared incompetence occurred:
 - (i) More than 30 days before the cancellation date, the policy is automatically canceled as of the cancellation date and a new application must be submitted; or
 - (ii) Thirty days or less before the cancellation date, or after the cancellation date, the policy will continue in effect through the crop year immediately following the cancellation date and be automatically canceled as of

the cancellation date immediately following the end of the insurance period for the crop year, unless canceled by the cancellation date prior to the start of the insurance period:

- (A) A new application for insurance must be submitted prior to the sales closing date for coverage for the subsequent crop year; and
 - (B) Any indemnity will be paid to the person or persons determined to be beneficially entitled to the payment and such person or persons must comply with all policy provisions and pay the premium.
- (4) If any insured entity is dissolved for reasons other than death, disappearance, or judicially declared incompetence:
 - (i) Before the cancellation date, the policy is automatically canceled as of the cancellation date and a new application must be submitted; or
 - (ii) On or after the cancellation date, the policy will continue in effect through the crop year immediately following the cancellation date and be automatically canceled as of the cancellation date immediately following the end of the insurance period for the crop year, unless canceled by the cancellation date prior to the start of the insurance period:
 - (A) A new application for insurance must be submitted prior to the sales closing date for coverage for the subsequent crop year; and
 - (B) Any indemnity will be paid to the person or persons determined to be beneficially entitled to the payment and such person or persons must comply with all policy provisions and pay the premium.
 - (5) If section 2(o)(2) or (4) applies, a remaining member of the insured person or the beneficiary is required to report to us the death, disappearance, judicial incompetence, or other event that causes dissolution not later than the next cancellation date, except if section 2(o)(3)(ii) applies, notice must be provided by the cancellation date for the next crop year. If notice is not provided timely, the provisions of section 2(o)(2) or (4) will apply retroactive to the date such notice should have been provided and any payments made after the date the policy should have been canceled must be returned.
 - (p) This Livestock Risk Protection policy is a continuous policy. If you submit and we approve an application for coverage under the Livestock Risk Protection policy on our form, such policy will remain in effect until June 30 and will

automatically renew on July 1 thereafter unless cancelled or terminated pursuant to the terms of this policy. The SCE's are not continuous and are only effective for the period stated therein

- (q) We may cancel your policy if no premium is earned for three consecutive years.
- (r) The cancellation and termination dates for the policy are June 30. Portions of coverage under a SCE may be terminated prior to that date as specified in section 2(h).
- (r) Any person may sign any document relative to Federal crop insurance coverage on behalf of any other person covered by such a policy, provided that the person has a properly executed power of attorney or such other legally sufficient document authorizing such person to sign. You are still responsible for the accuracy of all information provided on your behalf and may be subject to any applicable consequences, if any information has been misreported.

3. Contract Changes.

- (a) We may change the terms of your coverage under this policy from crop year to crop year.
- (b) Any changes in policy provisions and program dates will be published on RMA's website not later than the April 30th contract change date. You may request copies from your Livestock Risk Protection agent.
- (c) You will be notified, in writing, of changes to the Basic Provisions, SCEs, and the Special Provisions not later than 30 days prior to the cancellation date. Acceptance of changes will be conclusively presumed in the absence of written notice from you to change or cancel your insurance coverage.

4. Coverage Limitations.

- (a) This policy does not cover any other peril except change in price, including, for example, mortality, condemnation, physical damage, disease, individual marketing decisions, local price aberrations, or any other cause of loss other than stated.
- (b) Insurance coverage will not be provided if you are ineligible under the contract or under any Federal statute or regulation.
- (c) We will not approve your application or any SCE:
 - (1) Unless such application or SCE is accepted by RMA;
 - (2) If the premium calculator (the computer program that determines your premium) or the RMA website is not operational;
 - (3) If the required data for establishing rates or coverage prices are not available because futures did not trade, there was insufficient trading volume, futures were not able to continue trading at the end of the day (if the price moved the maximum allowed by the exchange), required data were not reported, or the rates or coverage prices were not timely provided to RMA; or

(4) If there has been a news report, announcement, or other event that occurs during or after trading hours that is believed by the Secretary of Agriculture, Manager of the Risk Management Agency, or other designated staff of the Risk Management Agency, to result in market conditions significantly different than those used to rate the Livestock Risk Protection program.

- (d) Coverage is not available under a SCE if the cause of the change in price is anything other than the unavoidable cause of loss, as specified in the Act.
- (e) Sales of all SCEs of a given class of livestock will be suspended for future sales periods if, based on CME market settlement information, at least four (4) of the relevant CME futures contracts have a daily price change equal or exceeding the Daily Price Limit for two (2) consecutive days. LRP sales will resume if and when there have been two (2) consecutive days without there being four (4) or more of the relevant CME futures contracts equaling or exceeding the Daily Price Limit. The relevant CME futures contract for each class of livestock is provided in the Special Provisions.
- (f) Once published by RMA, coverage prices and premium rates will not be changed as a result of any late revisions made by the publishers of the data.
- (g) You may not have any other FCIC reinsured livestock price policy covering the same class of livestock at the same time.
 - (1) If you do and if the duplication was intentional, you may be subject to the sanctions authorized under this policy, the Act, 7 CFR part 400, subpart R, or any other applicable statute.
 - (2) If we determine that such duplication was not intentional, the first coverage issued will continue in force and all duplicate coverage will be voided.
- (h) The maximum number of livestock or livestock product that can be insured during a crop year is stated in the SCE.

5. Premium.

- (a) Coverage attaches on the effective date shown on the SCE and your premium is due and payable to us on the date of purchase unless a different premium billing date is provided in actuarial documents.
- (b) Coverage will not attach if the premium is not paid in full on the date of purchase unless a different premium billing date is provided in actuarial documents.
- (c) The premium is earned and payable at the time coverage begins even if the premium is paid at the end of the endorsement period in accordance with section 5 (a). You will be billed

for the premium on the date of purchase on the date of purchase unless a different premium billing date is specified in the actuarial documents.

- (d) When premium is due on the date of purchase, payment of such premium with a check that is returned for insufficient funds will result in coverage not attaching for the SCE and may result in your ineligibility for participation in any program administered under the authority of the Act.
- (e) Premium will be based on the information you provide in a SCE.
- (f) If you qualify as a beginning farmer or rancher; or veteran farmer or rancher, your premium subsidy will be 10 percentage points greater than the premium subsidy that you would otherwise receive, unless otherwise specified in the Special Provisions;
- (g) You will be ineligible for any premium subsidy paid on your behalf by FCIC for any policy issued by us if:
 - (1) USDA determines you have committed a violation of the highly erodible land conservation or wetland conservation provisions of 7 CFR part 12 as amended by the Agricultural Act of 2014; or
 - (2) You have not filed form AD-1026 with FSA for the reinsurance year by the premium billing date.
 - (i) Notwithstanding section 5(f)(2), you may be eligible for premium subsidy without having a timely filed form AD-1026: AD-1026 on file with FSA.
 - (A) For the initial reinsurance year if you certify by the premium billing date for your policy that you meet the qualifications as outlined in FCIC approved procedures for producers who are new to farming, new to crop insurance, a new entity, or have not previously been required to file form AD-1026; or
 - (B) If FSA approves relief for failure to timely file due to circumstances beyond your control or failure to timely provide adequate information to complete form AD-1026 in accordance with the provisions contained in 7 CFR part 12.
 - (ii) To be eligible for premium subsidy paid on your behalf by FCIC, it is your responsibility to assure you meet all the requirements for:
 - (A) Compliance with the conservation provisions specified in section 5(f)(1) of this section; and
 - (B) Filing form AD-1026 to be properly identified as in compliance with the conservation provisions specified in section 5(f)(1) of this section.
- (h) Premium or administrative fees owed by you will

be offset from an indemnity or prevented planting payment due you in accordance with section 2(m).

6. Insured Class.

The insured class is that class specified on your approved application and SCEs.

7. Share Insured.

- (a) Only an insured share as an owner of the livestock or livestock product will be eligible for insurance under this policy.
 - (1) You may be requested to provide documents verifying ownership of your share of the livestock or livestock product insured under the SCE.
 - (2) Insured shares as a landlord, tenant, operator, or any other interest other than as an owner are not eligible for insurance under this policy.
 - (3) Insurance will apply only to the insured share owned by the person completing the application. Insurance will not extend to any other person having a share in the livestock or livestock product unless the application clearly states that the insurance is requested for an entity such as a partnership or a joint venture.
 - (4) If you transfer any part of your insured share during the insurance period to an eligible person, coverage will transfer in accordance with section 17.
- (b) We may consider any share reported by or for your spouse, child or any member of your household to be included in your share if there is no evidence that they had a separate interest in the livestock or livestock product. This does not abrogate the requirement in section 3 that all spouses provide their social security numbers as a substantial beneficial interest holder in the applicant or insured.

8. Insurance Period.

- (a) Coverage begins on the covered livestock or livestock product on the effective date for each SCE.
- (b) Coverage ends on the covered livestock or livestock product on the end date stated on each SCE.

9. Indemnity Payments for Losses.

- (a) The calculation for indemnity payments is found in the SCE.
- (b) In order to receive an indemnity, you must submit a claim to us on our form within sixty (60) days following the end date.
- (c) The indemnity payment shall be made within sixty (60) days following receipt by us of the properly executed claim form.
- (d) If the end date is on a Saturday, Sunday, or Federal holiday, or, if for any reason the relevant report is not available to us for that day or any other day of the ending period, then the actual ending value will be based on

the most recent reports made prior to that date.

10. Agricultural Commodities as Payment.

We will not accept any livestock or other agricultural commodity as compensation for payments due.

11. Mediation, Arbitration, Appeal, Reconsideration, and Administrative and Judicial Review.

(a) If you do not agree with any determination made by us, the disagreement may be resolved through mediation in accordance with section 11(f). If the disagreement cannot be resolved through mediation, or you and we do not agree to mediation, you must timely seek resolution through arbitration in accordance with the rules of the American Arbitration Association (AAA), except as provided in sections 11(c) and (e), and unless rules are established by FCIC for this purpose. Any mediator or arbitrator with a familial, financial or other business relationship to you or us, or our agent or loss adjuster, is disqualified from hearing the dispute.

(1) All disputes involving determinations made by us are subject to mediation or arbitration. However, if the dispute in any way involves a policy or procedure interpretation, regarding whether a specific policy provision or procedure is applicable to the situation, how it is applicable, or the meaning of any policy provision or procedure, either you or we must obtain an interpretation from FCIC in accordance with 7 CFR part 400, subpart X or such other procedures as established by FCIC.

(i) Any interpretation by FCIC will be binding in any mediation or arbitration.

(ii) Failure to obtain any required interpretation from FCIC will result in the nullification of any agreement or award.

(iii) An interpretation by FCIC of a procedure may be appealed to the National Appeals Division in accordance with 7 CFR part 11.

(2) Unless the dispute is resolved through mediation, the arbitrator must provide to you and us a written statement describing the issues in dispute, the factual findings, the determinations and the amount and basis for any award and breakdown by claim for any award. The statement must also include any amounts awarded for interest.

(i) Failure of the arbitrator to provide such written statement will result in the nullification of all determinations of the arbitrator.

(ii) All agreements reached through settlement, including those resulting from mediation, must be in writing and contain at a minimum a statement of the issues in dispute and the amount of the settlement.

(b) Regardless of whether mediation is elected:

(1) The initiation of arbitration proceedings must occur within one year of the date we denied your claim or rendered the determination with which you disagree, whichever is later;

(2) If you fail to initiate arbitration in accordance with section 11(b)(1) and complete the process, you will not be able to resolve the dispute through judicial review;

(3) If arbitration has been initiated in accordance with section 11(b)(1) and completed, and judicial review is sought, suit must be filed not later than one year after the date the arbitration decision was rendered; and

(4) In any suit, if the dispute in any way involves a policy or procedure interpretation, regarding whether a specific policy provision or procedure is applicable to the situation, how it is applicable, or the meaning of any policy provision or procedure, an interpretation must be obtained from FCIC in accordance with 7 CFR part 400, subpart X or such other procedures as established by FCIC. Such interpretation will be binding.

(c) Any decision rendered in arbitration is binding on you and us unless judicial review is sought in accordance with section 11(b)(3). Notwithstanding any provision in the rules of the AAA, you and we have the right to judicial review of any decision rendered in arbitration.

(d) If you disagree with any determination made by FCIC or any claim where FCIC is directly involved in the claims process or directs us in the resolution of the claim, you may obtain an administrative review in accordance with 7 CFR part 400, subpart J (administrative review) or appeal in accordance with 7 CFR part 11 (appeal).

(1) If you elect to bring suit after completion of any appeal, such suit must be filed against FCIC not later than one year after the date of the decision rendered in such appeal.

(2) Such suit must be brought in the United States district court for the district in which the insured livestock is located.

(3) Under no circumstances can you recover any attorney fees or other expenses, or any punitive, compensatory or any other damages from FCIC.

(e) In any mediation, arbitration, appeal, administrative review, reconsideration or judicial process, the terms of this policy, the Act, and the regulations published at 7 CFR chapter IV, including the provisions of 7 CFR part 400, subpart P, are binding. Conflicts between this policy and any state or local laws will be resolved in accordance with section 21. If there are conflicts between any rules of the AAA and the provisions of your policy, the provisions of your policy will control.

- (f) To resolve any dispute through mediation, you and we must both:
 - (1) Agree to mediate the dispute;
 - (2) Agree on a mediator; and
 - (3) Be present or have a designated representative who has authority to settle the case present, at the mediation.
- (g) Except as provided in section 11(h), no award or settlement in mediation, arbitration, appeal, administrative review or reconsideration process or judicial review can exceed the amount of liability established or which should have been established under the policy, except for interest awarded in accordance with section 15.
- (h) In a judicial review only, you may recover attorney's fees or other expenses, or any punitive, compensatory or any other damages from us only if you obtain a determination from FCIC that we, our agent or loss adjuster failed to comply with the terms of this policy or procedures issued by FCIC and such failure resulted in you receiving a payment in an amount that is less than the amount to which you were entitled. Requests for such a determination should be addressed to the following: USDA/RMA/Deputy Administrator of Compliance/ Stop 0806, 1400 Independence Avenue, SW., Washington, D.C. 20250-0806.
- (i) If FCIC elects to participate in the adjustment of your claim, or modifies, revises or corrects your claim, prior to payment, you may not bring an arbitration, mediation or litigation action against us. You must request administrative review or appeal in accordance with section 11(d).
- (j) Any determination made by FCIC that is a matter of general applicability is not subject to administrative review under 7 CFR part 400, subpart J or appeal under 7 CFR part 11. If you want to seek judicial review of any FCIC determination that is a matter of general applicability, you must request a determination of non-appealability from the Director of the National Appeals Division in accordance with 7 CFR 11.6 before seeking judicial review.

12. Access to Insured Livestock and Records, and Record Retention.

- (a) We, any person designated by us, and any employee designated by a USDA agency, reserve the right to perform random, on-site inspections to verify insured share or disposition of the insured livestock. Inspections will be conducted in accordance with generally accepted herd health practices.
- (b) For three years after the end date of any SCE, you must retain, and provide upon our request, or the request of any person designated by us or any employee designated by a USDA agency, complete records of the ownership of your share and disposition of all the livestock or livestock product that were insured for the applicable period. We may extend the record retention period beyond three

- years by notifying you of such extension in writing. Your failure to keep and maintain such records will result in a denial of an indemnity under the SCE. Because no indemnity is due as a result of a breach of this policy, all premiums will still be owed.
- (c) Documents deemed sufficient to support verification of ownership include, but are not limited to: Bills of sale from prior owners; financing and credit documents secured by the insured livestock or livestock product; written statements from third parties such as feed suppliers or veterinarians who have visited the farm or ranch, who visually identified the livestock listed on the SCE and can attest to your ownership of the identified livestock; or bills of sale for the covered livestock or livestock product.
- (d) Records of any mediation, arbitration, or litigation involving the insured livestock must be made available to us, any person designated by us, or any employee designated by a USDA agency.
- (e) Our representative and any employee designated by a USDA agency, will, at any time during the record retention period, have access to:
 - (1) Any records relating to this insurance at any location where such records may be found or maintained; and
 - (2) The farm, ranch, feedlot or any other facility related to the production of livestock or livestock product by you.
- (f) By applying for insurance under the authority of the Act or by continuing insurance for which you previously applied, you authorize us, any employee designated by a USDA agency, or any person acting for us, to obtain records relating to the insured livestock or livestock product from any person who may have custody of those records including, but not limited to, banks and other lenders, feedlots, cooperatives, marketing associations, suppliers, and accountants. You must assist us in obtaining all records, which we request from third parties.

13. Conformity to Food Security Act of 1985.

Although your violation of a number of federal statutes, including the Act, may cause cancellation, termination, or voidance of your insurance contract, you should be specifically aware that your policy will be canceled if you are determined to be ineligible to receive benefits under the Act due to violation of the controlled substance provisions (title XVII) of the Food Security Act of 1985 (Pub. L. 99-198) and the regulations promulgated under the Act by USDA. Your insurance policy will be canceled if you are determined, by the appropriate Agency, to be in violation of these provisions. We will recover any and all monies paid to you or received by you during your period of ineligibility, and your premium will be refunded, less an amount for expenses and handling equal to 20 percent of the premium paid or to be paid by you.

14. Amounts Due Us.

- (a) Interest will accrue at the rate of 1.25 percent

simple interest per calendar month, on any amount due us. Interest will start to accrue on the date that notice is issued to you for the collection of the amount due. Amounts found due under this paragraph will not be charged interest if payment is made within 30 days of issuance of the notice. The amount will be considered delinquent if not paid by the date specified in the notice issued by us.

- (b) For checks submitted to pay premium that are returned for insufficient funds, interest will start to accrue on the effective date.
- (c) All amounts paid will be applied first to expenses of collection if any, second to the reduction of accrued interest, and then to the reduction of the principal balance.
- (d) If we determine that it is necessary to contract with a collection agency or to employ an attorney to assist in collection, you agree to pay all of the expenses of collection.
- (e) Amounts owed to us by you may be collected in part through administrative offset from payments you receive from United States government agencies in accordance with 31 U.S.C. chapter 37.

15. Payment and Interest Limitations.

We will pay simple interest computed on the net indemnity ultimately found to be due by us or by a final judgment of a court of competent jurisdiction from and including the 61st day after the date you sign, date, and submit to us the properly completed claim on our form. Interest will be paid only if the reason for our failure to timely pay is NOT due to your failure to provide a properly completed claim form to us. The interest rate will be that established by the Secretary of the Treasury under section 12 of the Contract Disputes Act of 1978 (41 U.S.C. 611) and published in the Federal Register semiannually on or about January 1 and July 1 of each year and may vary with each publication.

16. Concealment, Misrepresentation or Fraud.

- (a) If you have falsely or fraudulently concealed the fact that you are ineligible to receive benefits under the Act or if you or anyone assisting you has intentionally concealed or misrepresented any material fact relating to this policy:
 - (1) This policy, including all SCEs, will be voided for each crop year in which the concealment, fraud, or misrepresentation occurred; and
 - (2) You may be subject to remedial sanctions in accordance with 7 U.S.C. 1515(h) and 7 C.F.R. part 400, subpart R.
- (b) Even though the policy is void, you will still be required to pay 20 percent of the premium that you would otherwise be required to pay to offset costs incurred by us in the service of this policy. If previously paid, the balance of the premium will be returned. Even though the policy is void, you may still be required to pay the

administrative and operating expenses of the approved insurance provider contained on your premium billing statement percent of the premium due under the policy to offset costs incurred by us in the service of this policy. If previously paid, the balance of the premium will be refunded.

- (c) Voidance of this policy will result in you having to reimburse all indemnities paid for the crop year in which the voidance was effective
- (d) Voidance will be effective on the first day of the SCE for the crop year in which the act occurred and will not affect the policy for subsequent crop years unless a violation of this section also occurred in such crop years.
- (e) If you willfully and intentionally provide false or inaccurate information to us or FCIC or you fail to comply with a requirement of FCIC, in accordance with 7 CFR part 400, subpart R, FCIC may impose on you:
 - (1) A civil fine for each violation in an amount not to exceed the greater of:
 - (i) The amount of the pecuniary gain obtained as a result of the false or inaccurate information provided or the noncompliance with a requirement of FCIC; or
 - (ii) \$10,000; and
 - (2) A disqualification for a period of up to 5 years from receiving any monetary or non-monetary benefit provided under each of the following:
 - (i) Any crop insurance policy offered under the Act;
 - (ii) The Farm Security and Rural Investment Act of 2002 (7 U.S.C. 7333 et seq.);
 - (iii) The Agricultural Act of 1949 (7 U.S.C. 1421 et seq.);
 - (iv) The Commodity Credit Corporation Charter Act (15 U.S.C. 714 et seq.);
 - (v) The Agricultural Adjustment Act of 1938 (7 U.S.C. 1281 et seq.);
 - (vi) Title XII of the Food Security Act of 1985 (16 U.S.C. 3801 et seq.);
 - (vii) The Consolidated Farm and Rural Development Act (7 U.S.C. 1921 et seq.); and
 - (viii) Any federal law that provides assistance to a producer of an agricultural commodity affected by a crop loss or a decline in the prices of agricultural commodities.

17. Transfer of Coverage and Right to Indemnity.

- (a) If you transfer any part of your insured share during the period of insurance, you may transfer your coverage rights if the transferee is eligible for livestock insurance. We will not be liable for any more than the liability determined in accordance with your policy that existed before the transfer occurred. The transfer of

coverage rights must be on our form and will not be effective until approved by us in writing.

- (b) The transferee shall have all rights and responsibilities under this policy consistent with the transferee's interest. If the transferee is not eligible for livestock insurance for any reason, and the transfer occurs before the final 30 days of the insurance period, or if you fail to inform us of a transfer by the end date or within 30 days of the transfer whichever is later, then the transferred portion of the coverage will be terminated and no premium for that portion will be refunded.

18. Assignment of Indemnity.

If you have a share in the insured livestock or livestock product, you may assign to another party your right to an indemnity. The assignment must be on our form and will not be effective until approved in writing by us. The assignee will have the right to submit the claim form as required by the policy. We will honor the terms of the assignment only if we can accurately determine the amount of the claim. However, no action will lie against us for failure to do so.

19. Descriptive Headings.

The descriptive headings of the various policy provisions are for convenience only and are not intended to affect the construction or meaning of any of the policy provisions.

20. Notices.

- (a) All notices required to be given by you must be in writing and received by your insurance agent within the designated time unless otherwise provided by the notice requirement. Notices required to be given immediately may be by facsimile, electronic mail, or delivered in person. Time of the notice will be determined by the time of our receipt of the written notice. If the date by which you are required to submit a report or notice falls on Saturday, Sunday, or a Federal holiday, or, if your agent's office is, for any reason, not open for business on the date you are required to submit such notice or report, such notice or report must be submitted on the next business day.
- (b) All policy provisions, notices and communications required to be sent by us to you will be:
 - (i) Provided by electronic means, unless:
 - (A) We do not have the ability to transmit such information to you by electronic means; or
 - (B) You elect to receive a paper copy of such information;
 - (ii) Sent to the location specified in your records with your crop insurance agent; and
 - (iii) Will be conclusively presumed to have been received by you.

21. Applicability of State and Local Statutes.

If the provisions of this policy conflict with statutes of the State or locality in which this policy is issued,

these policy provisions will prevail. State and local laws and regulations in conflict with federal statutes, this policy, and the applicable regulations do not apply to this policy.

22. Multiple Government Benefits

- (a) If you are eligible to receive an indemnity under this plan of insurance and are also eligible to receive benefits for the same loss under any other USDA program, you may receive benefits under both programs unless specifically limited by the insurance contract or by law.
- (b) The total amount received from all such sources may not exceed the amount of your actual loss. The total amount of the actual loss is the difference between the fair market value of the insured commodity before and after the loss, based on your records and the highest amount of insurance available for the commodity.
- (c) USDA will determine and pay the additional amount due you for any applicable USDA program after first considering the amount of any insurance indemnity.

23. Subrogation.

If you purchase another policy not issued under the authority of the Act on covered livestock and receive an indemnity under such policy for the same peril for which you received an indemnity under this policy, we will add all indemnities payable under the other policies to the indemnity payable under this policy. If the sum exceeds the higher of the value of the livestock or livestock product at the inception of any of the policies, we will reduce our indemnity payment by the excess, but premium will not be reduced.

24. Correction of Errors

- (a) In addition to any other corrections allowed in your policy subject to section 24(b), we may correct:
 - (1) Within 60 days after the sales closing date, any incorrect information on your application or SCE or provided by the sales closing date, including identification numbers for you and any person with a substantial beneficial interest in you, to ensure that the eligibility information is correct and consistent with information reported by you to any USDA agency;
 - (2) Within 30 days of any subsequent correction of data by FSA, erroneous information corrected as a result of verification of information; and
 - (3) At any time, any incorrect information caused by electronic transmission errors by us or errors made by any agency within USDA in transmitting the information provided by you for purposes of other USDA programs.
- (b) Corrections may be made but will not take effect for the current crop year if the correction would allow you to:
 - (1) Avoid ineligibility requirements for insurance or obtain a disproportionate benefit under the crop insurance program or any related

program administered by the Secretary of Agriculture;

- (2) Obtain, enhance, or increase an insurance guarantee or indemnity if a cause of loss exists or has occurred before any correction has been made, or avoid premium owed if no loss is likely to occur; or
- (3) Avoid an obligation or requirement under any Federal or State law.