



Federal Crop  
Insurance  
Corporation



Risk Management  
Agency



Product  
Administration  
and Standards  
Division

FCIC- 18140 (08-2008)

# VEGETATION INDEX

# INSURANCE STANDARDS HANDBOOK

**2009 and Succeeding Crop Years**

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**UNITED STATES DEPARTMENT OF AGRICULTURE  
WASHINGTON, D.C. 20250**

<b>FEDERAL CROP INSURANCE HANDBOOK</b>		<b>NUMBER: 18140 (08-2008)</b>	
<b>SUBJECT:</b>  <b>VEGETATION INDEX INSURANCE STANDARDS HANDBOOK 2009 AND SUCCEEDING CROP YEARS</b>	<b>OPI: Product Administration and Standards Division</b>		
	<b>APPROVED:</b>  /s/ Tim B. Witt Deputy Administrator, Product Management	<b>DATE:</b>  August 28, 2008	

**THIS HANDBOOK CONTAINS THE OFFICIAL FCIC-APPROVED UNDERWRITING, ADMINISTRATION, AND LOSS ADJUSTMENT STANDARDS FOR THE VEGETATION INDEX CROPS, FOR THE 2009 AND SUCCEEDING CROP YEARS. ALL APPROVED INSURANCE PROVIDERS (AIPs) MUST UTILIZE THESE STANDARDS.**

**SUMMARY OF CHANGES**

This Handbook (FCIC-18140) supersedes and replaces Pasture, Rangeland, Forage Vegetation Index Insurance Standards Handbook (FCIC-18120).

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**VEGETATION INDEX  
INSURANCE STANDARDS HANDBOOK**

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## 1. INTRODUCTION

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This handbook identifies the crop-specific procedural requirements for servicing the Vegetation Index (VI) Plans of Insurance in a uniform and timely manner.

- A. The VI Plan of Insurance is designed as a risk management tool to insure against a decline in an index in a designated area called a grid, and it is primarily intended for use by those producers whose crop production tends to follow the average Vegetation Index patterns for the grid. It is possible for the insured to have low crop production on the acreage that is insured and still not receive a payment under this plan. Because the program is designed for those producers whose crop production tends to follow the average Vegetation Index patterns and not individual crop production, the insured should review the historical indices, additional tools, and information provided on the RMA Web site to determine if the program is suitable for their risk management needs.
- B. A VI policy provides coverage from a reduction in the index.
- C. This handbook and the applicable appendices, along with the VI Basic Provisions, applicable Crop Provisions and Special Provisions, provides needed information. Because of the broad scope of information covered by this handbook, references are made to other handbooks, procedures, or policies as appropriate.
- D. This handbook contains exhibits and appendices with additional information for the VI plan of insurance. The appendices contain crop specific information and standards and other information. The exhibits and appendices include:
  - (1) **Exhibit 1: VI Worksheet**
  - (2) **Exhibit 2: VI Policy Disclaimer**
  - (3) **Exhibit 3: Acreage Certification**
  - (4) **Appendix A: Pasture, Rangeland, Forage specific standards**
  - (5) **Appendix B: Apiculture specific standards**
  - (6) **Appendix C: FSA Decision on NAP**

## 2. SPECIAL INSTRUCTIONS

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This handbook remains in effect until superseded by re-issuance of either the entire handbook or selected portions (through slipsheets or bulletins). If slipsheets have been issued for a handbook, the original handbook as amended by slipsheet pages shall constitute the handbook. A bulletin can supersede either the original handbook or subsequent slipsheets.

## **A. DISTRIBUTION**

The following is the minimum distribution of policy forms:

- (1) One legible copy to the insured.
- (2) The original and all remaining copies as instructed by the AIP.

It is the AIP's responsibility to maintain original insurance documents relative to policyholder servicing as designated in their approved plan of operations.

## **B. TERMS, ABBREVIATIONS, AND DEFINITIONS**

- (1) Terms, abbreviations, and definitions that are general (not crop specific) are identified in the CIH and LAM.
- (2) For ease in the administration of the terms of the VI-API policy and to avoid the duplication of documents, as used throughout the VI Basic Provisions and applicable handbooks and directives, the term "acre" is replaced by "colony;" "acres" and "acreage" are replaced by "colonies;" "acreage report" is replaced by "colony report;" and "acreage reporting date" is replaced by "colony reporting date" (i.e., Report of Acreage = Report of Colonies, acreage reporting date = colony reporting date, insured acres or acreage = insured colonies, etc.).
- (3) Terms, abbreviations, and definitions specific to VI policies and this handbook, which are not defined in the VI Basic Provisions, applicable Crop Provisions, or Special Provisions, are defined as they appear in the text.

- (4) Abbreviations:

**AIP** – Approved Insurance Provider

**APH** - Actual Production History

**API** – Apiculture

**CAT** - Catastrophic Risk Protection

**CIH** – Crop Insurance Handbook

**CP** – Crop Provisions

**DSSH** – Document Standards and Supplemental Handbook – FCIC Handbook  
24040

**EROS** - Earth Resources Observation System

**FCIC** - Federal Crop Insurance Corporation– Loss Adjustment Manual

**LAM** - Loss Adjustment Manual

**MPCI** - Multiple Peril Crop Insurance

**NAP** – Noninsured Crop Disaster Assistance Program

**NDVI** - Normalized Difference Vegetation Index

**NOAA** - National Oceanographic and Atmospheric Administration

**PRF** – Pasture, Rangeland, Forage



**RMA** - Risk Management Agency  
**SPOI** - Special Provisions of Insurance  
**SRA** – Standard Reinsurance Agreement  
**VI** – Vegetation Index

For additional crop specific requirements, terms, conditions, and definitions, refer to the Appendices.

### **3. INSURANCE CONTRACT INFORMATION**

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#### **A. GENERAL INFORMATION**

VI plan of insurance coverage is based on the experience of the grid rather than individual farms. It indemnifies the insured in the event the "final grid index" falls below the insured's "trigger grid index". Requirements are contained in the VI Basic Provisions.

#### **B. ELIGIBILITY**

A VI policy may be issued to a landlord and/or tenant, as well as an owner/operator, when the requirements of the VI Basic Provisions, Crop Provisions and Special Provisions and this handbook are met.

#### **C. INSURABILITY**

The crops, types, and practices insured under this plan are those meeting the requirements of the VI Basic Provisions, and applicable Crop Provisions and Special Provisions. The AIP must determine that the insured has complied with all policy provisions of the insurance contract. VI policy provisions which are to be considered in this determination include but are not limited to:

- (1) Application - The insured must submit to the AIP an application for each crop insured under the VI plan of insurance, in accordance with the DSSH, including the Privacy Act and Nondiscrimination Statement, no later than the sales closing date specified in the Special Provisions.
- (2) An acreage report must be filed annually with the AIP for each crop. The report must be on the AIP's form adhering to form standards contained in the DSSH and filed each year by the acreage reporting date specified in the Special Provisions.
- (3) VI policies are available ONLY in the states, counties, and grids listed in the county actuarial documents for the applicable crops.

- (4) VI policies are continuous contracts unless canceled in writing by either the insured or the AIP by the cancellation date. Insureds requesting cancellation of a VI policy and/or transfer to another AIP must do so in writing by the dates specified in the VI Basic Provisions and applicable Crop Provisions.
- (5) More than one VI policy offer (practice or type as listed for the crop in the actuarial documents for the county) may be available in a county for a crop. If more than one offer is available in a county, the insured must insure ALL of his/her acreage (unless specified in the applicable Crop Provisions) under the respective practice or type. However, if the applicant has two separate offers they can insure one offer under the VI policy and not the other offer, if allowed by the applicable Crop Provisions.

If the applicant chooses to insure the offer under the VI policy, they cannot insure the same crop, type, and practice (as applicable) under any other FCIC subsidized program (except as noted in section 3C(6)(b) of this handbook, the applicable Crop Provisions, or the applicable Special Provisions) or obtain payment under certain other programs administered by the USDA, such as, but not limited to the Conservation Reserve Program or NAP (except as provided in Appendix C). Refer to the VI Basic Provisions, applicable Crop Provisions and Special Provisions, and Appendix C for additional information.

If the acreage meets the requirements of different offers, the same acreage cannot be insured (during the same crop year) under the different offers. The insured must choose one offer under which to report and insure the acreage.

For additional crop specific requirements, refer to the Appendices.

- (6) VI coverage consists of the following requirements:
  - (a) Coverage is to be provided in accordance with the terms of the VI Basic Provisions, applicable Crop Provisions and Special Provisions.
  - (b) Unless otherwise specifically allowed by the applicable Crop Provisions or Special Provisions, an insured producer CANNOT insure the same crop, type, and practice in the same crop year through any other federally subsidized crop insurance program in counties where they carry VI coverage. However, VI policyholders may insure the same crop, type, and practice in the same county and crop year under an Adjusted Gross Revenue (AGR) or AGR-Lite policy. If more than one policy has been written that covers the insured's share of the crop, type, and practice, (except for AGR or AGR-Lite) the policy with the earliest application date will be in effect. All later policies will be void. Penalties may be applicable, as specified, in the provisions of 7 CFR Section 407.2.
  - (c) Review the applicable Crop Provisions, for verification of whether CAT coverage is available.

- (d) Protection is limited to the county base value per acre specified in the county actuarial documents for each crop, type, and practice (as applicable) multiplied by the maximum productivity factor, the maximum coverage level, and the insured share.
- (e) The insured may select **only one** coverage level and productivity factor for each insured crop, type, and practice combination as applicable in the Crop Provisions. The resulting dollar amount of protection per acre will be applied to each grid ID and the applicable crop, type, and practice.
- (f) The insured must report and certify, by the acreage reporting date, **ALL** insurable, and insured acres of the crop, type and practice in the county in which the insured has an interest, as specified in section 8 of the VI Basic Provisions, and applicable Crop Provisions.

The Acreage Certification can be completed by the insured on the acreage report in the remarks section, or by reviewing and signing Exhibit 3 of this handbook . The insured must certify in writing the requirements specified in section 8 of the VI Basic Provisions and applicable Crop Provisions.

- (g) For the VI, indemnity payments are calculated independently on a unit basis and do not offset any other unit results.
- (7) Acreage altered or removed as criteria for participation in any other government program is not insurable. A revised acreage report must be submitted removing the acreage, if such acreage was previously reported as insurable.
  - (8) Acreage on which the insured has failed to follow good farming/ranching practices as defined in the VI Basic Provisions or applicable Crop Provisions for the insured crop will not be insured.
  - (9) **ALL** applicants are required to sign a disclaimer form at the time of application. Refer to the disclaimer form in Exhibit 2 of this handbook.
  - (10) The following coverage does NOT apply to VI coverage:
    - (a) Hail and fire exclusion provisions;
    - (b) High-risk land exclusion provisions;
    - (c) Late planting provisions;
    - (d) Replant requirements;
    - (e) Replanting payment provisions;
    - (f) Prevented planting provisions;
    - (g) Experience adjustment factors; or
    - (h) Optional units.

## **D. COVERAGE AVAILABLE**

- (1) VI coverage is expressed as a dollar amount of protection. The dollar amount of protection per acre will be the county base value per acre specified in the county actuarial documents for each crop, type, and practice (as applicable) multiplied by the coverage level and the productivity factor selected by the insured. The insured will have only one dollar amount of protection per acre for each county, crop, type, and practice as allowed by the applicable Crop Provisions.
- (2) The expected grid index multiplied by the selected coverage level (contained in the actuarial documents or VI Reports) equals the insured's "trigger grid index" (expected grid index  $\times$  coverage level (%) = trigger grid index).
- (3) The expected grid index is established from the mean accumulated vegetation index, calculated using NDVI values by index interval corrected for temperature, normalized and expressed as a percentage, such that the mean is 100.
- (4) Premium rates are stated in dollars per one-hundred dollars of protection.
- (5) The VI worksheet (Exhibit 1) may be copied for use as a resource in explaining the VI plan of insurance.

## **E. YIELD HISTORY AND PRODUCTION RECORDS**

- (1) Yield history and production records are not utilized in determining guarantees, losses, premiums, or indemnities. However, yield history and production records may be required for selected crops insured under the VI plan of insurance. Refer to the applicable Crop Provisions and appendices contained in this handbook.
- (2) For policies that do not require yield history and production records, insureds are encouraged to maintain any individual crop production and acreage history for use, or possible future use, in a plan of insurance that uses APH yields for the same crop, e.g., APH Forage Production.
- (3) If a VI insured returns to a different plan of insurance that uses APH yields for the same crop, types, and practices, their APH yield history database will be updated ONLY if continuous crop production records are available. APH procedures will apply and can be referenced in the CIH.

## **F. ROUNDING RULES**

- (1) Acres to value:
  - a. PRF to tenths (XX.X); and
  - b. API colonies to whole numbers (XX);
- (2) Share and factors to thousandths (X.XXX);

- (3) Dollars to dollars and cents (X.XX);
- (4) Index Values to tenths (XXX.X); and
- (5) Payment calculation factor to thousandths (X.XXX).

## **G. PAYMENT CALCULATIONS**

- (1) As previously detailed in 3 D (3), the expected grid index is 100.
- (2) The final grid index for each grid is determined by FCIC based on current NDVI values corrected for temperature for each grid during the crop year, expressed as a percentage. As noted in the VI Basic Provisions, the insured may receive an indemnity payment if the final grid index falls below the insured's trigger grid index. The payment is equal to the payment calculation factor multiplied by the policy protection per unit, as specified in the Crop Provisions. Refer to the applicable Crop Provisions for a detailed example of payment calculations.

The only insurable cause of loss is when the final grid index is less than the trigger grid index. However, reduction in the final grid index due to a cause other than a natural occurrence will result in a final grid index in an amount based on the reduction due to natural occurrences only. Losses due to fire or other causes will be determined in the following manner:

- a) If the cause is determined by FCIC to be a natural disaster, and the final grid index value is less than the trigger grid index, the insured in the effected grid may receive indemnity payments as outlined in the policy; however,
  - b) If the cause is determined by FCIC to be an act of man or intentional, a method of assigning the Vegetation index value from the nearest unaffected grid will be utilized to establish a final grid index value for the grid (s) affected.
- (3) Any unpaid amounts due the AIP, arising from a VI policy, or any other policy authorized under the Act, may be deducted from any indemnity payments due to the insured. Refer to the applicable Special Provisions for the appropriate billing dates.

## **H. ADMINISTRATIVE FEE & PREMIUM DETERMINATION**

- (1) In addition to the premium charged:
  - (a) For catastrophic or additional coverage, as applicable, you must pay an administrative fee for each crop year for each crop in the amount specified in the Special Provisions.

- (b) The administrative fee must be paid as specified in the VI Basic Provisions.

Administrative fees may be waived for limited resource farmers.

- (2) The annual premium is determined by applying the premium rate for each applicable county, grid ID, crop, type, practice, and coverage level selected based on the applicable Crop Provisions, Special Provisions or actuarial documents, including any actuarial data reporting tools available on the RMA web site. Premium = (dollar amount of protection per acre  $\times$  premium rate  $\times$  number of acres  $\times$  0.01  $\times$  share), for each unit. Total policy premium will equal the sum of all the premiums calculated for each unit. Refer to the applicable Crop Provisions for a detailed example of premium calculations. The premium cannot be less than zero.
- (3) The AIP will bill the insured for total premium and administration fees, less the applicable subsidy. Premium and administrative fees shall be due and payable 30 days after the billing date specified in the applicable Special Provisions.
- (4) The insured may change the selected coverage level or productivity factor for subsequent years and notify the AIP in writing by the sales closing date for the applicable crop year.

## 4. UNDERWRITING

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Policy documents for the VI plan of insurance contract consist of the following:

- Application;
- VI Basic Provisions;
- Applicable Crop Provisions; and
- Applicable Special Provisions.

### A. FORMS AND PROCEDURES

The following forms are used to administer the VI plan of insurance and must adhere to the standards contained in the DSSH, unless otherwise specified in this handbook, including additional information requirements.

- (1) **Special Report:** For required or additional information;
- (2) **Application:** Refer to B and C of this section;
- (3) **Contract Changes Form;**
- (4) **Disclaimer:** Refer to the VI Policy Disclaimer, Exhibit 2 of this handbook;

- (5) **Policy Confirmation;**
- (6) **Acreage Report:** Refer to D and E of this section for acreage report requirements, and F, G, and H of this section for review requirements;
- (7) **Summary of Coverage:** Refer to I of this section;
- (8) **Assignment of Indemnity:** Refer to the DSSH and CIH;
- (9) **Transfer of Right to an Indemnity:** Refer to the DSSH and CIH;
- (10) **Applicable Actuarial Documents (including any actuarial data reporting tools available on the RMA web site) and Special Provisions:** The actuarial documents, including actuarial data reporting tools and Special Provisions contain county actuarial data that includes the following specific information: expected grid(s) index; county base value; types, practices, index intervals; coverage levels/trigger grid index; unsubsidized rates; and subsidy rates;
- (11) **Power of Attorney:** Refer to the DSSH and CIH;
- (12) **Notice of Indemnity Payment:** Refer to Section 5 for indemnity payment form requirements and notice of indemnity payment requirements;
- (13) **Acreage Certification:** Refer to the Acreage Certification, Exhibit 3 of this handbook; and
- (14) **VI Worksheet:** Refer to Exhibit 1 of this handbook for the worksheet and instructions.

## **B. GENERAL APPLICATION REQUIREMENTS**

- (1) **Sales Closing Dates:** Listed in the applicable Crop Provisions and Special Provisions.

Insured producers switching insurance coverage from another FCIC plan to a VI policy must provide a written cancellation for the other policy by the other crop's cancellation date. A new application for insurance must be signed by the VI policy sales closing date. If the other policy for the same crop that will be insured under a VI policy is not canceled, the other coverage will remain in effect and the VI policy coverage will be void. Refer to the VI Basic Provisions, applicable Crop Provisions, and CIH for additional information.

- (2) **Late-Filed Applications:** Accepted ONLY when there is documented evidence that the RMA Web site was unavailable on the sales closing date and the insured was unable to properly identify their grid, grid ID, or other requirements, as applicable. Coverage will attach, provided they signed an application and

provided a report of their acreage with all available information as specified under section 8 of the VI Basic Provisions by the sales closing date. Upon the availability of the RMA Web site, the insured must select their grid ID, or other requirements as applicable and provide their completed report of acreage confirming all their insurable and insured acres, as outlined under section 8 of the VI Basis Provisions and the Report of Acreage section of the Crop Provisions, within 2 business days after the Web site becomes available.

- (3) **Levels of Coverage:** 65 (CAT coverage, if available) 70, 75, 80, 85, or 90 percent. For VI policies, the insured may select any percentage of coverage shown on the applicable actuarial documents, including any actuarial data reporting tools available on the RMA web site for each crop, type, and practice. Refer to the applicable Crop Provisions, Special Provisions and VI Basic Provisions.
- (4) **Eligible Counties:** Listed in the applicable Special Provisions. Multiple counties may be insured. County for the VI plan of insurance, as defined in the VI Basic Provisions, is also defined to include any acreage of the crop, type, and practice contained within a grid ID that crosses an adjoining county line where the acreage is contiguous. Refer to the VI Basic Provisions or applicable Crop Provision for the full definition.

For additional API requirements, refer to Appendix B.

- (5) **Eligible Grids:** Listed in the actuarial documents. Multiple county grids may be insured. The applicant will determine a point of reference identifying the insured acres and the corresponding grid ID by the sales closing date for all insured acres. Points of reference must be determined using the maps contained on RMA's Web site.
  - (a) A separate point of reference must be established for each crop, type, and practice in a grid as specified in the Crop Provisions, as follows:
    - 1. In the case of contiguous insured acreage that cross grids or county lines, a point of reference must be selected as follows:
      - i) If the insured chooses to combine the contiguous acreages of the crop, type, and practice (as applicable) into one single grid ID or county, a single point of reference must be established for all of the contiguous acreage; or
      - ii) If the insured chooses to separate the contiguous acreage of the crop, type, and practice (as applicable) into separate grid IDs or counties, they must establish the single point of reference for each grid ID or county. For example: If the contiguous acreage is located in four grids and they



choose to insure the acreage in separate grids, the acreage can be separated into two, three, or four grids. If they select three grids, they must establish the points of reference, and report on the acreage report the grid ID, and the amount of insured acres located, or assigned as applicable, to each grid ID.

- (6) **Insurable acres:** Only VI insurable acres as specified in the applicable Crop Provisions, are insurable at the time of filing the acreage report. Insurable acres must be reported by county. Refer to the VI Basic Provisions, applicable Crop Provisions, and Special Provisions.
  
- (7) **Insured acres:** The VI insured acres must equal all of the insured's insurable acres, unless otherwise specified in the applicable Crop Provisions. The amount of insured acres in the county will not exceed 100 percent of the insured's insurable acres of the crop in the county.
  - (a) For each grid, the insured must report the following, as applicable:
    - 1. Insured acres;
    - 2. Share;
    - 3. Practice;
    - 4. Type; and
    - 5. Grid ID.
  
  - (b) The same acres cannot be insured in more than one grid ID or county (except as noted in section 3C(6)(b) of this handbook).
  
  - (c) The insured must certify on the acreage report, refer to Exhibit 3, Acreage Certification, of this handbook, that the:
    - 1. Point of reference used for each grid ID is identifying the insured acres covered under the VI Basic Provisions and applicable Crop Provisions subject to section 8(f) of VI Basic Provisions;
    - 2. Acreage assigned to each grid ID is accurate to the best of their knowledge, subject to section 8 of the VI Basic Provisions.
  
  - (d) The grid ID for all insured acres will be included on the summary of coverage.
  
  - (e) Acreage associated with a grid ID in a county will be subject to the applicable actuarial documents. The county name(s) or county code(s) and grid number(s) must be shown on the application.

For additional crop specific requirements, refer to the Appendices.

- (8) **Dollar Amount of Protection per Acre:** The county base value per acre specified in the actuarial documents for each crop, type, and practice (as applicable) is multiplied by the selected coverage level, and multiplied by the selected productivity factor (60% - 150%). The applicant will have only one dollar amount of protection per acre for each county, crop, type, and practice, as specified in the applicable Crop Provisions.
- (9) **Policy Protection:** The maximum dollar amount the insured is eligible to receive equal to the sum of all the insured's policy protection per unit.
- (10) **A Mandatory Disclaimer and Acreage Certification Form:** The agent and applicant must complete, sign, and date a disclaimer form and acreage certification when the VI insurance application is signed. Refer to Exhibit 2 and Exhibit 3 of this handbook.

### **C. APPLICATION FORM REQUIREMENTS**

In addition to the requirements found in the DSSH, the VI application must contain:

- (1) **Dollar Amount of Protection per Acre;**
- (2) **Grid ID;** and
- (3) **Practice:** Three-digit code shown on the applicable Special Provisions.

### **D. GENERAL ACREAGE REPORTING REQUIREMENTS**

- (1) AIPs must obtain an annual acreage report for each insured crop.
- (2) Acreage must be reported on forms meeting the standards contained in the DSSH. Any other crops insured under other FCIC plans of insurance must be reported separately.
- (3) Acreage report data must be timely and properly submitted by AIP to FCIC as stated in the SRA.
- (4) Acreage reporting dates are stated in the applicable Special Provisions. If the acreage reporting date falls on a Saturday, Sunday, or legal holiday, the acreage reporting date will be extended to the next business day as provided in the VI Basic Provisions.
- (5) Late-filed acreage reports, initially received at the agent's office after the specified acreage reporting date will be accepted or rejected in accordance with section 8 of the VI Basic Provisions.

- (6) Before the published acreage reporting date, corrected or revised acreage reports may be taken for any reason.
- (7) After the published acreage reporting date, a CORRECTED acreage report may be completed at the AIP's discretion and identified as "Corrected" if the correction affects the Summary of Coverage. Corrections are allowed only when there is an error, such as but not limited to: the information on the acreage report is clearly transposed (e.g., 87.0 written as 78.0).
- (8) After the published acreage reporting date, a REVISED acreage report must meet the criteria specified in section 8 of the VI Basic Provisions.
- (9) For a VI policy, it is the responsibility of the insured to report and certify the insurable and insured acres, as specified in the VI Basic Provisions, applicable Crop Provisions, and section 4 B (6) and (7) of this handbook.

For additional API requirements refer to Appendix B.

## **E. ACREAGE REPORT FORM REQUIREMENTS**

In addition to the requirements found in the DSSH, acreage reports must also contain:

- (1) **Insurable Acres;**
- (2) **Insured Acres;**
- (3) **Insured Share:** The insured's share expressed as a 3 place decimal. Differing VI insured shares, for the crop, type, and practice, as specified in the applicable Crop Provisions and Special Provisions, require separate acreage report line entries. ALL ACREAGE OF THE CROP WITH THE SAME SHARE, TYPE, GRID, AND PRACTICE, REGARDLESS OF NAME OF OTHER PERSON(S) SHARING IN THE CROP, CAN BE ENTERED ON A SINGLE LINE OF THE REPORT.

For the reporting of share of the spouse and dependent children refer to the VI Basic Provisions for exceptions;

- (4) **Grid ID;**
- (5) **Practice:** A practice code as listed in the applicable Special Provisions for each line for all insured acres for which a practice is specified. Record as a three digit number; e.g., practice code "232";
- (6) **Unit Number:** Record as a five-digit number. There is no basic unit discount and optional units are not applicable; and

- (7) **Productivity Factor:** Record the percentage as a 2 place decimal format, e.g. 125% reported as 1.25.

AIPs may utilize unused columns of their acreage report form to accommodate required entries.

For additional crop specific requirements, refer to the Appendices.

## **F. ACREAGE REPORT REVIEW SELECTION**

AIPs must perform acreage report reviews **no later than 120-days after the acreage reporting date** for the crop, as listed in the Special Provisions, or after a reduction in acreage, as specified in section 8 of the VI Basic Provisions. Acreage report reviews are required for:

- (1) All policies of employees, representatives, adjusters, agents, etc., of either an AIP or the FCIC on which a claim has been paid in the last year;
- (2) All policies for which misrepresentation or concealment of material facts are suspected;
- (3) All policies for which a written application for acreage reduction was completed during the crop year; and
- (4) **Not less than** a three percent random sample of all VI policies with reported acreage. Where policies have been selected that have multiple VI crops, or other area wide plans, the reviewer may verify the acreage report information for the other crops. Such verifications will apply toward the required reviews for that company for those crops, even though such reviews were not random.

## **G. ACREAGE REPORT REVIEW CRITERIA**

Acreage report reviews verify:

- (1) Total insurable acres versus insured acres for each crop, type, and practice, as applicable; and,
- (2) Insurable share in the crop;

Actual field inspections are required on all policies for which misrepresentation or concealment of material facts is suspected.

For additional crop specific requirements, refer to the Appendices.

## **H. ACREAGE REPORT REVIEW SUMMARY**

**Thirty days prior to the end date of the last index interval for the crop year**, as specified in the applicable Special Provisions, the AIP must submit a report (Type 57 record) of its completed VI acreage report reviews, for each crop. Policies are considered to be within tolerance if the premium and indemnity discrepancy is less than \$250. The report summary will identify all unit discrepancies discovered, if the policy tolerance is exceeded.

## **I. SUMMARY OF COVERAGE REQUIREMENTS**

In addition to the requirements found in the DSSH, the following will also be provided:

- (1) **Insurable Acres;**
- (2) **Insured Acres;**
- (3) **Insured's Share;**
- (4) **Grid ID;**
- (5) **Practice;**
- (6) **Trigger Grid Index;**
- (7) **Protection per Acre:** Gross (before share);
- (8) **Policy Protection per Unit:** Net (after share);
- (9) **Policy Protection:** Net (after share); and
- (10) **Premium:** Net (after share).

## **5. INDEMNITY**

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### **A. GENERAL INDEMNITY PAYMENT FORM REQUIREMENTS**

There are no field claim activities (e.g., loss adjustment) for VI policies. VI policies have the following general requirements:

- (1) Indemnity payments must be paid according to the VI Basic Provisions and applicable Crop Provisions, using the final grid index (es) released by FCIC and the insured's trigger grid index.

(a) However, losses must be due to natural causes. If the cause is determined to be an act of man or intentional (such as, but not limited to fire), it will result in a final grid index in an amount based on the reduction due to natural occurrences. A method of assigning the Vegetation index value by FCIC from the nearest unaffected grid will be utilized to establish a final grid index value for the grid(s) affected. The following procedure will be utilized by FCIC to determine affected and the nearest unaffected grid:

1. The action must be determined to be an act of man. If natural causes, follow indemnity payments and forms as outlined in the policy;
2. The area affected in the grid has to be greater than 5,000 acres. If less than 5,000 acres, follow indemnity payments and forms as outlined in the policy;
3. FCIC will estimate the affected area before the release of the final grid index in the following manner:
  - i. The boundary of the action will be described by a **minimum of four** longitude and latitude readings representing the maximum dimensions, by FCIC designated personnel. For Example, in case of fire this will include the upwind, downwind and width points of the burned area.
  - ii. These points can be determined using the aerial photographs on the geo-referenced teraserver web portal developed for the Vegetation Index insurance program to assign Grid ID's and determine Point of Reference.
4. The longitude and latitude of the points, in decimal degrees, will be recorded.
5. Upon submission of the points, a linear point-to-point scribed polygon will be computed which overlays the Vegetation Index grids and a list of "impacted" Grid ID's will be extracted.
6. For each selected impacted grid, the program will search for the nearest Vegetation Grid ID not impacted by the action and will list those for each impacted Grid ID.
7. Data from the alternative Grid ID will be utilized for the impacted Grid ID (s).

(2) Indemnity payments shall be calculated separately for each unit, as defined in the applicable Crop Provisions.

- (3) AIPs must make any indemnity payments **not later than 60 days** after receiving the VI final grid index from FCIC for the grid id.

## **B. NOTICE OF INDEMNITY PAYMENT REQUIREMENTS**

The AIP will acknowledge each indemnity payment with a "notice of indemnity payment" for each indemnified insured unit. This notice must contain AT LEAST the following:

- (1) **Insured's Name and Address:** Insured's complete name and address as shown on the application;
- (2) **AIP's Name;**
- (3) **Agent/Agency Name:** Servicing agent's or agency's complete name, address, and phone number;
- (4) **Contract/Policy Number:** Insured's assigned policy number;
- (5) **Crop:** Crop name as listed in the county actuarial documents;
- (6) **Crop Year:** Appropriate four-digit year, such as "YYYY," as defined in the policy;
- (7) **Insured's Share;**
- (8) **Coverage Level;**
- (9) **Type;**
- (10) **Grid ID;**
- (11) **Practice;**
- (12) **Unit Number;**
- (13) **Dollar Amount of Protection per Acre;**
- (14) **Final Grid Index;**
- (15) **Trigger Grid Index;**
- (16) **Indemnity:** Total VI policy indemnity payment, in whole dollars, for the insured crop in the county, for each unit;

- (17) **Final Payment:** Final indemnity payment in whole dollars for all VI policy crops, by unit. This entry is to reflect any reduction for any amount due the company; and
- (18) **Check Number and Date:** Actual check number with date of issue; e.g., MM/DD/YYYY.





FOR ILLUSTRATION PURPOSES ONLY

**Exhibit 1: VI Worksheet**

1. Insured's Name: \_\_\_\_\_ 2. Date: \_\_\_/\_\_\_/\_\_\_ 3. State: \_\_\_\_\_ (\_\_\_\_) 4. County: \_\_\_\_\_ (\_\_\_\_)

5. Crop Type: \_\_\_\_\_ 6. Coverage Level/Trigger Index: \_\_\_\_\_ 7. Productivity Factor: \_\_\_\_\_ %

8. \$ Amt. of Prot/Ac: \_\_\_\_\_ 9. Insurable acres in the County \_\_\_\_\_ 10. Total insurable colonies (United States) \_\_\_\_\_

<u>11</u> Grid ID	<u>12</u> Insured Acreage or Colonies	<u>13</u> Share <small>percentage</small>	<u>14</u> (Practice) Index Interval	<u>15</u> Unit Number	<u>16</u> % Insured Acres or Colonies/ Unit	<u>17</u> Insured Acres or Colonies/ Unit	<u>18</u> Policy Protection/ Unit	<u>19</u> Premium Rate/\$100	<u>20</u> Premium/ Unit	<u>21</u> Premium Subsidy/ Unit	<u>22</u> Producer Premium/ Unit
					<small>percentage</small>	<small>acres or colonies</small>	<small>dollars</small>	<small>dollars</small>	<small>dollars</small>	<small>dollars</small>	<small>dollars</small>
			I								
			II								
			III								
			IV								
					<b>Total</b>						
			I								
			II								
			III								
			IV								
					<b>Total</b>						
			I								
			II								
			III								
			IV								
					<b>Total</b>						
			I								
			II								
			III								
			IV								
					<b>Total</b>						
<b>County Totals</b>		<b>12a.</b>				<b>17a.</b>	<b>18a.</b>		<b>20a.</b>	<b>21a.</b>	<b>22a.</b>

Prepared by: \_\_\_\_\_ (Agent's Signature)

Insured's Initials: \_\_\_\_\_

## VI Worksheet Completion Procedures

### A. GENERAL INFORMATION

- (1) The VI Worksheet is provided to assist the agent in determining the insured's policy protection and premium.
- (2) To assist the agent, a separate worksheet should be completed for each county, crop, and type insured, as applicable
- (3) For API policies, agents and insured will substitute "colonies" for "acres" as directed by the API Crop Provisions.

### B. WORKSHEET ENTRIES AND COMPLETION INFORMATION

Verify or make the following entries:

**Item**  
**No.**

**Information Required**

1. **Insured's Name:** Enter the name of the insured that identifies the person (legal entity) to whom the policy is issued.
2. **Date:** Enter the date the form was completed (MM/DD/YYYY).
3. **State:** Enter the state in which insurance attaches and the corresponding 2-digit state code.
4. **County:** Enter the county in which insurance attaches and the corresponding 3-digit county code.

Note: The VI Worksheet is provided for acreage in one county. For multiple counties, use separate worksheets.

5. **Type:** Enter the type if there are different types available (refer to the applicable Crop Provisions) for the crop. If the insured elects to insure more than one type, a separate worksheet should be completed for each type.
6. **Coverage Level (or Trigger Grid Index):** Enter the selected coverage level [65 (CAT), 70, 75, 80, 85, or 90 percent] as specified in the applicable Crop Provisions. The level of coverage selected by the applicant will be applied to each unit (as defined by the applicable Crop Provisions).

The coverage level and the trigger grid index are the same value. [For example: 75% (coverage level)  $\times$  100 (expected grid index) = 75 (trigger grid index)].

7. **Productivity Factor:** Enter the selected productivity factor (a percentage value between 60 and 150 percent, selected in one percent increments).
8. **Dollar Amount of Protection per Acre:** As specified in the VI Basic Provisions:  
  
Example: county base value  $\times$  coverage level (#6)  $\times$  productivity factor (#7) [ $\$20.00 \times 90\% \times 120\% = \$21.60$ ].
9. **Insurable Acres:** Enter the amount of Insurable acres in the county for the type, as applicable.
10. **Total insurable colonies (United States):** FOR API POLICIES ONLY, enter the TOTAL number of colonies in which you have a share in the United States.
11. **Grid ID (s):** Enter the specific grid number(s) corresponding to the insured acres in the county.
12. **Insured Acres:** Enter the number of insured acreage for each grid ID. Total the column numbers in 12a.
13. **Share:** Enter the applicable share, as a percentage, as applicable.
14. **Practice (Index Interval):** FOR PRF AND API POLICIES ONLY, Enter the code(s) associated with each practice (Index Interval).
15. **Unit Number:** Assign a unit number for each crop, type, practice and share, as applicable for each grid ID.
16. **Percentage of Insured Acres per Unit (by Practice):** FOR PRF AND API POLICIES ONLY, The insured may designate a percentage of the insured acres to more than one practice, as specified in the applicable Special Provisions. The sum of all the percentages (entered in the cell labeled “Total” and colored red) for each grid ID, and share must equal 100%.
17. **Amount of Insured Acres per Unit (by Practice):** FOR PRF AND API POLICIES ONLY, for each practice (index interval), Column 16  $\times$  Column 12 for the corresponding rows and item.  
  
The total insured acres for each grid ID (entered in the cell labeled “Total”: and colored red) should equal the number in 12 for each grid. Also, total the column numbers in 17a, should equal the value in 12a.
18. **Policy Protection per Unit:** FOR PRF AND API POLICIES ONLY, the result of Item #8  $\times$  Column 17  $\times$  Column 13, for the corresponding row items.

**The Policy Protection** – record in 18a the sum of column 18.

19. **Premium Rate/ \$100 of Insurance:** Enter the premium rate for each grid ID, type, and practice, as applicable.

20. **Premium per Unit:** Column 17  $\times$  Column 19  $\times$  0.01 (adjustment factor)  $\times$  Column 13, for each corresponding row item.

**Total Policy Premium** – record in 20a the sum of column 20.

21. **Premium Subsidy per Unit:** Column 20  $\times$  the applicable subsidy percentage.

**Total Premium Subsidy** – record in 21a the sum of column 21.

22. **Producer Premium per Unit:** Column 20 minus Column 21, for each corresponding row item.

**Total Producer Premium** – record in 22a the sum of column 22.

## Exhibit 2: Vegetation Index Policy Disclaimer

### YOU NEED TO UNDERSTAND THE FOLLOWING:

- THE VEGETATION INDEX IS NOT A PLAN OF INSURANCE AGAINST INDIVIDUAL LOSS. THE TERMS AND CONDITIONS OF THIS PLAN ARE DIFFERENT FROM THOSE OF AN ACTUAL PRODUCTION HISTORY PLAN OF MULTIPLE PERIL CROP INSURANCE.
- FINAL PAYMENT WILL BE MADE ACCORDING TO THE APPLICABLE CROP PROVISIONS. PREMIUM WILL BE DUE 30 DAYS AFTER THE BILLING DATE SPECIFIED IN THE ACTUARIAL DOCUMENTS.
- THIS PLAN OF INSURANCE IS DESIGNED AS A RISK MANAGEMENT TOOL TO INSURE AGAINST A DECLINE IN AN INDEX FOR A DESIGNATED AREA CALLED A GRID, AND IT IS PRIMARILY INTENDED FOR USE BY THOSE PRODUCERS WHOSE CROP PRODUCTION AND VEGETATION INDEX TENDS TO FOLLOW THE AVERAGE VEGETATION INDEX PATTERNS FOR THE GRID. IT IS POSSIBLE FOR YOU TO HAVE LOW CROP PRODUCTION OR LOW NDVI VALUES ON THE ACREAGE THAT YOU INSURE AND STILL NOT RECEIVE A PAYMENT UNDER THIS PLAN. THIS PROGRAM IS BASED UPON GRID INDICES, NOT INDIVIDUAL FARM YIELDS. THE ONLY INSURABLE CAUSE OF LOSS UNDER THIS POLICY IS HAVING A FINAL GRID INDEX LESS THAN YOUR TRIGGER GRID INDEX. BECAUSE THE PROGRAM IS DESIGNED FOR THE PRODUCERS WHOSE CROP PRODUCTION AND VEGETATION INDEX TENDS TO FOLLOW THE AVERAGE VEGETATION INDEX PATTERNS FOR THE GRID **AND NOT INDIVIDUAL CROP PRODUCTION**, YOU SHOULD REVIEW THE HISTORICAL INDICES, ADDITIONAL TOOLS, AND INFORMATION PROVIDED ON THE RMA WEB SITE TO DETERMINE IF THE PROGRAM IS SUITABLE FOR YOUR RISK MANAGEMENT NEEDS.
- YOU SHOULD CONTINUE TO MAINTAIN ANY AND ALL OF YOUR PRODUCTION RECORDS IN THE EVENT YOU WISH TO PURCHASE AN ACTUAL PRODUCTION HISTORY PLAN OF MULTIPLE PERIL CROP INSURANCE IN FUTURE YEARS.

I understand the terms of the Common Vegetation Index Policy Basic Provisions and applicable Crop Provisions. I am aware that I cannot obtain another plan of insurance in a county, if available, on crops insured under the VI plan of insurance with the exception of AGR and AGR Lite (if available), or in accordance with the Special Provisions. I am aware of the additional tools provided by RMA on their Web site related to the VI plans of insurance to assist me in determining if the VI plan of insurance is suitable for my farming operation. I have read and fully understand this Vegetation Index Disclaimer.

INSURED \_\_\_\_\_ AGENT \_\_\_\_\_

DATE \_\_\_\_\_ DATE \_\_\_\_\_

### Exhibit 3: Acreage Certification

#### PRF Producer Certification

I (INSURED) CERTIFY:

- The point of reference used for each grid ID is identifying my insured acres covered under the VI Basic Provisions and the applicable Crop Provisions; and
- That the acreage assigned to each grid ID is accurate to the best of my knowledge.

INSURED \_\_\_\_\_ AGENT \_\_\_\_\_

DATE \_\_\_\_\_ DATE \_\_\_\_\_

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#### API Producer Certification

I (INSURED) CERTIFY:

- The point of reference used for each grid ID is identifying the locations of my insured colonies covered under these Crop Provisions;
- That colonies assigned to each grid ID is accurate to the best of my knowledge;
- That the colonies qualify as apiculture; and
- The selected practices support the vegetation production necessary for the insured crop.

INSURED \_\_\_\_\_ AGENT \_\_\_\_\_

DATE \_\_\_\_\_ DATE \_\_\_\_\_

## Appendix A: Pasture Rangeland Forage

This appendix, along with the Vegetation Index (VI) Crop Insurance Standards Handbook, Basic Provisions, PRF Crop Provisions (VI-PRF) and Special Provisions provides information for those involved with the VI plan of insurance. Because of the broad scope of information covered by this handbook the information provided in this Appendix provides additional clarification and requirements specific to the VI-PRF plan of insurance. The information provided in this Appendix does not affect the construction or meaning of any of the policy provisions.

### 1. SPECIAL INSTRUCTIONS

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**In addition to standards provided in Section 2 of this handbook:**

VI-PRF Definitions:

- **Dollar amount of protection per acre** – The county base value per acre, specified in the actuarial documents for each county, crop, type, and practice is determined by multiplying the selected coverage level by the selected productivity factor. The insured will only have one dollar amount of protection per acre for each crop and type.
- **Index interval** – A period of time during which NDVI data is collected that is used to calculate the expected grid index and final grid index, which is designated as a practice on the Special Provisions. The insured may select more than one practice (index interval) during the crop year for each type, share, and grid ID.
- **Insured acres** – Insured acres do NOT have to equal the insured's insurable acres. The insured may select the number of acres to be insured. However, the amount of insured acreage in the county cannot exceed 100 percent of the insured's insurable acres in the county.
- **Practice** – Periods of time labeled as index intervals and are contained in the Special Provisions. The insured cannot select a separate coverage level or dollar amount of protection per acre for each practice (index interval) for VI-PRF.
- **Types** – Grazingland and hayland.
- **Unit** – The insured acres within or assigned to a grid ID for each crop, type, practice, and share, in the county.



The following provides clarification related to what a VI-PRF insured can select as it relates to crop, type, practice, etc. and how they are reported, for insurance, insurability, coverage, etc.:

- The insured will have only one dollar amount of protection per acre for each type, while the amount of premium and indemnity will be calculated separately for each unit.
- The insured is not required to insure all of the insurable acres in the county under the PRF policy. The insured acres in the county are the acreage selected by the insured to be insured.
- The dollar amount of protection per acre is equal to the selected county base value per acre multiplied by the selected coverage level (70% - 90%) and the selected productivity factor (60% - 150%) specified in the county actuarial documents for the type.
- The insured will have only one dollar amount of protection per acre for each crop, and type, provided in the actuarial documents for the county. The insured's policy protection for each unit is equal to the dollar amount of protection per acre multiplied by the insured acres multiplied by the share as shown on the Summary of Coverage.
- Separate points of reference must be established for each type in a grid.
- CAT is not available under the VI-PRF plan of insurance, and any reference to CAT in the VI Crop Insurance Standards Handbook is not applicable.

## **2. INSURANCE CONTRACT INFORMATION**

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### **A. INSURABILITY**

**In addition to standards provided in Section 3C(5) of this handbook:**

More than one PRF type is available in a county. Because more than one type is available in a county, and the Crop Provisions allows, the applicant may choose to insure grazingland, hayland, or both.

However, grazingland and hayland cannot both be insured on the same acreage. If the insured acres are intended to be utilized as both grazingland and hayland, and meet the requirements of both types, the insured must choose one type to report and insure the acreage. The insured may choose to change the type in subsequent crop years, as long as the acreage continues to meet the requirements of the type selected.

## **B. YIELD HISTORY AND PRODUCTION RECORDS**

**In addition to the standards provided in Section 3E(1) of this handbook:**

Insureds are NOT required to report yield history or maintain production records.

## **3. UNDERWRITING**

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### **A. GENERAL APPLICATION REQUIREMENTS**

**In addition to the standards provided in Section 4 B (7) of this handbook:**

**Insured Acres:** The insured acres do NOT have to equal your insurable acres.

The applicant may designate a specific percentage of the insured acres to more than one practice listed in the Special Provisions for each grid ID, type, and share. The sum of all the insured acres per unit must equal 100% of the insured acres for each grid ID by type and share.

The minimum percentage of insured acres allowed in any one practice, by grid ID, type and share, is further defined in the Special Provisions.

### **B. ACREAGE REPORT FORM REQUIREMENTS**

**In addition to the standards provided in Section 4E(6) of this handbook:**

**Unit Number:** The insured acres within or assigned to a grid ID for each type, practice, and share accounts for a unit.

For example, a policyholder chooses to insure non-contiguous acreage of grazingland and hayland that happens to lie in a single grid ID. The policyholder selects two practices per type and has a 100 percent share. The unit structure will be:

- Unit **00100**, Grazingland, Practice = Index Interval II
- Unit **00200**, Grazingland, Practice = Index Interval III
- Unit **00100**, Hayland, Practice = Index Interval II
- Unit **00200**, Hayland, Practice = Index Interval III

**C. ACREAGE REPORT REVIEW CRITERIA**

**In addition to the standards provided in Section 4G(1) of this handbook:**

**Total acres of the type versus insurable and insured acres in the county:**

Proof of total acres in the county can be established by the insured by providing documentation of acreage measured by FSA or an independent third party (which could include but not limited to, an approved measuring service, land surveys, other federal government agencies, legal land deed, or tax document, which provides a detailed measurement of acreage). It is the insured's responsibility to provide acceptable documentation of PRF acreage for a review. Documentation must specify and distinguish the acreage for the insured type from other crop acreage.

**In addition to the standards provided in Section 4G(2) of this handbook:**

Insureds will be able to prove shares by providing acceptable verifiable and written documentation. Acceptable verifiable proof of lease/share agreements that an insured can utilize include, but not limited to, hand written documents (with signatures), invoices, etc. Verbal agreements are NOT acceptable verifiable documentation. Written documentation must include legal descriptions or a method to clearly identify the location of the lease.

## Appendix B: Apiculture

This appendix, along with the Vegetation Index (VI) Crop Insurance Standards Handbook, Basic Provisions, API Crop Provisions (VI-API) and Special Provisions, provides information for those involved with the VI plan of insurance. Because of the broad scope of information covered by this handbook, the information provided in this Appendix provides additional clarification and requirements specific to the VI-API plan of insurance. The information in this Appendix does not affect the construction or meaning of any of the policy provisions.

As previously stated, for ease in the administration of the terms of this policy and to avoid the duplication of documents, as used throughout the Basic Provisions and applicable handbooks and directives, the term “acre” is replaced by “colony;” “acres” and “acreage” is replaced by “colonies;” “acreage report” is replaced by “colony report;” and “acreage reporting date” is replaced by “colony reporting date.”

### 1. SPECIAL INSTRUCTIONS

---

**In addition to standards provided in Section 2 of this handbook:**

VI-API Definitions:

- **Dollar amount of protection per colony** – The county base value per colony, specified in the actuarial documents for each county, crop, type, and practice is determined by multiplying the selected coverage level, by the selected productivity factor. The insured will only have one dollar amount of protection per colony for the county.
- **Index interval** – A period of time during which NDVI data is collected that is used to calculate the expected grid index and final grid index, which is designated as a practice on the Special Provisions. The insured may select more than one practice (index interval) during the crop year for each share and grid ID.
- **Insured colonies** – Insured colonies do NOT have to equal insurable colonies for the insured. The insured may select the number of colonies to be insured. However, the amount of insured colonies in the county will not exceed 100 percent of the insured’s insurable colonies in the county.
- **Locations** – The physical point of residence of hives on a tract of land or acreage.
- **Practice** – Periods of time labeled as index intervals and are contained in the Special Provisions. The insured cannot select a separate coverage level or dollar amount of protection per colony for each practice (index interval) for the VI-API.
- **Types** – There are no types available.

- **Unit** – The insured colonies within or assigned to a grid ID, by share and practice in the county.

The following provides clarification related to what an insured can select as it relates to crop, practice, etc. and how they are reported, for insurance, insurability, coverage, etc.:

- The insured will have only one dollar amount of protection per colony, while the amount of premium, and indemnity will be calculated separately for each unit.
- The insured is not required to insure all of the insurable colonies in the county under the API policy. The insured colonies in the county are the number of colonies selected by the insured to be insured.
- The dollar amount of protection per colony is equal to the selected county base value per colony multiplied by the selected coverage level (70% - 90%) and the selected productivity factor (60% - 150%) specified in the county actuarial documents for the crop.
- The insured will have only one dollar amount of protection per colony for the crop.
- The insured's policy protection for each unit is equal to the dollar amount of protection per colony multiplied by the insured colonies multiplied by the share as shown on the Summary of Coverage.
- CAT is not available under the VI-API plan of insurance. Any reference in the VI Crop Insurance Standards Handbook to CAT is not applicable.

## **2. INSURANCE CONTRACT INFORMATION**

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### **A. INSURABILITY**

**In addition to standards provided in Section 3C(5) of this handbook:**

There are no additional types available for the VI-API plan of insurance.

The same colonies cannot be insured in any other county, state, grid, or plan of insurance in the United States.

### **B. YIELD HISTORY AND PRODUCTION RECORDS**

**In addition to the standards provided in Section 3E(1) of this handbook:**

- (1) Insureds are NOT required to report yield history or maintain production records for the VI-API policy.

### 3. UNDERWRITING

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#### **A. GENERAL APPLICATION REQUIREMENTS**

**In addition to the standards provided in Section 4B(4) of this handbook:**

**Eligible County:** County as defined in the Crop Provisions, also includes any acreage, which contains locations occupied by insurable colonies contained within a grid ID that crosses an adjoining county line where the acreage and colonies are contiguous. In this definition, colonies shall not be substituted for acreage.

**In addition to the standards provided in Section 4B(7) of this handbook:**

**Insured Colonies:** As provided in the VI-API Crop Provisions, the insured colonies do NOT have to equal the insurable colonies.

The applicant may designate a specific percentage of the insured colonies to more than one practice listed in the Special Provisions for each grid ID and share. The sum of all the insured colonies per unit must equal 100% of the insured colonies for each grid ID by share.

The minimum percentage of insured colonies allowed in any one practice, by grid ID, and share, is further defined in the Special Provisions.

**In addition to the standards provided in Section 4 B (7) (c) of this handbook:**

The insured must certify that the selected practices support the vegetation production necessary to support the insured crop.

#### **B. GENERAL COLONY REPORTING REQUIREMENTS**

**In addition to the standards provided in Section 4 D of this handbook:**

**United States Colonies:** The insured must report ALL colonies in which they have a share in the United States. This number must be reported on all colony report forms for the insured regardless of state, county, or plan of insurance. As provided in section 4 E, an AIP may utilize unused columns of their acreage report form to accommodate the required entry.

## C. ACREAGE REPORT FORM REQUIREMENTS

**In addition to the standards provided in Section 4E(1) of this handbook:**

**Insurable Colonies:** The insured must possess written documentation, at the time of application, documentation of insurability of the colonies for all counties selected for insurance. Documentation may include, but is not limited to, history of locating colonies in the county, land ownership in the county in which colonies are located, a lease agreement allowing the placement of colonies on acreage, etc.

**In addition to the standards provided in Section 4-E- (6) of this handbook:**

**Unit Number:** The insured colonies within or assigned to a grid ID for each crop and share accounts for a unit. For example:

- Unit **00100**, Apiculture, share 100%, Practice = Index Interval II
- Unit **00200**, Apiculture, share 100%, Practice = Index Interval III
- Unit **00300**, Apiculture, share 50%, Practice = Index Interval II
- Unit **00400**, Apiculture, share 50%, Practice = Index Interval III

There is no basic unit discount and optional units are not applicable.

## D. ACREAGE REPORT REVIEW CRITERIA

**In addition to the standards provided in Section 4G(1) of this handbook:**

**Total colonies versus insurable and insured colonies in the county:** In addition to total, insurable, and insured colonies in the county, the review should confirm that all colonies in the United States in which the insured has a share were also reported. Proof of actual colonies and their insurability is the responsibility of the insured and can be established by maintaining and providing documentation of colony numbers in the county and United States. Acceptable types of colony documentation the insured can use may include, but are not limited to; FSA or other federal or state governmental reporting systems/requirements, tax records, transportation invoices, purchase agreements, bill of sales, legal deeds, etc.

The insured must possess, at the time of application, acceptable verifiable written documentation of insurability of the colonies in the county, for all counties selected for insurance. Documentation may include, but is not limited to, history of locating colonies in the county, land ownership in the county in which colonies are located, a lease agreement allowing the placement of colonies on acreage, handwritten documents/statement (with signatures), etc. Verbal agreements are not acceptable verifiable documentation.

**In addition to the standards provided in Section 4G(2) of this handbook:**

The insured will be able to prove shares by providing acceptable verifiable and written documentation. Acceptable verifiable proof of lease/share agreements that an insured can utilize include, but are not limited to, hand written documents (with signatures), invoices, etc. Verbal agreements are NOT acceptable verifiable documentation.



## **Appendix C: FSA Decisions on NAP and Other Programs**

- 1. NAP:** A producer whose crop is eligible for the VI plan of insurance is required to elect either a VI policy or NAP because all perils are covered by both products.

Producers could obtain NAP and a VI policy, or vice versa, if they are considered separate crops by both RMA and NAP.

- 2. RESERVED FOR DISASTER PROGRAM INFORMATION.**