

**LIVESTOCK  
RISK  
PROTECTION  
(LRP)  
HANDBOOK**

**2004 and Succeeding Crop Years  
Handbook Number: 20010**



# **Livestock Risk Protection Plan of Insurance**

The following forms will be necessary for sales of the Livestock Risk Protection Plan of Insurance:

- (1) Application- Information necessary to apply for eligibility to purchase LRP insurance. The application may be filled out prior to any Specific Coverage Endorsements, however, no insurance coverage attaches until information on the Specific Coverage Endorsement is provided in conjunction with an approved application. One application is filled out for each operation, as long as the Substantial Beneficial Interests are the same.
- (2) Substantial Beneficial Interest (SBI)-The information needed are social security numbers, employer identification numbers, and share of those with a 10 percent interest or more in the insurance entity and must accompany the application. The SBI is used to establish eligibility and to account for insurance limits.
- (3) Specific Coverage Endorsement (SCE) Form- Information needed to attach coverage to the policy. An approval number must be obtained through the website to show that underwriting capacity is available. Multiple SCE's, for multiple classes of livestock or livestock products, may be written under one application as long as the SBI's are the same. Only approved agents and companies participating in the Livestock Price Reinsurance Agreement may obtain approval numbers.
- (4) Assignment of Indemnity- Information necessary to assign any indemnity to a third party.
- (5) Transfer of Right to Indemnity- Information necessary if the livestock or livestock product is sold prior to the end of insurance period to transfer any indemnity to the new owner (providing the new owner meets eligibility requirements).

- (6) Claim-If the ending price, as specified in the Specific Coverage Endorsement, is below the coverage price level, this form must be completed and sent to the company within 60 days following the end date. An indemnity payment will be made within 60 days of receipt of the claim form.

The following illustrations pertain to information the producer must provide to the approved insurance provider to obtain coverage under LRP. Instructions must be provided for form completion.

**A. Livestock Risk Protection Application:**

1. APPLICANT			2. INSURANCE AGENCY		
Applicant Name:	SSN:	EIN:	Insurance Agency Name:	Agency Code:	
Spouse's Name:	Spouse's SSN:		Insurance Agent's Name:	Agent's Code:	
Applicant is at least 18 Years Yes <input type="checkbox"/> No <input type="checkbox"/>	E-mail Address:		E-mail address:		
Street or Mailing Address:			Street or Mailing Address:		
City:	State:	Zip Code:	City:	State:	Zip Code:
County:	Farm or Business Name:	Phone:	Phone:	Fax:	
Crop Year:	Class(es) of livestock or livestock product to be insured: Swine <input type="checkbox"/> Feeder Cattle <input type="checkbox"/> Fed Cattle <input type="checkbox"/>		Commodity Code		

**Completion Instructions:**

1. Type or print information about the applicant for insurance in section 1. Include first name, middle initial and last name. Applicants must be at least 18 years old to apply for insurance. Fill in the applicant's Social Security Number (SSN) and Employer Identification Number (EIN) if applicable and the applicant's spouse's SSN if applicable. Complete the street or mailing address, city, county, state, zip code and telephone number where the applicant can be reached. Insert the class(es) of livestock or livestock product to be insured and the crop year that insurance will be effective.
2. Type or print information about the insurance agency in section 2. Fill in the insurance agency name, the insurance agent's name, the agent's code number and the street or mailing address, city, state, zip code, telephone and fax numbers and e-mail address where the agent can be reached.

3. Read and answer the questions in the *Conditions of Acceptance Statements* section. Read the *False Claim Statement* and the *Certification Statement*. The applicant and agent must each sign and date the application.



number and the street or mailing address, city, county, state, zip code and company name where the agent can be reached.

2. For each person or entity with 10 percent or more interest in the insurance entity, fill in the person or entity's name, complete address including mailing address, city, state, and zip code. Enter the social security number or employer identification number and check the box that indicates what number was provided. Enter the person or entity's telephone number and type of entity. Enter that entity's share in the insurance entity.
3. The applicant must sign and date the form.

**C. Specific Coverage Endorsement Form:**

<b>Commodity Code:</b>		<b>Policy Number:</b>		<b>Endorsement Number: (Company Use only)</b>			
<b>1. INSURED</b>				<b>2. INSURANCE AGENCY</b>			
Insured Name:		Spouse's Name:		Insurance Agency Name:		Agency Code:	
SSN:	EIN:	Spouse's SSN:		Insurance Agent's Name:		Agent Code:	
Farm or Business Name:		E-mail address:		E-mail address:			
Street or Mailing Address:				Street or Mailing Address:			
City:		State:	Zip Code:	City:		State:	Zip Code:
County:		Phone:		Phone:		Fax:	
Legal Description of location of livestock or livestock product:		State:	Zip Code:				
<b>3. SCHEDULE OF INSURED LIVESTOCK OR LIVESTOCK PRODUCT</b>							
Crop Year	Effective Date	End Date		No. of Head Covered		Insured Share %	
<b>4. INSURED VALUE</b>							
Number of Head	X	Target Weight (Cwt. Per Head)	X	Coverage Price	X	Insured Share (%)	= Insured Value
	X		X		X		=
<b>5. PREMIUM COMPUTATION</b>							
Insured Value	X	Rate	=	Total Premium			
	X		=				
					Approval Number		
					<div style="border: 1px solid black; width: 200px; height: 20px; margin: 0 auto;"></div>		

**Completion Instructions:**

1. Enter the policy number at the top left section of the form.
2. Type or print information about the insured in section 1. Include insured's first name, middle initial and last name and the spouse's name if applicable. Fill in the applicant's Social Security Number (SSN), Employer Identification Number (EIN) if applicable and the applicant's spouse's SSN if applicable. Complete the name of farm or business, e-mail address if available, street or mailing address, city, state, zip code, county and telephone number where the applicant can be reached. Provide the legal description of the location of insured livestock or livestock product, including the state and zip code.
3. Type or print information about the insurance agency in section 2. Fill in the insurance agency name and code number, the insurance agent's name and code number and the street or mailing address, city, state, zip code, telephone and fax numbers and e-mail address where the agent can be reached.
4. In section 3 type or print the following information as it relates to the insured livestock or livestock product: Crop year, effective date, end date, number of head covered and the insured's percent of ownership in the covered livestock.
5. In section 4 type or print the number of insured head of livestock, enter the target weight (cwt. per head), the coverage price (dollars) and the percentage of the insured's ownership in the covered livestock. Multiply the above named items in section 4 and enter this amount in the insured value column.
6. Enter the insured value amount from section 4 in section 5. Enter the rate and multiply the insured value times the rate. Enter the resulting value in the Total Premium column.
7. Read the false claim statement and the conditions. Read and sign the certification statement.

**D. Assignment of Indemnity:**

<b>Policy Number:</b>	<b>Endorsement Number:</b>	<b>Crop Year:</b>	<b>Authorized Representative:</b>		<b>Agency Code:</b>
<b>1. INSURED:</b>			<b>2. ASSIGNEE:</b>		
Insured's Name:			Assignee's Name:		
Insured's SSN:	Insured's EIN:		Assignee's SSN:	Assignee's EIN:	
Street or Mailing Address:			Street or Mailing Address:		
City:	State:	Zip Code:	City:	State:	Zip Code:
Phone:	Fax:		Phone:	Fax:	
<b>3. SPECIFIC COVERAGE ENDORSEMENT INFORMATION FOR INSURED LIVESTOCK</b>					
Effective Date	End Date		Insured Value	Total Premium	



**Completion Instructions:**

1. Type or print the policy number, endorsement number, crop year, authorized representative and agency code in the columns at the top of the page.
2. In section 1, type or print information about the insured. Include first name, middle initial and last name. Complete the insured's Social Security Number (SSN), Employer Identification Number (EIN) and the street or mailing address, city, state, zip code and telephone and fax numbers where the insured can be reached.
3. Type or print information about assignee in section 2. Enter the assignee's first name, last name and middle initial, the assignee's Social Security Number (SSN), Employer Identification Number (EIN) if applicable, the street or mailing address, city, state, zip code, telephone and fax where the assignee can be reached.
4. In section 3, enter the effective date of coverage, the end date, the insured value and the total premium in the corresponding columns.
5. Read the conditions section, type or print the name of the insured, the name of the lender or creditor and the mailing address of the lender or creditor in the appropriate blank. The authorized representative, insured, lender and witness should sign on the designated lines.

**E. Transfer of Indemnity:**

<b>Policy Number:</b>	<b>Endorsement Number:</b>	<b>Crop Year:</b>	<b>Authorized Representative:</b>	<b>Agency Code:</b>	
<b>1. INSURED:</b>			<b>2. TRANSFEREE:</b>		
Insured's Name:			Transferee's Name:		
Insured's SSN:	Insured's EIN:		Transferee's SSN:	Transferee's EIN:	
Street or Mailing Address:			Street or Mailing Address:		
City:	State	Zip Code:	City:	State:	Zip Code:
Phone:	Fax:		Phone:	Fax:	
<b>3. SPECIFIC COVERAGE ENDORSEMENT INFORMATION FOR INSURED LIVESTOCK</b>					
Effective Date	End Date		Insured Value	% of Insured Share Transferred	

**Completion Instructions:**

1. Type or print the policy number, endorsement number, crop year, authorized representative and agency code in the columns at the top of the page.
2. In section 1, type or print information about the insured. Include first name, middle initial and last name. Complete the insured's Social Security Number (SSN), Employer Identification Number (EIN) if applicable, and the street or mailing address, city, state, zip code and telephone and fax numbers where the insured can be reached.
3. Type or print information about assignee in section 2. Enter the assignee's first name, last name and middle initial, the assignee's Social Security Number (SSN), Employer Identification Number (EIN) if applicable, the street or mailing address, city, state, zip code, telephone and fax where the assignee can be reached.
4. In section 3, enter the effective date of coverage, the end date, the insured value and the percentage of insured share to be transferred in the corresponding columns.
5. Read the conditions section, type or print the name of the insured, the name of the transferee or creditor and the mailing address of the transferee in the appropriate blank. The authorized representative, insured, transferee and witness should sign on the designated lines.

**F. Claim:**

<b>Commodity Code:</b>	<b>Policy Number:</b>	<b>Endorsement Number:</b>	<b>Claim Number: (Company Use)</b>
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According to our records, you may be entitled to an indemnity under the above policy endorsement based on the information presented below. Please contact your agent if the information shown in sections 1, 2, or 3 is not correct. The calculation of the indemnity is shown in section 6 below. In order to receive an indemnity, your signature is required to certify that the terms and conditions of the policy have been met as stated in section 7 below.

Assignment of Indemnity? Yes  No       Transfer of Right to Indemnity? Yes  No

1. INSURED				2. INSURANCE AGENCY		
Insured Name:	SSN:	EIN:		Insurance Agency Name:	Agency Code:	
Name of Farm/Ranch or Business:				Insurance Agent's Name:	Agent's Code:	
Street or Mailing Address:				Street or Mailing Address:		
City:	County:	State:	Zip Code:	City:	State:	Zip Code:
Phone:	Fax:	E-mail:		Phone:	Fax:	E-mail address:
3. ASSIGNMENT OF INDEMNITY						
Assignee's Name:				Assignee's SSN / EIN ( <i>circle one and enter</i> ):		
Street or Mailing Address:				Phone:	Fax:	
City:		State:		Zip:		

Coverage Price	Actual Ending Value

If actual ending value is less than the coverage price an indemnity is due.

#### 4. INDEMNITY CALCULATION

If the actual ending value is less than the coverage price, an indemnity is due. The indemnity is equal to the number of head multiplied by the target weight (in cwt as defined in the Specific Coverage Endorsement) multiplied by the difference between the coverage price and the actual ending value (in \$ per cwt.), and then multiplied by the ownership share (in percent).

Number of Head	Target Weight At End Date (Cwt. Per Head)	Coverage Price Minus Actual Ending Value	Insured Share %	Indemnity

#### Completion Instructions:

- Section 1. Insured. Type or print your first name, middle initial and last name. Enter your Social Security Number (SSN), Employer Identification Number (EIN) if applicable, and circle the type of number entered. Complete the name of your farm/ranch or business and the street or mailing address, city, county, state, zip code and telephone number where you can be reached. The state and county must be the state name and county name where the livestock or livestock product are located.
- Section 2. Insurance Agency. Type or print information about your insurance agency. Complete the insurance agency name, the insurance agent's name, the agency code

number and the street or mailing address, city, state, zip code, telephone and fax numbers and e-mail address where the agent can be reached.

3. Section 3. Assignment of Indemnity. Complete this section, if applicable, by typing or printing the assignee's name, address, phone, and fax if available. Enter the assignee's Social Security Number (SSN), Employer Identification Number (EIN) if applicable, and circle the type of number entered.
4. Section 4. Indemnity Calculation. If the actual ending value is less than the coverage price, an indemnity is paid. The indemnity is equal to the number of head multiplied by the target weight (in cwt as defined in the Specific Coverage Endorsement) multiplied by the difference between the coverage price and the actual ending value (as dollars per cwt.), multiplied by the ownership share.
5. Section 5. Certifications for Indemnity. Read the certification statements and, if you can attest to all of them, sign and print your name and enter the date signed.

# Glossary of Statements

## **A. General Statements:**

The following statements are general statements and pertain to information collected on company forms:

### **1. False Claim Statement**

I certify that the information that I have furnished on this form is complete and accurate. I understand that any false or inaccurate information on this form may result in the imposition of sanctions outlined in my policy and administrative, civil, and criminal sanctions under 18 U.S.C. 1001, 1006 and 1014, 7 U.S.C. 1515, 31 U.S.C. 3729 and 3730 and any other applicable federal statutes.

### **2. Certification Statement**

I certify that the information on this application is complete and accurate; that none of the reasons for rejection in items a through d of the “Conditions of Acceptance” apply; and that I am aware of and understand the requirements of the Collection of Information and Data (Privacy Act), as well as all other provisions contained on this application.

\_\_\_\_\_

(Applicant’s signature)

\_\_\_\_\_

(Date)

\_\_\_\_\_

(Agent’s Signature)

\_\_\_\_\_

(Date)

### **3. Collection Of Information and Data (Privacy Act)**

The following statements are made in accordance with the Privacy Act of 1974, as amended (5 U.S.C. 552a and section 502(c) of the Federal Crop Insurance Act (7 U.S.C. 1502(c)). The authority for requesting information to be furnished on this form is the Federal Crop Insurance Act, (7 U.S.C. 1501 et seq.) and the Federal crop insurance regulations contained in 7 C.F.R. chapter IV.

Collection of the social security account number (SSN) or the employer identification number (EIN) is authorized by section 506 of the Federal Crop Insurance Act (7 U.S.C. 1506), and is required as a condition of eligibility for participation in the Federal Crop Insurance program. The primary use of the SSN or EIN is to correctly identify you, and any other person with an interest in you or your entity of 10 percent or more, as a policyholder within the systems maintained by the Risk Management Agency (RMA). Furnishing the SSN or EIN is voluntary. However, failure to furnish that number will result in denial of program participation and benefits.

## **Collection Of Information and Data (Privacy Act) (continued)**

The balance of the information requested is necessary for the insurance company, RMA, and the Farm Service Agency to process this form to: provide insurance; provide reinsurance; determine eligibility; determine the correct parties to the agreement; determine premiums or other monetary amounts; pay benefits and insure compliance with all program requirements. The information furnished on this form will be used by Federal agencies, RMA and Farm Service Agency employees, insurance companies, and contractors who require such information in performance of their duties. The information may be furnished to: RMA contract agencies within the United States Department of Agriculture; the Department of Treasury, including the Internal Revenue Service; the Department of Justice, or other Federal or State law enforcement or regulatory agencies; credit reporting agencies and collection agencies; other Federal agencies as requested in computer matching programs; and in response to judicial orders in the course of litigation. The information may also be furnished to congressional representatives and senators making inquiries on your behalf. Furnishing the information required by this form is voluntary; however, failure to report the correct and complete information requested may result in rejection of this form; rejection of any claim for indemnity; ineligibility for insurance; and a unilateral determination of any monetary amounts due and the imposition of administrative, civil, or criminal sanctions.

### **4. Non-Discrimination Statement**

The U.S. Department of Agriculture (USDA) prohibits discrimination in all its programs and activities on the basis of race, color, national origin, gender, religion, age, disability, political beliefs, sexual orientation and marital or family status. (Not all prohibited bases apply to all programs.) Persons with disabilities who require alternative means for communication of program information (Braille, large print, audiotape, etc.) should contact USDA's TARGET Center at (202) 720-2600 (voice and TDD).

To file a complaint of discrimination, write USDA, Director, Office of Civil Rights, Room 326-W, Whitten Building, 1400 Independence Avenue, SW, Washington, D.C. 20250-9410 or call (202) 720-5964 (voice or TDD). USDA is an equal opportunity provider and employer.

## **B. Application Statements:**

### **1. Conditions of Acceptance Statement**

**CONDITIONS OF ACCEPTANCE:** This application is accepted and insurance attaches in accordance with the policy unless: (1) The Risk Management Agency determines that livestock insurance capacity limitations in accordance with the Federal Crop Insurance Act have been reached and this policy will exceed the limitations; (2) any material fact is omitted, concealed or misrepresented in this application and endorsement or in the submission of this application; (3) you have failed to provide complete and accurate information required by this application; (4) the answer to any of the following questions is “yes.”

Yes	No	
_____	_____	(a) Are you now indebted, and is the debt is delinquent, for crop or commodity insurance coverage under the Federal Crop Insurance Act? (Do not answer yes if your debt was discharged in bankruptcy.)
_____	_____	(b) Have you in the last five years been convicted under Federal or State law of planting, cultivating, growing, producing, harvesting or storing a controlled substance?
_____	_____	(c) Are you presently disqualified or debarred under the Federal Crop Insurance Act, the regulations of the Federal Crop Insurance Corporation, the United States Department of Agriculture or any other Federal agency?
_____	_____	(d) Do you have an agreement with the Federal Crop Insurance Corporation, Risk Management Agency, or with the Department of Justice that you would refrain from participating in the crop or commodity insurance program and that agreement is still effective?

### **2. Application for Insurance Statement**

#### **APPLICATION FOR INSURANCE STATEMENT**

Subject to the provisions of the Federal Crop Insurance Act, and the regulations issued under that Act, I hereby apply for insurance on my share of the commodity as specified below for the effective year. I understand that the premium rates, coverage prices, and insurance periods are on file and available for my inspection in my agent’s office. I further understand that no insurance will be available on a commodity unless an application and specific coverage endorsement form is completed and filed with my agent by the sales closing date, if applicable. I also further understand that, although insurance under this application is continuous from year to year, policy terms may change from crop year to crop year. These changes will be made by the contract change date. Premium rates and coverage prices will change on a daily basis.

### **3. Reinsurance Statement**

#### **REINSURANCE STATEMENT**

This insurance policy is reinsured by the Federal Crop Insurance Corporation (FCIC) under the provisions of the Federal Crop Insurance Act, (7 U.S.C. 1501 et seq.) (Act). All provisions of the policy and rights and responsibilities of the parties are specifically subject to the Act and may not be waived or varied in any way by any agent or employee

of FCIC or the insurance provider. 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 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 the word includes the plural.

#### **4. Conditions of Acceptance, Continued Statement**

##### **CONDITIONS OF ACCEPTANCE, CONTINUED**

I understand that if coverage for any crop or commodity is currently terminated or would have subsequently been terminated for indebtedness and this application has been filed after the termination date for such crop or commodity, no coverage can be provided and I am ineligible for any benefits under the Federal Crop Insurance Act until the cause for termination is corrected.

We will notify you of rejection by depositing notification in the United States mail, postage paid, to the applicant’s address. No term or condition of the contract shall be waived or changed unless such waiver or change is expressly allowed by the contract and is in writing.





**D. Assignment of Indemnity Statements:**

**1. Conditions Statement**

- (1) This assignment will be binding upon the person(s) who succeed the Insured's interest in the insurance policy.
- (2) Indemnity payments made under the insurance policy will be subject to a deduction for any indebtedness due this insurance provider by the Insured.
- (3) This assignment will not grant the Lender any greater rights than originally held by the Insured.
- (4) The Lender's interest will be recognized upon insurance provider's approval of this assignment and the Lender will have the right to submit the claim form and other forms as required by the policy.
- (5) The insurance provider will determine the person(s) entitled to any indemnity payment(s) and the payment(s) will be by joint check.
- (6) Cancellation of this assignment prior to the effective date stated above will be accepted by the insurance provider only upon notification in writing by the above-identified Lender. It is understood and agreed that this assignment will be subject to the terms and conditions of the insurance policy. (Followed by signatures of the Insured, Lender and Witnesses)

The undersigned \_\_\_\_\_ (herein referred to as the "insured") assigns to \_\_\_\_\_  
 (Lender or Creditor)

of \_\_\_\_\_ (Herein referred to as the "Lender")  
 \_\_\_\_\_, \_\_\_\_\_ the right and  
 (Mailing Address, City, State and Zip Code)

interest of any indemnity payment which may be payable to the insured under the insurance policy and specific coverage endorsement for the livestock shown:

The insurance provider hereby approves the foregoing assignment.

\_\_\_\_\_  
 Authorized Representative's Signature Date

This assignment was filed with the insurance provider on \_\_\_\_\_ at \_\_\_\_\_ a.m. / p.m.  
 Date Time

\_\_\_\_\_  
 Insured Signature Date Witness Signature Date

\_\_\_\_\_  
 Lender's Signature Date Witness Signature Date



**F. Claim:**

**5. CERTIFICATIONS FOR INDEMNITY:**

You must truthfully attest to all of the following certification statements in order to be eligible for an indemnity:

- a. I did not enter into any restricted or offsetting transactions as set forth in section 14 (c) of the policy.
- b. I owned the percentage share of the covered livestock or livestock product stated on the Specific Coverage Endorsement during the term of this endorsement.
- c. I did not sell or transfer ownership of the livestock or livestock product identified in the Specific Coverage Endorsement prior to 30 days before the end date specified on the Specific Coverage Endorsement.

If you cannot truthfully attest to all of the above certification statements, then you are not eligible for an indemnity payment and should not sign or return this form. If you can truthfully attest to all of the above certification statements, please sign this form and return it to the Company in the enclosed envelope within sixty (60) days of the end date. An indemnity payment will be made within 60 days of receipt of this form by the Company.

I certify that the information provided above, to the best of my knowledge, to be true and complete and that it will be used to determine my loss, if any, to my insured livestock. I understand that this claim form and supporting papers are subject to audit and approval by the company. I understand that this livestock insurance is subsidized and reinsured by the Federal Crop Insurance Corporation, an agency of the United States. I understand that any false or inaccurate information on this form may result in the sanctions outlined in my policy and administrative, civil, and criminal sanctions under 18 U.S.C. §1001, 1006 and 1014, 7 U.S.C. §1515, 31 U.S.C. §3729 and 3730 and any other applicable federal statutes.

\_\_\_\_\_ (Insured Signature)                      \_\_\_\_\_ (Date)

\_\_\_\_\_ (Print Name)