

GUIDELINES FOR PREPARING EXHIBIT 20B

Exhibit 20B is to be prepared based on the National Association of Insurance Commissioners (NAIC) Uniform Accounting section of the NAIC Financial Examiners Handbook, with the exceptions listed below. Only expenses associated with the sales and service of eligible crop insurance contracts reinsured under the Standard Reinsurance Agreement and/or Aquatic Crop Reinsurance Agreement should be reported. Exhibit 20B must be completed in its entirety. However, the expense items indicated below should be excluded altogether. No entry should be made on the shaded lines and the amounts thereby excluded should not be inserted elsewhere. The expenses in Exhibit 20B may be audited by FCIC and the company may be required to substantiate amounts reported. The numeric and alphabetic designators used below follow those of Exhibit 20B.

5. Boards, Bureaus, and Associations

- Membership fees: Do not report fees, professional or otherwise, that are paid for individuals.
- Association dues: Do not report the portion of any association's dues that are used for lobbying.

8. Salary Related Items

- a. Salaries: Do not report any type of dividend or profit sharing payment as a bonus or salary. Bonuses must to be based on individual performance evaluations.

9. Employee Relations and Welfare

- Do not report expenses related to employee gatherings, outings, entertainment, food and catering, or donations to or on behalf of employees.

12. Travel and Travel Items

- Do not report expenses related to: transportation, hotel, meal and entertainment of guests; favors, presents or souvenirs; dues and subscriptions to social or civic clubs or affairs, the purchase or rental of viewing space/seating to sporting, cultural, or other entertainment events, and country club membership fees; non-work related travel and entertainment expenses such as promotional or compensation related trips, including but not limited to incentive travel.

EXHIBIT 20A

17. Legal and Auditing
 - Do not report expenses paid for reorganization or defense against Government or Anti-Trust suits.
18. Taxes, Licenses and Fees
 - d. All other (excluding Federal Income and Real Estate).
 - Do not report state income taxes.
19. Real Estate Expenses
 - Do not report expenses incurred for investment property.
20. Real Estate Taxes
 - Do not report taxes incurred for investment property.
21. Miscellaneous
 - Do not report: donations to charities; lease payments for intangible assets such as insurance business; expenses related to the acquisition of other companies; reinsurance premiums; lobbying expenses and political contributions; interest paid on late paid premiums to FCIC.
 - However, do report on a separate line under Miscellaneous the actual interest expense associated with funding administrative expenses incurred prior to the receipt of A&O subsidies, or the imputed interest expense of funding such administrative expenses if the Company self-finances this amount.

To the extent that the foregoing expenses are not to be reported on Exhibit 20B, the Company, at its option, may elect to identify those expenses and to report them to FCIC on a separate form for information purposes.