
DATA

ACCEPTANCE

SYSTEM

(RY 2003)



United States Department of Agriculture

***Federal Crop Insurance Corporation
Research & Development
FCIC-M13 (July, 2002)***

M 13 - DATA ACCEPTANCE SYSTEM HANDBOOK

REINSURANCE YEAR 2003

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U. S. DEPARTMENT OF AGRICULTURE
WASHINGTON, D.C. 20250

<i>Federal Crop Insurance Corporation Directive</i>		<i>Number: FCIC-M13</i>
<i>SUBJECT:</i> <i>Data Acceptance System Handbook</i> <i>RY - 2003</i>	<i>DATE:</i> <i>July 2002</i>	
	<i>OPI:</i> <i>Research & Development</i>	
	<i>APPROVED:</i> <i>Acting Deputy Administrator</i>	

SECTION 1 PURPOSE AND OBJECTIVE

1 PURPOSE

To provide instructions and information for reporting reinsured company data to the Risk Management Agency (Federal Crop Insurance Corporation) hereinafter referred to as FCIC.

2 OBJECTIVE

- A Provide a means of validating data to ensure that reimbursements are made based on accurate information.
- B Maintain detailed information at FCIC.
- C Enhance the quality and availability of data at all levels.

3 ACRONYMS

The following acronyms will be used throughout this handbook:

AD	Actuarial Division
ADM	Actuarial Data Master
APH	Actual Production History
AGR	Adjusted Gross Revenue
ARS	Accounting Reports System
CAT	Catastrophic
COB	Close of Business
DAS	Data Acceptance System
DQS	Data Quality Section
DSS	Delivery System Services
eDAS	Electronic Data Acceptance System
EFA	Emergency Financial Assistance
EFT	Electronic Funds Transfer
FCIC	Federal Crop Insurance Corporation (RMA)
FIPS	Federal Information Processing Standards
FOSD	Fiscal Operations & Systems Division
FSA	Farm Services Agency
IP	Insurance Provider
ITS	Ineligible Tracking System
LFA	Late Filed Acreage
LGM	Livestock Gross Margin
LRP	Livestock Risk Protection
LSR	Late Sales Reduction
MGA	Managing General Agency
NCS	Non-Standard Classification System
PHT	Policyholder Tracking
RMA	Risk Management Agency
RSD	Reinsurance Services Division
RSO	RMA Regional Office
SBI	Substantial Beneficial Interest
SRA	Standard Reinsurance Agreement
UCM	Underwriting Capacity Manager
XML	Extensible Markup Language

4 **ISSUANCES/REVISIONS**

- A This handbook will be issued annually, and reflect reporting requirements for detailed reinsured contract data, applicable to each Reinsurance Year.

- B Revisions to this handbook and to the Data Acceptance Systems may become necessary after the annual release to ensure that data reported complies with the SRA, actuarial requirements, federal law, crop policy provisions, and procedural changes that could not be anticipated when the annual update was released. When possible, proposed revisions will be available for comment as of the earliest possible date.

- C The handbook is maintained electronically via the Risk Management Agency's Home Page. The RMA Website address is:

<http://www.rma.usda.gov/data>

Click on Data Acceptance System (M-13) Crop Handbook. There are provisions for approved and draft versions of the M-13 for multiple years, however either approved or draft versions may not be available simultaneously.

The approved version contains the current M-13 that has been approved by RMA. The draft version contains proposed changes RMA is providing for comment. Draft versions will be watermarked DRAFT and changes will be highlighted when possible. Companies are notified of changes to the Draft version on the DAS Status Report and/or on the 'Read me' page a List of Changes notifying users of the changes and respective date on the web site. Changes in the Draft version may be made to the Data Acceptance System prior to the issuance of the approved version.

SECTION 2 RESPONSIBILITIES**1 RESPONSIBILITIES OF FCIC**

- A RSD will be responsible for the following: (1) reviewing and analyzing Plans of Operations, (2) approving or denying Plans of Operations, (3) approving or denying amendments to plan of Operations, (4) approving modifications to the fund designations, Late Sales Reduction or Late Filed Acreage administrative reductions, or (5) modify the Fund designation, Late Sales Reduction or Late Filed reduction setting in the ISAM files as approved by Reinsured Services Division.
- B AD will be responsible for the following:
- 1 Provide Companies updates to FCIC reporting guidelines in Manual 13, DATA ACCEPTANCE SYSTEM (DAS) HANDBOOK.
 - 2 Perform duties and validations of Company data as outlined in the "Format/Edits" portion (Exhibits 9 - 99) of the DAS Handbook.
 - 3 Determine data reporting requirements and standards.
 - 4 Maintain and administer the databases and ISAM files used by the Data Acceptance System.
 - 5 Prepare error reports containing items which did not pass all edits and validations specified by FCIC and provide to the Reinsured Companies' designated MGA.
 - 6 Update/maintain reinsurance data in the Policy and Accounting databases.
 - 7 Provide technical assistance in error resolution as needed and requested by Companies.
- C FOSD will be responsible for the following:
- 1 Generate Reconciliation Reports.
 - 2 Generate Accounting Reports.
 - 3 Process Premium Due Without Payment Worksheet and Premium Due Worksheet data upon receipt of the certified report/worksheet if received by the due date for monthly reporting.
 - 4 Generate a revised Monthly Operations Report after entries made on the current worksheet by the Companies have been updated in ARS. Complete the monthly processing cycle.
 - 5 Generate and remit payments due to the Company, if applicable, based on data validated in the DAS after it has been reconciled, but no later than the first banking day after the 14th calendar day following FCIC's receipt of both the detailed reinsurance contract data file, and the certified (signed) hard copy Monthly/Annual Operation Report. FCIC will pay the net amount due from FCIC to the Company as reflected in the FCIC-generated report, reduced or increased) where appropriate for any differences between the reports submitted and the data validated.
 - a Additionally, FCIC will net together for payment purposes multiple Reinsurance Year reports.
 - b FCIC will make payments to Companies via Electronic Funds Transfer (EFT) through the U.S. Treasury.
 - c FCIC will pay interest in accordance with the interest provisions of the Contract Disputes Act (41 U.S.C. 601 et seq.) on any payment which is not sent to the Company by the dates provided by the SRA.
- 6 Reimbursement of Losses
- a For any Company that elects to use escrow funding: FCIC will fund the escrow account within three (3) business days after the loss transactions are accepted in FCIC'S Escrow System.

On a monthly basis the escrow funded amount, as of the transaction cutoff date for the first full week of the month will be reconciled with the escrow loss data accepted on the monthly or annual report. Any escrow requests which have not been funded as of the transaction cutoff date for the first full week of the month will not be included in that month's report. Any difference in the escrow funded amount and the losses validated by FCIC will be refunded monthly by the Company to FCIC.

- b Any Company who elects not to utilize Escrow Funding will be reimbursed on the Monthly/Annual Operations Report for paid losses which have been validated and accepted in the DAS as of the monthly transaction cutoff date.

- 1 Any loss will be considered paid by the Company, when the instrument or document issued as payment has cleared the Company's bank account.

7 Administrative Expense Reimbursement

- a The Corporation will pay the Company an expense reimbursement as specified in the SRA on the net book premium for all eligible crop contracts based on acreage data submitted and accepted by the transaction cutoff date.

- 1 Payment will be made no later than the first banking day following the fourteenth (14th) calendar day after the receipt of both the certified (signed) Monthly/Annual Operations Report and the detailed reinsured contract data file.
 - 2 All amounts paid in expense reimbursements are subject to correction at any time and by the Monthly/Annual Operations Report following detection of the error.

- a Reduction in Administrative Expense - Late Filed Acreage

For AGR (0063), the expense reimbursement will be reduced on AGR contracts in cases that the Annual Farm Report is accepted in the DAS after the transaction cutoff date for the twelfth (12th) full week after the week which includes the sales closing date as specified in the Actuarial Data Master (ADM) file for the crop, county and plan code. The expense reimbursement for eligible AGR insurance contracts will be reduced by the percentage shown on the LFA reduction chart.

Due to multiple planting periods, Fresh Market Tomatoes (0086) and Peppers (0083) in Florida will be considered Spring Seed cycle code and use the latest acreage reporting date for late filed acreage determinations. The expense reduction will be reduced when the acreage records reported to DAS are accepted after the transaction cutoff date for the twelfth (12th) full week after the week which includes the latest acreage reporting date.

For Nursery (0073) and Florida Fruit Trees (0207 through 0214), the expense reimbursement will be reduced when the acreage/inventory records reported to DAS are accepted after the transaction cutoff date for the twelfth (12th) full week after the week that includes either (1) the signature date for new policies from the corresponding accepted Type 14 record for the crop and county or (2) the sales closing date for carryover policies. See Nursery and Florida Fruit Tree A&O Reduction/Fund Designation Cutoff Table below.

For all other crops, the expense reimbursement will be reduced on contracts in cases that the acreage record is accepted in the DAS after the transaction cutoff date for the twelfth (12th) full week after the week which includes the latest acreage reporting deadline as specified in the Actuarial Data Master File (ADM) for the crop, county and plan code within the same Fall/Spring seed cycle designation. The DAS will compare the processing date of accepted acreage reporting date to the final acreage reporting data shown on the ADM for each crop within a policy except for Nursery (0073) and Florida Fruit Trees (0207 through 0214). See Nursery and Florida Fruit Tree A&O Reduction/Fund Designation Table below. If a policy has multiple crops in a county, the latest acreage reporting date will be used to determine the weeks late for all crops established with a 14 record in the county. This only applies to the crops with the same Fall/Spring seed cycle designation. Crops with the latest acreage reporting date for the crop, county and plan code through January of the reinsurance year are considered Fall. Crops with all other acreage reporting dates will be considered Spring. If the acreage is not accepted by the 12th week after the acreage reporting deadline, the expense reimbursement for eligible crop insurance contracts will be reduced by the percentages shown on the LFA reduction chart. Refer to Exhibit 11-8 for written agreement LFA determination.

LFA Reduction Chart

<u>Weeks After Acreage Report Due</u>	<u>Reduction Percent</u>
13th through 15th	1.5%
16th through 17th	3.0%
18th or more	4.5%

An example of the FCIC Administrative Reduction Worksheet for late filed acreage is provided in Exhibit 5.

b Reduction in Administrative Expense - Late Sales Reduction. See Additional Information in Exh 14-2.

An expense reimbursement reduction of 1% will be made for all crops where the Company fails to timely submit accurate information or whenever the elected level of coverage, price indicator or price election is revised after the transaction cut-off date for the week containing the 30th day after the sales closing date. The expense reimbursement will be reduced by 2% if the required information is accepted or revised after the transaction cut-off date for the week containing the 60th day after the sales closing date. Thereafter, a total reduction of 3% will apply.

For written agreements, the late sales reduction will be applied using the written agreement date in lieu of the sales closing date if the written agreement date is later or if the sales closing date does not exist for Location State/County or Rate State/County. See Exhibit 11-8.

For New Nursery and New Florida Fruit Tree policies, the late sales reduction will be applied using the signature date of the application.

NURSERY AND FLORIDIA FRUIT TREE A&O REDUCTION/FUND DESIGNATION CUTOFF TABLE

	Nursery	Florida Fruit Tree
POLICY DATES		
Sales Closing Date		
New policy	May 31 of CY Insured may purchase between Sept 30 of CY-1 to May 31 of CY	Nov 20 of CY
Carryover policy	Sep 30, CY-1	Nov 20, CY - 1
Cancellation/Termination	Sep 30, CY - 1	Nov 20, CY - 1
Contract Change	June 30, CY - 1	Aug 31, CY - 1
Acreage Report Dates – Inventory reports are due by the following acreage report dates:		
New policy	Application signature date	Application signature date
Carryover policy	Sep 30, CY - 1	Nov 20, CY - 1
SRA FUND DESIGNATION DATES		
Assigned Risk Fund Policies must be accepted within 30 days of:		
New policy	The later of Sept 30, CY – 1 or 30 days from application signature date. Signature date cannot be later than May 31 of CY	The later of Nov 20, CY - 1 or 30 days from application signature date. Signature date cannot be later than Nov 20 of CY
Carryover policy	Sep 30, CY - 1	Nov 20, CY - 1
Developmental Fund Policies must be accepted within 30 days of:		
New policy	The later of Sept 30, CY - 1 or 30 days from application signature date. Signature date cannot be later than May 31 of CY	The later of Nov 20, CY - 1 or 30 days from application signature date. Signature date cannot be later than Nov 20 of CY
Carryover policy	June 30, CY - 1: However, SRA provides that dates prior to beginning of reinsurance year will have until the transaction cutoff date for the week containing August 1 st .	Aug 31, CY - 1
A&O REDUCTION DATES		
Late-Sales Reduction (LSR) – 14 records must be accepted within 30 days of:		
New policy	The later of Sept 30, CY - 1 or 30 days after application signature date. Signature date cannot be later than May 31 of CY.	The later of Nov 20, CY - 1 or 30 days after application signature date. Signature date cannot be later than Nov 20 of CY.
Carryover policy	Sep 30, CY – 1	Nov 20, CY - 1
Late-Filed Acreage (LFA) – Inventory reports must be accepted within 12 weeks of:		
New policy	Later of Sept 30, CY – 1 or Application signature date. Signature date cannot be later than May 31 of CY.	Later of Nov 20, CY – 1 or Application signature date. Signature date cannot be later than Nov 20 of CY.
Carryover policy	Sep 30, CY – 1	Nov 20, CY - 1

Note: Policies will be accepted by DAS after the cutoffs for LSR and LFA; however, a reduction of administrative and operating expense reimbursement will apply in accordance with the SRA.

Nursery only Note: Policies purchased after May 31 of the current crop year do not become effective until October 1 of the following crop year.

- 8 The Reimbursement for Loss Adjustment Expense is calculated on CAT only policies in accordance with the SRA, and will be included on the Monthly/Annual Operations Reports, when applicable. The CAT Loss Adjustment Expense reimbursement is equal to 8% of the net book premium for all eligible CAT crop insurance policies.
- 9 If Section V.I.5 of the SRA is invoked, the Company will pay FCIC an amount stated in the SRA based on the net book premium on the Company's book of business. This amount must be paid by the last business day of the month for the Monthly/Annual Operations Report cutoff following notification of the amount due.
- 10 Deviations From Stated Reporting Requirements
 - a The Deputy Administrator for Research and Development, Director of Actuarial Division, Director of Fiscal Operations and Systems Division and Director of Reinsured Services Division are delegated authority by the Manager to deviate from stated reporting requirements when necessary to ensure accurate and timely data processing. Deviations from stated reporting requirements will occur only in cases of material monetary discrepancies created by the processing of inaccurate or untimely data.

2 **RESPONSIBILITIES OF COMPANIES OPERATING UNDER THE STANDARD REINSURANCE AGREEMENT (SRA)**

The following are responsibilities of Companies to ensure correct and accurate submission of data to FCIC. The general information that applies to the DAS and ARS is outlined below:

- A Submit Plans of Operation (including Company codes) to the Reinsurance Services Division for review and approval.

 - B Submit accurate detailed reinsured contract data to FCIC in the prescribed format. **The transaction cutoff date for weekly submission of data is the last day of each week (Saturday), and data must be successfully and completely received by FCIC no later than 6:00 PM Saturday.** FCIC will process all data that were submitted through the cutoff date. The transaction cutoff date for monthly reporting is 6:00 PM, Saturday of the first full week of the month. For example, for the month of November 2002, the transaction cutoff date would be November 9, 2002 with the data being successfully received by FCIC by 6:00 PM on November 9, 2002. Data revisions must be submitted no less than monthly, for a period of one year following annual settlement. Thereafter, Electronic Data Processing (EDP) revisions need only be submitted in any month where data changes as a result of court action; compliance, audit or investigative related findings by the Government or the Company up to three years after first annual settlement.

 - C Review error reports and correct errors generated from the DAS edit and validation process. Rejected items identified, reconciled or corrected after the cutoff date because of the monthly reporting and validation process are to be resubmitted for revalidation in the next reporting cycle.

 - D Submit a DAS Error Report to DQS for guidance in correcting data rejected in the DAS and present on the DAS Error Listing, as necessary.

 - E Review reconciliation reports to resolve differences and resubmit data corrections immediately after receipt.

 - F Submit electronic loss data for the purpose of funding the escrow account. Monitor the escrow account balance and maintain sufficient collateral coverage to ensure timely funding of all loss data. If there is a shortfall of funds in the escrow account, it is the company's responsibility to deposit funds to cover any shortages.

 - G Submit certified hard copy, Monthly/Annual Operations Reports (recap and worksheets) by Reinsurance Year, for the purpose of making monthly settlements with FCIC regarding reimbursement of administrative expenses, losses, if applicable, and payment to FCIC of premiums collected. Monthly Operations Reports are required to be submitted through annual settlement time. Annual Settlement Operations Reports must continue to be submitted for any month that revised data are submitted. Court action, compliance, audit or investigative related findings by the Government or the Company after the February accounting cut-off following 5 years from the beginning of the reinsurance year must be reported to FCIC and will be processed manually. Operations Reports must be received by FCIC by the last banking day of each month corresponding to the transaction cutoff date.
- 1 The summary page of the operations report must be certified by an authorized officer, or by an authorized employee and contain the

- signature, title, and date signed. Whoever signs the operations reports should be one of the parties authorized to sign the SRA in the Plan of Operations. Approval for anyone else to sign the operations reports must be submitted in a letter to FCIC which is signed by an official who is authorized to sign the SRA.
- 2 Reports provided by the Company must contain cumulative, summarized reinsured contract data according to the requirements and formats provided in the exhibits and text in this Handbook. The reports submitted must include all the required information in addition to other information which may be requested by FCIC from time to time.
 - a For monthly operations reports, when needed, completed 'Premium Due' and 'Premium Due without Payment' worksheets are to be submitted along with the summary page.
 - b For annual operations reports, when needed, the completed 'Premium Due without Payment' worksheet is to be submitted along with the summary page.
 - 3 If FCIC agrees to make payments based on operations reports received more frequently than monthly, the transaction cutoff date will remain consistent with the transaction cutoff date for weekly data reporting.
 - 4 If uncollected, the producer premium for each billing date is due from the Company at the end of the month of the billing date. Uncollected premiums for each billing date must be reported by the Company by the transaction cutoff date for the Monthly Operations Report following the month of the billing date. Interest will be charged on all uncollected premiums not paid to FCIC by the Company payment date from the first of the month following the billing date at the rate of 15% per annum. The Company must enter data into the appropriate columns on the Premium Due Worksheet to indicate their intent whether to pay uncollected premiums and return a signed copy of the report/worksheet along with the report, to be received by FCIC by the last business day of the month corresponding to the transaction cutoff date. (See Exhibit 6)
 - 5 When producer premiums are collected by the Company before the billing date, any premium collected during a calendar month must be reported on the Monthly Operations Report submitted during the next calendar month and payment made by the Company Payment Date. If not previously paid on behalf of the insured all premiums not collected must be paid to FCIC at annual settlement whether or not they are collected from insured.
 - 6 Escrow funding and reported loss data will be reconciled on each Monthly and Annual Operations Report.
 - 7 All payments due FCIC will be netted on the Monthly and Annual Operations Reports with amounts due the Company from FCIC. All payments, including those due FCIC as a result of the netting affect, must be deposited by the Company Payment Date directly into FCIC's account in the U.S. Treasury by Electronic Funds Transfer (EFT). FCIC will remit payments to the Company by EFT.
 - 8 Any aggregate underwriting loss of the Company will be paid to FCIC by the Company with each Monthly Operations Report as calculated by the Reinsurance Run Report generated by FCIC. Any underwriting gain due the company will not be paid until annual settlement.

H The Company must enter data into the appropriate columns on the Premium Due Without Payments Worksheet to indicate any increase in premium and return a signed copy of the report/worksheet along with the Monthly Operations Report, which must be received by FCIC by the last business day of the month corresponding to the transaction cutoff date. (See Exhibit 7)

1 The insured's premium due is calculated by subtracting the paid and loss-credits from the producer premium amount for each policy and billing date. The total due is then summarized by billing date. The paid amount is always deducted from the premium amount before deducting loss-credits. The proration of paid and loss-credits is best demonstrated with the following examples:

a	Producer Premium Due	=	\$100
	Paid	=	50
	Loss-Credit	=	50
	Balance Due	=	0

The paid amount of \$50 is applied to the premium due of \$100, leaving a balance of \$50 premium due. The loss-credit is then applied to the premium due balance leaving a balance of \$0 premium due.

b	Producer Premium Due	=	\$100
	Paid	=	50
	Loss-Credit	=	25
	Balance Due	=	25

The ARS will apply the \$50 paid to the premium due, leaving a balance of \$50 premium due. The loss-credit can then be applied to the premium due leaving a premium due balance of \$25, which would be added to the total premium due for the billing date.

c	Producer Premium Due	=	\$100
	Paid	=	0
	Loss-Credit	=	75
	Balance Due	=	25

Apply \$0 paid to the premium due of \$100, giving a premium due balance of \$100. Loss-Credit of \$75 can then be applied to the premium due leaving a balance of \$25 premium due. Although the paid amount was \$0, it must be applied to the premium due before applying the loss-credit.

d	Producer Premium Due	=	\$100
	Paid	=	100
	Loss-Credit	=	0
	Balance Due	=	0

Apply \$100 paid to the premium due of \$100, which would leave a premium due balance of \$0. The loss-credit of \$0 is applied to the \$0 premium due, leaving a balance in premium due of \$0.

e	Producer Premium Due	=	\$100
	Paid	=	100
	Loss-Credit	=	75
	Balance Due	=	0

Apply \$100 paid to \$100 premium due, leaving a balance of \$0 in the premium due. The loss-credit of \$75 cannot be applied to the premium due balance of \$0, and is considered an overpayment on the loss-credit which would be displayed on another ARS report.

f		Premium Due	Paid	Loss-Credit
			\$50	\$50
	Crop Code 011	\$50		
	Crop Code 091	\$50		
	Balance Due =	0		

When there are multiple crops with premium due from a producer, the paid amount is applied to the premium due on crop code basis until the paid amount is exhausted. If there is any premium remaining due after applying the paid amount, the loss-credit can be applied to the premium due on the remaining crops.

g		Premium Due	Paid	Loss-Credit
			\$50	\$50
	Crop Code 011	\$75		
	Crop Code 091	\$50		
	Balance Due =	\$25		

Apply \$50 paid to the premium due of \$75, leaving a remaining premium due of \$25 on Crop Code 011. Loss-credit of \$50 can be applied to the \$25 remaining premium due on Crop Code 011. Then the remaining \$25 loss-credit can be applied to \$50 premium due on Crop Code 091. This leaves a premium due balance of \$25 on Crop Code 091, but all crops are summarized on the Premium Due Worksheet by billing date, as the crop detail is not shown on the Worksheet. The system prorates the paid and loss-credits also by successive billing dates.

I The new amount due FCIC as reflected in the Monthly or Annual Operations Report, must be paid by EFT by the last business day of each month corresponding to the transaction cutoff date for that month. When payment is submitted to FCIC based on a report generated by the Company's reporting agent before validation of the supporting data is rejected, the Company must remit the difference by EFT within seven (7) calendar days of the date the Company was notified of the discrepancies. Payments to and from Reinsured Companies will be based on FCIC-generated Operations Reports.

- J All payments due to FCIC must be deposited directly into the Corporation's account in the U.S. Treasury by EFT. An instruction guide for funds transfer deposit messages to the Treasury is provided in Exhibit 7. Information, such as agency codes, and beneficiary codes will be provided under separate cover.
- K Annual Operations Reports
- 1 A hard copy settlement report, called the Annual Operations Report (recap and worksheets), must be received by FCIC by the last banking day of February following the end of the reinsurance year. The report should follow the format as provided in Exhibit 1, page 3 of this Handbook. All reinsurance transactions for the year must be summarized and reported on the Annual Operations Report.
 - 2 Corresponding data file transmissions for the Annual Operations Report must be successfully received in its entirety **by FCIC no later than 6:00 PM Saturday of the first full week of February following the end of the Reinsurance Year.** The amount due either FCIC or the Company will be calculated based on the DAS validation of the data, will be based on the FCIC-generated Operations Report, and will follow the monthly reporting process.
 - 3 If a claim under any reinsured crop insurance contract has not been completely settled, a settlement for the reinsurance year will be calculated on the basis of data available at the time of Annual Settlement. However, Companies should submit monthly updates of this unsettled business along with the submission of any other reinsurance-year data until the claims under all crop insurance contracts for the reinsurance year are finally settled.
 - 4 The gain or loss of the Company is calculated in the monthly Reinsurance Run Report generated by FCIC. Any underwriting gain excluding reserves will be paid by the FCIC Payment Date at Annual Settlement. Underwriting loss will be calculated on the Monthly Operations Report. If the underwriting loss netted with other amounts due results in a net amount due FCIC, payment must be received by EFT by the Company Payment Date.

SECTION 3 SYSTEM OVERVIEW

OVERVIEW

- A The FCIC Data Acceptance System (DAS) and Accounting Reports System (ARS) are two integrated data processing systems. DAS receives and validates transmitted data. Data validated by DAS is loaded to RMA databases. The ARS generates all accounting reports containing reinsured company data. Together they provide FCIC with a mechanism to ensure that data received is accurate, that errors are corrected timely, that information contained on Monthly Operations Reports certified by the Companies are accurate for the data validated, and appropriate accounting entries are made in FCIC's Financial Accounting Systems. An overview of these two systems follows. See Exhibit 98 for a chart displaying the flow of data from Companies to FCIC.
- B The DAS consists of a COBOL program operating as a batch process in a UNIX environment. Data supplied to FCIC for a Reinsured Company is processed through the DAS. The data is checked for proper reinsurance year format. All transmitted data that is accepted will replace previously accepted data on a policy level. Policy and acreage data is checked to see if it is being originally submitted, which facilitates tracking applicable weeks late.
- C All transactions are validated for data accuracy and compliance with processing requirements. To the greatest extent possible, the DAS performs all required edits on each transaction before rejecting a transaction. Upon completion of editing, an error report is generated. A Summary report which summarize the acceptance, rejection and suspension by record type and liability, premium and indemnity amounts from the transaction. Records which were found in error are system-generated output that will be sent to a Company after each edit run.
- D The edit performs simple field validations, including checks for numeric/alphanumeric, validity of codes, and completeness of expected data. Records that pass all these edits are edited for recomputation tests, inter-field comparisons, inter-record comparisons, ADM and other cross reference file look-ups. All data passing the edit is considered accepted and loaded to an Informix data base. P/CR Memo posting requirements are also determined.

The accepted transactions from the DAS are used to update various ARS data bases. The Policy and Accounting data bases are maintained on a detail and summary basis that reflect the year-to-date information that has been accepted by DAS.

Data validated and accepted by the DAS is also used to update Statistical Data Bases maintained by Research and Development. These data bases are used in rating analysis, underwriting activities, statistical analysis, and management reporting.

E Full Book of Business (Type 70/71 Records)

As part of the DAS/ARS operations, the Companies will be required to submit a full book of business data file no less than semi-annually.

A "full book" must consist of at least one Type 70 Record for all policies and one Type 71 (trailer information) Record for a specific reinsurance year. This requirement provides a means to isolate differences between data residing on the DAS/ARS and the Company's systems. The full book data will be used to load the Reconciliation Database, to generate reconciliation reports, and to determine the 'Reduction Due to Reconciliation Report Differences' amount on the Operations Report.

While FCIC will keep requests for a full book of business to a minimum, the Companies must be able to submit their full book of business upon request by FCIC. A full book of business is required to be submitted twice annually during the first week after the February and August monthly transaction cutoffs. The full book of business must be submitted via the IP SERVER.

As a means of assisting the Companies in reconciling their systems with DAS, FCIC provides to the Companies a mini full book file of business weekly.

F Support Functions

The DQS provides operational support for the DAS. The DQS is responsible for establishing reporting requirements, validation edits, validation files and assisting companies in researching and resolving errors in data reporting. All questions regarding data distribution, reporting, and validation should be addressed to the company's DQS representative. The DQS Chief can be contacted at (816) 926-3940. Questions addressing the ARS/ITS may be addressed to the Fiscal Systems Branch Chief at (816) 823-3083. Staff will be available between the hours of 8:00 A.M. and 4:30 P.M. Central time, Monday through Friday.

For after hour and weekend processing questions, call (816) 926-3275, until 10:00 p.m. week nights and 6:00 p.m. Saturdays.

SECTION 4 DATA SUBMISSION REQUIREMENTS

Monthly submission of data is mandatory through annual settlement if any activity occurred during the month. All data submitted will be processed through the DAS as soon as possible. Occasionally, the system will be unavailable during normal operation hours due to scheduled or emergency maintenance. Companies will be notified as soon as possible in these cases. Transmission files between 2 and 500,000 records will be automatically processed except between 11:00pm Monday to 6:00am Tuesday, 2:00am to 6:00am Wednesday through Saturday and 5:55pm Saturday to 6:00am Monday.

Companies must contact RMA prior to submitting transmission files over 500,000 records. RMA will process these files when they can be manually processed. This is required for validation purposes and to allow time for correction and resubmission of rejected transactions to FCIC before the monthly cutoff date for processing.

Upon successfully passing all edits, the accepted data is included in the Monthly Operation Reports generated by the ARS. Failure to pass all reporting and edit requirements in this manual may result in that data not being accepted for payment on the Monthly Operations or Annual Operations Reports. The transactions cutoff date for weekly data reporting is 6:00 PM central time Saturday of each week. Data must be electronically transmitted successfully and completely received by the transaction cutoff date to be included in that week's transactions. Any transmission received after 6:00 PM as indicated by the electronic transmission directory cannot be assured successful processing or inclusion in that month's accounting reports. Monthly Operation Reports will be prepared based on data received and accepted by the transaction cutoff date of the first full week of the month.

Data must be submitted on a Reinsurance Year basis. The 2003 Reinsurance Year data would include the following crop year data: 2004 Avocados, 2002 Raisins, 2004 Citrus (Arizona, California, Florida, Texas), 2003 for Texas Citrus Trees and all other crops. All data relating to each respective Reinsurance Year must be included in the same submission, with separate submissions required for each reinsurance year.

The amount of premium submitted by the Reinsured Company should not exceed the maximum premium limitation established by Reinsurance Services. With each DAS edit, Reinsured Companies will receive the Year To Date accepted totals report on the .sum report. This report notifies the Company of the summary statistics, including premium accepted as of the stated date on the report. A report on maximum limitations and each Companies' percentage of maximum will be reviewed by RSD. When the percentage has reached 100% of maximum, RSD will determine whether subsequent edits will be suspended. Accounting reports will be generated based on data received prior to any suspension.

SECTION 5 TELECOMMUNICATIONS**A Telecommunication Processing**

Electronic transmission is mandatory for submission of data and dissemination of reports. Electronic transmission provides faster processing turnaround, and more automated processing of data submissions and report handling. This method of processing allows FCIC to direct its resources to error resolution and Company processing support functions.

The Federal Crop Insurance Corporation's (FCIC) Insurance Provider (IP) Server is a system designed to provide telecommunications services for all reinsured companies and associated organizations which report to FCIC. In addition to this, the IP Server also supports connections to FCIC's SUN system.

Each reporting organization is responsible for obtaining telecommunications services from any common carrier of their choosing. The Reporting Organization Server supports dial-up connections using the following asynchronous speeds:

- C ITU-T V.34 at 33,600 bps or 28,800 bps
- C V.FC at 28,800 bps
- C V.32 *terbo* at 19,200 bps
- C ITU-T V.32 *bis* at 14,400 bps, HST at 16,800 bps
- C V.32 at 9,600 bps

Modems should be configured with no parity, 8 data bits, 1 stop bit, and full duplex. A reporting organization may choose any communications software package they desire, however, it must support the following options:

- C VT-100, VT-220, or XTERM terminal emulation
- C Z-modem or Kermit file transfer protocol

The IP Server can be reached at 1-800-557-2372. This is a toll-free call available from anywhere in the continental United States. It currently operates ten (10) phone lines on a multiple access rotary. Any reporting organization who chooses may establish a dedicated access to the IP Server via direct connection. Those companies who wish to have dedicated access would be required to provide the compatible equipment (modem or digital connection and circuit) at FCIC in addition to any equipment required at their site. Reporting organizations considering a dedicated connection to the IP Server should contact the System Administration Section before making any purchases.

All electronic transmissions must be completed by 6:00 PM Saturday (Central Time) to ensure the transmission will be included in that week's transactions. Any electronic transmissions not successfully completed by 6:00 PM will not be accepted for the current week's transactions.

Except for the maintenance periods between 11:00pm Monday to 6:00am Tuesday, 2:00am to 6:00am Wednesday through Saturday and 5:55pm Saturday to 6:00am Monday. The Company may initiate the transmission at the Company's discretion. This could include multiple daily submissions.

FCIC will retain the option to stop automatic edit processing, at its discretion. Companies will still be allowed to continue transmitting data, although it is not immediately processed through the DAS. A temporary stop in automatic edit processing should only occur in case of a DAS processing problem, maintenance, or when the timing of edit revisions must coincide with a particular point in time of the submission cycle. In the event that automatic edit processing is stopped, the Companies will be notified when processing has resumed. All submissions sent during this period will be processed separately in the order they are received.

All accounting reports must be downloaded by the Companies via telecommunications processing. These reports will be made available on a monthly basis. Companies may query the telecommunications facility any time to see if the accounting reports are ready to be downloaded.

For more information regarding telecommunication access for DAS processing, please contact the System Administration Section at (816) 926-3275.

B Report Handling

All reports, error listings and operations reports will be made available to the Company for downloading via the IP Server.

SECTION 6 PROCESSING CONSIDERATIONS

- A
1. FCIC maintains a Policy Database which contains the current net cumulative effect of all transactions for a contract. All transmitted records accepted for a policy fully replaces all previously accepted data.
 2. The Record Type fields: RMA Internal use only, Filler and Reserved, will be initialized by RMA. Company transmitted data will be replaced with appropriate default value and may be overlaid with RMA Internal values.
- B Acceptable record types and specific handling considerations are as follows:

1 Type 9 - Fund Designation Record

The Type 9 record is required to establish the policy into either the Assigned Risk or Developmental Fund. It may also be used for Commercial Fund designations (if a policy was established into the Assigned Risk or the Developmental Fund, the policy can be timely transferred to the Commercial fund by submitting a type 9 record). Type 9 records are submitted for the crop policy on location state and location county basis. Once a record has been accepted it does not need to be resubmitted. RMA may accept fund designations records after the ADM Records have been released for the crop. Refer to Fund Designation Guidelines in Exhibit 9-1.

Designation to Assigned Risk Fund:

A Company must designate eligible crop insurance contracts to the Assigned Risk Fund not later than the transaction cutoff date for the week including the 30th calendar day after the sales closing date for the eligible crop insurance contract unless:

- i. RMA determines that conditions exist that would permit the policyholder to plant crops that are alternatives to the crops listed on the application for insurance, after the sales closing date. The Company may designate such alternative or transferred crop insurance contracts to the Assigned Risk Fund not later than the transaction cutoff date for the week containing the 30th calendar day after the acreage reporting date for the alternative crop. Companies must request to Insurance Services Division to approve the alternative fund designation.
- ii. FCIC issues a written agreement for additional coverage contracts of insurance 1.) after the sales closing date or 2.) A sales closing date does not exist for the crops Location State/County or Rate State/County. Companies may designate such eligible crop insurance contracts to the Assigned Risk Fund not later than the transaction cutoff date for the week containing the 30th calendar day after the FCIC Written Agreement print date or insured acceptance date, if applicable. Dates will be edited to the RMA Regional Office database. See Exhibit 11-8. Companies must submit the written agreement information including the

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date.

- iii. For new Nursery and Florida Fruit Tree policies, see Nursery and Florida Fruit Tree A&O Reduction/Fund Designation Cutoff Table.

Designation to Developmental Fund:

- i. For carryover crop insurance contracts insured with the same IP/Company the previous year that have contract change dates occurring on or after July 1, not later than the transaction cutoff date for the week containing the 30th calendar day after the earliest contract change date for the crop and plan code submitted.
- ii. For carryover crop insurance contracts insured with the Company the previous year that have contract change dates occurring before July 1 for crop and plan code, not later than the transaction cutoff date for the week containing August 1 of the reinsurance year; and
- iii. For new crop insurance contracts, not later than the transaction cutoff date for the week containing the 30th day after the sales closing date for the eligible crop insurance contract (including plan code, type and or practice)
- iv. For new Nursery and Florida Fruit Tree policies, see Nursery and Florida Fruit Tree A&O Reduction/Fund Designation Cutoff Table.

Multi County Application Procedure:

If a reinsured company uses a 'All or Multi-county' block on applications and/or contract change forms, they may timely indicate the primary(designated) county by entering the appropriate field value in the multi-county flag field for the location state, policy number, crop year and crop code. Subsequent counties established under the 'All or Multi-county' procedure and transmitted to RMA after the fund designation deadlines, may be placed in the same fund as the primary(designated) county. Subsequent counties are indicated by placing the appropriate value in the multi-county flag field. Companies must also identify the primary(designated) county policy key (location state/county, company number, policy number, crop year, crop code and type code) in the multi-county reference policy key fields.

2 Type 10 - Policy Record

Type 10 records are used to establish a policy and provide information regarding the policyholder and entities with a significant business interest. A Type 10 record requires at least one Type 9 record or one Type 14 record to be submitted with it.

The DAS requires a Type 10 record with a record number of "001."

This is considered the primary insured, and establishes the contract within the system. If a Type 10 with a record number of "001" is not submitted, then all records for the contract will be rejected. DAS will allow a Type 10 record for each crop year covered under the policy number. All Type 10 records with a record number other than "001" are considered entities with a SBI in the farming operations of the primary insured. If any Type 10 record is rejected, then all records for the contract will be rejected.

A Type 49 Delete record will remove the policy and all records for the policy from FCIC's Databases and Duplicate ISAM files.

3 Type 11 - Acreage Record

Type 11 records are used to establish premium and liability for each acreage line.

A Type 11 record will not be accepted until corresponding Type 10, Type 14, Type 15 (if required - See Exhibit 15-4), and Type 17(if required - See Exhibit 17-1) records have been accepted by the DAS. The Type 11 zero liability acreage record will not be accepted. To modify data previously accepted, all current and valid records for the policy must be resubmitted.

Type 11 records initial acceptance determines whether Late Filed acreage reductions are applicable. The Type 11 weeks late flag field is an RMA Internal Use field which identifies the number of weeks the record was accepted after the acreage reporting date. The FCIC Accepted Date field provides the date the record was initially accepted by DAS. Refer to Section 2, 1, C, 7 - DAS Determination of Administrative Expense Reduction due to Late Filed acreage.

4 Type 12 - Payment Record

Type 12 records are used to record/report payments by producers for each crop policy. Only one Type 12 record per payment type code will be accepted for the contract. Type 12 transactions may be removed by resubmitting all applicable records for the policy or via the Type 49 delete record with the exception of payment type '02' or '03'.

When reporting CAT fees using the 12 record, use the payment type "02". A CAT fee receivable must exist before a CAT fee payment is accepted, and the paid amount for CAT fees cannot exceed the total receivable amount reported on the 65 record. The paid amount for CAT fees is cumulative. The paid date also must be greater than the debt delinquency date reported on the 65 record. Error conditions will occur for any of the following: duplicate 12 records, a paid date less than or equal to the debt delinquency date, no match to a receivable, no increase from a previously reported paid amount, a paid amount greater than the receivable amount due, and a paid amount with a \$0 value.

When reporting CAT fee payment reversals using the 12 record, use the payment type "03". The paid amount for reversals must equal the paid amount reported using payment type "02". The paid date must be the same as the paid date reported on the payment type "02".

The "03" payment type code is the only way to reverse a CAT fee payment. Error conditions will occur for any of the following: duplicate 12 records, and the paid amount and/or paid date do not match the previous "02" payment. The Type 49 delete record cannot be used to remove a CAT fee payment. Only the "03" payment type can be used to remove a CAT fee payment.

When reporting state subsidy use payment type code "04".

5 Type 13 - Inventory Value Record

Type 13 records are used to establish premium and insurance values. A Type 13 record will not be accepted until corresponding Type 10 and Type 14 records have been accepted.

6 Type 14 - Insurance In Force Record

The Type 14 record establishes the crop, county, plan code and reports the contract data determined at Sales Closing. Type 14 records for each crop on the policy should be accepted through the Data Acceptance System by weekly cutoff for the week containing the 30th day after the latest sales closing date for the crop in the county. After this date, the cause for the late processing must be identified using the late-processed flag field on the record for acceptance to occur.

A reduction of up to 3 percent of the administrative and operating expense subsidy will be taken if the Type 14 record was originally accepted or the price election factor, price indicator or coverage level is revised after the transaction cutoff date for the week containing the 30th calendar day after the sales closing date for the crop policy.

The reduction will be calculated as follows:

<u>Cutoff Date for The week containing the:</u>	<u>The Reduction will be:</u>
30th	1%
60th	2%
90th	3%

For written agreements, the administrative and operating expense subsidy will be reduced for records originally accepted or revised after 30 days from the RMA Regional Office written agreement date if later than sales closing date or if sales closing date does not exist for crop Location State/County or Rate State/County. See Exhibit 11-8 for written agreements. For New Nursery and New Florida Fruit Tree policy cutoff dates, see Nursery and Florida Fruit Tree A&O Reduction/Fund Designation Cutoff Table.

The type code and practice code may be required for crops with more than one sales closing date to determine eligibility based on the sales closing date. Refer to Exhibit 14-1.

7 Type 15 - Yields Record

The Type 15 records are used to record/report APH yield information for designated crops.

A warning message will be issued to companies when the yield year is less than 1970.

If a Type 15 record(s) is rejected, the corresponding Type 11 record will be rejected.

8 Type 17 - Land Identifier Record

The Type 17 records are used to record/report up to ten corresponding legal descriptions and three persons sharing in the crop for the Type 11 record. A Type 17 record is required for each 11 or 15 (see Exhibit 15-4) record reported.

9 Type 18 AGR History Record

The type 18 records are used to record/report AGR History information for the producer. If a type 18 is rejected, the corresponding type 19 record will be rejected.

10 Type 19 AGR Annual Farm Report Record

The type 19 records are used to establish premium and liability for the policy.

- 11 Type 20 - Loss Total Record**
- Type 21 - Loss Line Record**
- Type 22 - Inventory Loss Record**
- Type 23 - AGR Loss Record**

The Type 21, 22 and 23 Records establish the loss amounts for a given policy and the Type 20 Records identifies the application or disbursement of loss payments.

Type 20 records are linked by Claim Number to corresponding Type 21/22/23 records. Therefore, all Type 20 and 21/22/23 records for a policy from the transaction file will replace all Type 20 and 21/22/23 records for the policy on the policy data base.

If a Type 20, 21, 22 or 23 record is rejected, all Type 20, 21, 22 and 23 records for the Claim Number will be rejected. If a Type 11, 13 or 19 record is rejected, the corresponding Type 21/22/23 records for the crop are rejected, also all other Type 21/22/23 records for the Claim Number(s) of the rejected crop, along with all applicable Type 20 records for the Claim Numbers of the rejected Type 21/22/23s.

Type 20, 21, 22 and 23 Processing: The Type 20 record is submitted in support of the Payable element in the Type 21, 22 or 23 record. There are four separate "buckets" which identify the amount of the check to the insured; and cover any deduction made from the indemnity, which will be applied to premium on the policy with the loss (M), premium on another policy (P), administrative fees (F), other (O), recovery of a prior reinsurance year premium or loss (R). The total of any loss application code must be greater than zero.

One Type 21/22/23 record is submitted for each loss line. More than one Type 20 record may be submitted, if needed, to support the 21/22/23 record(s).

If any of the "Total" fields on the Type 20 Record contain a "P," the corresponding "P/CR Memo State" and "P/CR Memo Policy Number" fields must contain the Location State and Policy Number to which the "P" amount will be applied. The ARS will show the generated "P" amounts in the loss credit column of the summary report on the designated policy.

1 If part of the loss is to be applied to a policy under a different Company number than the policy with the loss, the "P/CR Memo Company" field must also be entered. If "P/CR Memo Company" is not entered (value of 000), DAS assumes the same Company number as the policy with the loss and will generate the loss credit accordingly.

2 Rejected P/CR Memo Posting

If the P/CR Memo Policy does not exist in the data base or the P/CR Memo Policy has zero premium, then the P/CR Memo posting is rejected. Generated P/CR Memo amounts will not be allowed to create an overpayment on a policy. Such rejected postings are printed on a ARS error report titled "P/CR memo Reject Report." An example of this report is found in Exhibit 1. This report will be furnished to the Company with their Monthly Operations report.

12 Type 49 - Delete Records

The Type 49 Records are used to remove all records for a contract from the data base(s) and the Dup Isam and flag the T14 ISAM files.

Only one Type 49 Record will be processed per contract from the transaction file. Subsequent Type 49 Records for the same contract will be rejected.

Type 49 records are processed independently after all other record types are updated to the data bases.

13 Type 50 - Supplemental Private Policy

The Type 50 Records are used to record/report supplemental private policies when (1) The policy is a nonreinsured supplemental; and (2) FCIC reinsurance is available for the crop/county which the private policy is sold; or (3) The policy is a reinsured supplemental not otherwise reported to DAS. A policy is considered to be a supplemental policy if it provides coverage of any kind on an FCIC-reinsured crop, regardless of whether the administration of the supplemental policy considers the FCIC reinsured policy in any way.

Type 50 records may be processed independently or with other DAS records and will be stored in separate FCIC databases for each IP. The data will be used by RMA to recommend appropriate action regarding Company requests for FCIC-reinsurance and to determine if such policies shift risk to underlying FCIC-reinsured policies. The Actuarial Division will use the data to conduct analyses of the rating methodologies of the policies. The data will also be used to administer the financial terms of any reinsurance agreement covering the policies. The data must be submitted to FCIC no later than the final settlement date stated in the SRA.

14 Type 55 - Agent Data

The Type 55 Records are used to record/report agent information.

Type 55 records may be processed independently or with all other DAS records. This data will be collected by Reporting Organization and will be stored in a separate FCIC database in order to identify agents, provide agent counts for Company, facilitate the creation of the Agent Location Directory and FCIC planning purposes. The agent records on the database are maintained by the Companies. The acceptance of Type 11, 13, 14 and 18 acreage records is dependent on acceptance of a valid agent SSN on a Type 55 record. Each submission must include the company's cumulative agent file for the reinsurance year in its entirety. Only report licensed and/or certified agents who are actively participating in the delivery of FCIC approved products. The accepted agent records from each submission will replace all previously submitted agent records. Records will be rejected if the individual agent is currently disbarred or suspended.

15 Type 56 - Loss Adjuster Data

The Type 56 Record is used to record/report loss adjuster information.

Type 56 records may be processed independently or with all other DAS records. This data will be collected by Reporting Organization and will be stored in a separate FCIC database in order to facilitate compliance analysis. Each submission must include the company's cumulative adjuster file for the reinsurance year in its entirety. The accepted adjuster records from each submission will

replace all previously submitted adjuster records. The acceptance of Type 21, 22 and 23 loss records is dependent on acceptance of a valid loss adjuster SSN on a 56 record. Records will be rejected if the individual adjuster is currently disbarred or suspended.

16 Type 60 - Ineligible Producer Input Record

Type 60 records are used to submit information regarding a producer's ineligibility status for participation in the crop insurance program. These records must be submitted in a separate file from all other record types and placed in the IT Input directory that has been established for each transmitting organization on the IP server. Once per day a process collects all files transmitted, validates the data submitted and outputs 3 types of files to the IT Output directory on the IP server : 1) .acp - accepted transactions, 2) .rej - rejected transactions and 3) .err - error codes. The accepted transactions are loaded to the Ineligible Tracking System database and notification letters are generated and distributed to the ineligible producers upon their initial entry into the system for a period of ineligibility.

Type 60e - Ineligible Producer Error Record

Type 60E records are generated during the Ineligible Tracking edit process. They contain all errors for each Type 60 record that is rejected during the edit process. The file containing these records is placed in the submitting companies' IT OUTPUT directory on the IP server (.err).

Type 61 - Ineligible Producer Output Record

Type 61 records are generated from the Ineligible Tracking System database and output to the IT Output directory on the IP server for all companies. This file is an accumulation created daily after each ITS load of ALL producers that have been reported as ineligible, their period(s) of ineligibility and their current eligibility status. This also includes persons reported by the Risk Management Agency for suspension/disqualification/debarment.

17 Type 65 - CAT Fee Receivable Record

Type 65 record is submitted along with the Type 60 (Ineligible Producer) if the debt is all or partially due to unpaid CAT fees.

18 Type 70 - Reverse 70 Detail Record

Type 70 records are submitted semi-annually by Reporting Organization for each policy (see record descriptor) to reflect the current status of the Reporting Organization data base. Type 70 records replace and reinitialize FCIC's reconciliation data base.

19 Type 71 - Reverse 71 Trailer Record

Only one Type 71 record is permitted with each semi-annual submission of Type 70 records. The counts and amounts (see record descriptor) are used to validate the summation of Type 70 records received.

20 Type 81 - Policy Holder Tracking Experience Inquiry

Type 81 records are output records that are initiated by the setting of the Experience Inquiry flag on the Type 14 record (position 91). If the Experience Inquiry flag is a 'Y' only the previous year information will be accessed. If the Experience Inquiry flag is a 'F' the previous five years of information will be accessed based on the ID Number from the associated Type 10 record (position 82) to perform a search against the data to locate all information for the producer. The data retrieved is imbedded in the "body" of the Type 81 record (positions 21 - 331) in the same field order and format as that specific in the record type. All Type 10, 14, 15, 11 and 21 records found are returned to the requesting company. The Type 14 record that requested the inquiry is imbedded in the Type 81 record when: 1) the value of the Experience Inquiry flag is an invalid value, 2) no prior year records were found for the producer, or 3) when the producer's prior year insurance was with the requesting company.

C INELIGIBLE TRACKING SYSTEM

1 Type 60 Ineligible Producer Input Record

Type 60 records are used to submit information regarding a producer's ineligibility status for participation in the crop insurance program. These records must be submitted in a separate file from all other record types and placed in the IT Input directory that has been established for each transmitting organization on the IP server. Once per day a process collects all files transmitted, validates the data submitted and outputs 3 types of files to the IT Output directory on the IP server : 1) .acp - accepted transactions, 2) .rej - rejected transactions and 3) .err - error codes. The accepted transactions are loaded to the Ineligible Tracking System database and notification letters are generated and distributed to the ineligible producers upon their initial entry into the system for a period of ineligibility.

2 Type 60E - Ineligible Producer Error Record

Type 60E records are generated during the Ineligible Tracking edit process. They will contain all errors for each Type 60 record that is rejected during the edit process. The file containing these records is placed in the submitting companies' IT Output directory on the IP server (.err).

3 Type 61 Ineligible Producer Output Record

Type 61 records are generated from the Ineligible Tracking System database and output to the IT Output directory on the IP server for all companies. This file is an accumulation created daily after each ITS load of ALL producers that have been reported as ineligible, their period(s) of ineligibility and their current eligibility status. This also includes persons reported by the Risk Management Agency for suspension/disqualification/debarment.

4 DAS Ineligible Edit Process

Daily, a validation file is created from the Ineligible Tracking System database for use in the DAS edit process. The DAS will reject crop policies for a producer if the applicable sales closing date/termination date for the crop in the county falls during a period of ineligibility.

Consider the following examples:

A. Producer reported as ineligible

C Producer became ineligible on 03/15/1999

C A policy is submitted for a crop with a 03/15/1999 sales closing date

The policy would be rejected for that crop since the sales closing date is greater than or equal to the date of ineligibility. If the sales closing date had been prior to the date of ineligibility, the crop policy would have been accepted.

B. Producer reported as ineligible and has become eligible.

C Producer became ineligible on 09/30/1998

C Producer became eligible on 03/16/1999

C A policy is submitted for a crop with a 03/15/1999 sales closing date

The policy would be rejected for that crop since the sales closing date falls within the period of ineligibility. If the eligibility date had been 03/15/1999, the crop policy would have been accepted.

C. Producer with more than one period of ineligibility.

C Producer became ineligible on 09/30/1998

C Producer became eligible on 12/01/1998

C Producer became ineligible on 02/01/1999

C Producer became eligible on 03/15/1999

C A policy is submitted with three crops:

Crop 1 - sales closing date of 10/31/1998

Crop 2 - sales closing date of 01/31/1999

Crop 3 - sales closing date of 02/28/1999

The policies for Crops 1 and 3 would be rejected since the sales closing dates fall within the periods of ineligibility.

The policy for Crop 2 would be accepted since the sales closing date for that crop falls within a period of time that the producer is eligible.

D. Multiple Sales Closing Dates

Prior Year Term Date is the Same as the Sales Closing Date

- Producer became ineligible on 9/30/00
- Producer became eligible on 12/15/00 (paid between the first and second sales closing dates)
- A policy is submitted for a crop with sales closing dates of 9/30/00 and 3/15/01. The prior year term date is 9/30/00.

The producer is ineligible on the first sales closing date, so the contract flag is checked to further determine eligibility.

If the policy is a new policy (contract flag = 0), then the producer is eligible for the crop and the record will be accepted.

If the policy is a continuing policy (contract flag = 1), then the producer is ineligible for the crop and the record will be rejected. For a continuing policy, the producer must be eligible on the first sales closing date to be eligible for the crop for the submitted crop year.

If the producer had paid after 3/15/01 (the second sales closing date) or had not paid, he would be ineligible no matter what contract flag was on the record.

Prior Year Term Date is Before the Sales Closing Date

- Producer became ineligible on 9/30/00
- Producer became eligible on 1/15/01
- A policy is submitted for a crop with sales closing dates of 10/2/00 and 3/15/01. The prior year term date is 9/30/00.

The producer is ineligible on the first sales closing date, so the contract flag is checked to further determine eligibility.

If the policy is a new policy (contract flag = 0), then the producer is eligible for the crop and the record will be accepted.

If the policy is a continuing policy (contract flag = 1), then the producer is ineligible for the crop and the record will be rejected. For a continuing policy, the producer must be eligible on the first sales closing date to be eligible for the crop for the submitted crop year.

If the producer had paid after 3/15/01 (the second sales closing date) or had not paid, he would be ineligible no matter what contract flag was on the record.

Prior Year Term Date is After the Sales Closing Date

- Producer became ineligible on 9/30/00
- Producer became eligible on 1/15/01
- A policy is submitted for a crop with sales closing dates of 9/30/00 and 3/15/01. The prior year term date is 11/30/00.

The producer is ineligible on the prior year term date, so the sales closing date is used with the contract flag to determine eligibility.

If the policy is a new policy (contract flag = 0), then the producer is eligible for the crop and the record will be accepted. The producer paid between the 2 sales closing dates.

If the policy is a continuing policy (contract flag = 1), then the producer is ineligible for the crop and the record will be rejected. For a continuing policy, the producer must be eligible on the first sales closing date to be eligible for the crop for the submitted crop year.

If the producer had paid after 3/15/01 (the second sales closing date) or had not paid, he would be ineligible no matter what contract flag is on the record.

E. An exception to B-C above exists if the sales closing date for the crop is prior to 09/30/1998 (date that ineligible process became effective). Those crops would be accepted.

5. DAS Duplicate Edit Process

The duplicate edit process is designed to reject duplicate policies or identify possible duplicate policies reported to RMA. The process determines the ownership of a policy and is based on the definition of a duplicate policy and a possible duplicate policy key. Duplicate or Possible Duplicate policies are identified by DAS errors and are reported to companies weekly.

In the case of Duplicate Policies (i.e. same tax id number, tax id type, entity type, location state, location county, crop code, and type code (grapes only crop code 0052 and 0053)), DAS will determine the owner IP based on signature date and transferred cancellation fields on the 14 record.

If any of the duplicate policies are indicated as a 'Transfer and Cancellation' policy on the 14 record, the Dup process will use the earliest signature date for the current sales period to determine ownership. The 'sales period' starts the day following the earliest sales closing date for the previous crop year and continues through the latest sales closing date for the current crop year. If none of the duplicate policies are indicated as being a 'Transfer and Cancellation' policy, then ownership will be determined by earliest signature date without regard to the sales period.

Companies will be notified of Duplicate Policies on a batch transmission basis through the DAS edit process. In addition, on the first business day following the transaction cutoff date for weekly data reporting, companies will be provided a summary report identifying the count of duplicate policies with another company and the number of ownership policies where another company has a duplicate policy.

D DAS REPORTS

The Data Acceptance System generates the following reports and transactional files for every transmission to assist companies in their error resolution.

1. Reports

Summary Report (.sum): provides transactional, financial and error statistics on each transmission. The report identifies the input file name, the run date and time, and the received date and time. The transactional statistical section provides counts by record type of: submitted; accepted; rejected; and suspended records. The financial statistical section provides the associated dollar amount of: submitted, (if a type 97 record is included in the transmission); accepted; rejected; and suspended records. The error statistics sections lists the error code and message received and the number of records in error.

Premium and Loss Error Report (.rp2): provides by crop, the dollar amount of premium and indemnity rejected by error code combination. The number of records and policies are also listed.

Error Report (.rpt): is a formatted report by policy listing the record(s) and field(s) in error. It identifies the data in error and what is expected in the field.

Year to Date Accepted Totals report(RORYYTDA.ZIP): provides the Summary of Business statistics for the IP as of the previous maintenance period. The report will list the date and last batch number used in compiling the report.

Error File (.err): lists the record key with an error, the error code, data in error and the expected data.

2. Transactional File

Rejected File (.rej): contains the records with errors that were transmitted with an additional 50 bytes of data used internally by DAS.

3. Accepted File

Accepted File (.acp): contains the records accepted by DAS with an additional 50 bytes of data used internally by DAS. Companies may request this file be placed in their Directory.

4. Accepted Fund Designation File

Accepted Fund Designation File (.fun): contains the Type 9 records accepted by DAS with an additional 50 bytes of data used internally by DAS. This file is provided to companies confirming fund designation by RMA.

SECTION 7 ACCOUNTING CONSIDERATIONS

1 ARS REPORTS

A P/CR Memo Reject Report (Exhibit 1)

This report lists all policy record amounts that contain generated P/CR Memo amounts which were not posted. P/CR Memo amounts are rejected when the P/CR Memo policy does not exist or when the P/CR Memo policy has zero premium.

B Reconciliation Reports (Exhibit 4)

A set of reconciliation reports is generated in addition to the various error reports whenever there are unusual circumstances concerning a policy or record type submitted. The purpose of these reports is to perform a verification or validation of data on FCIC's database to the most current data received from the Company.

The Company should research data appearing on the reconciliation reports and determine what action needs to be taken to correct the discrepancies (i.e., delete, correct, in order to resubmit the records correctly). The amount of negative financial impact to FCIC will be determined and deducted from the Monthly/Annual Operations Report. Following are the four reconciliation reports the Company may receive:

- Discrepancies of Premium by Policy
- Discrepancies of Losses by Policy
- Discrepancies of Paid by Policy
- Discrepancies of Loss-Credits by Policy

The Discrepancy reports, are generated when a policy record that has been submitted by a Company does not agree with data accepted into the DAS.

C ARS Summary Reports

The ARS generates summary reports based on detailed reinsured contract data submitted by the Companies each month through DAS. Once data is received from Companies electronically, the DAS processes the data through FCIC edits/validations, and ARS produces the summary reports. The reports are used to calculate the balance which is due the Company or FCIC.

- 1 The FCIC Detailed Policy Report shows detail policy-level information. It feeds information to the Operations Report which generates grand totals, and consists of the following:

a Premium

The Premium grand total is developed from the Premium Lines Record - Type 11, 13, 19 and is reported as summarized policy detail for all lines and all crops associated with a policy. Premium is totaled by Crop Year.

b Paid

The Paid grand total is developed from the Payment Record - Type 12 (Payment Type 00) and the ARS currently shows policy detail for the net paid amount. The paid amount should not include administrative fees and must be \geq zero.

The net paid represents the premium collected by the Company from the producer (insured). An overpaid amount may exist when a producer overpaid his premium.

c Loss-Credit

- 1 The Loss-Credit grand total is derived from the Loss Total Record Type 20, which consists of M-Memos and P-Credit Memos. M-Memos are premium amounts due (by producer) that have been deducted from a loss payment by the producer from losses received on the same policy. P-Credit Memos occur when premium due on another policy is designated with a "P" in the Type 20 record which enables the amount to be deducted from a loss payment on the policy incurring a loss.
- 2 All other amounts designated in the "1st - 4th Total Amounts" on the Type 20 record appear as a single line item entitled "Loss Deductions (F, R, O)" on the Operations Report.
- 3 ARS will generate the designated 'P-Credit Memos' into the Loss-Credit column of the Monthly Operations Reports to eliminate out-of-balance conditions.
- 4 The sum of each loss deduction codes for a policy should never be less than zero.
- 5 An overpaid amount may exist when an excessive amount of an insured's loss was deducted from his policy.

d Subsidy

The Subsidy grand total is the Total Premium minus the Producer Premium submitted on the Premium Lines Record - Type 11.

e Losses

The Loss grand total is derived from the Loss Line Record - Type 21/22/23, which consists of all losses reported by the Company.

The losses are reimbursed to the Company through the automated escrow process. On a monthly/annual basis, the total of Total Losses will be compared to the sum of "Loss-cr., Escrow, and Drafts" and "Loss Deductions (F, R, O)" and FCIC will pay the lesser amount. FCIC will also adjust the amount of "Drafts Issued (Escrow)" included in the Monthly/Annual Summary Report on the line for "Loss-CR, Escrow and Drafts" to the lesser amount of "Previous Escrow Funded" or "Less Drafts Issued (Escrow)." This will avoid any potential overpayments by FCIC

on the Monthly/Annual Summary Reports.

f Cost Share

The total AGR Cost Share reported as additional subsidy on the record type 19.

- 2 The Monthly/Annual Operations Report (see Exhibit 1, page 1) shows the grand totals of all insurance policies carried by each Reporting Organization and provides the balance due the Company or FCIC. The remainder of the entries on the Operations Report are calculated from entries which the Company has made on the Premium Due and Premium Due Without Payments Worksheets or derived from other reports generated by ARS.

The following provides a description of how each line item on the Monthly Operations Report is calculated and corresponds to the lettered line items in Exhibit 1-1. All line items represent cumulative totals.

- a Net Expense Reimbursement Adjustment - This item represents administrative expense reimbursement based on a percentage of total premium on all non-cat crop policies less the reduction for late filed acreage. This item also includes the CAT loss adjustment expense based on the total CAT premium. The net installment adjustment is supported by the FCIC Installment report. Exhibit 1-2.
- b Less Premium Collected - Insured's premium collected by the Company.
- c Escrow and Drafts -
- 1 Escrow is the lesser of the "Previous Escrow Funded" or the amount of "Drafts Issued (Escrow)" (See Items u, v).
 - 2 Drafts - represents the amount paid by the Company for losses paid to producers if the Company is not participating in Escrow. It is determined from Type 20 records which contain a "D" for drafts.
- d Loss Deductions (F, R, O) - Amounts reimbursed by the FCIC to the Company for administrative fees (F), recovery of previous year premium (R), or other (O) to include interest and hail deduction amounts, which the Company deducted from their loss reimbursement request.
- e State Subsidy - The cumulative amount of all state subsidy based on the 12 record, payment type code = 04.
- f Company Previous Payment - The cumulative amount of other payments received by FCIC via electronic transfer to Treasury by the Company.
- g FCIC Interest Paid - The cumulative total of all interest paid to Companies by FCIC for late payments, etc.
- h Litigation Expense
- i Net Administrative Fee Adjustment - Net fee due FCIC supported by supplemental administrative fee reports. Exhibit 1-3.
- j Reduction Due to Reconciliation Report Differences - Net

- reduction amount based on unreconciled differences from reconciliation reports that have a negative financial impact to FCIC.
- k FCIC Interest/Penalty - This item represents interest or penalty assessed against the Company.
 - l FCIC Determined Overpaid - Any overpayments that FCIC has made to the Company.
 - m FCIC Previous Payment - The cumulative amount of all payments made to the Company by FCIC for the current Reinsurance Year.
 - n Escrow Funded - This line item represents the escrow amount the Company has been funded. The total is summed up to the current cutoff date of the Monthly Operations Report.
 - o Paid Previous Worksheets - Amounts paid to FCIC on previous worksheets.
 - p Underwriting Loss - This line item represents the loss taken from the "Reinsurance Run" report. This amount is a calculation of the Company's loss based on entries made in the Plan of Operations, together with the Standard Reinsurance Agreement applicable to each respective Reinsurance Year. The report is a summation of reinsured data displayed the fund, state and national (grand total) levels.
 - q Aquaculture Underwriting Loss - This line item represents the loss taken from the 'Aquaculture Reinsurance Run' report.
 - r Subtotal - The total of lines preceding this line from the FCIC Due/Paid Column on the Operations Report.
 - s Total from Current Worksheet - This item represents the combined total from the Premium Due and Premium Due Without Payments Worksheets.
 - t Balance Due Company (+), FCIC (-) - The total balance due the Company or FCIC.
 - u Previous Escrow Funded - This line item represents the amount of escrow the Company has been funded, and is reported here when FCIC issues the funds to the Company. The total is summed up to the current cutoff date of the Monthly Operations Report.
 - v Less Drafts Issued (Escrow) - This item represents the amount of checks issued to producers for losses, and is accumulated from an "E" that was validated and accepted in the DAS from the Type 20 record.
 - w Escrow Balance - This item represents the difference between the "Previous Escrow Funded" line and the "Less Drafts Issued (Escrow)" line.
- 3 The following describes how each line item on the Annual Operations Report is calculated, and corresponds to the lettered line items in Exhibit 1-3. All line items represent cumulative totals.
- a Net Expense Reimbursement Adjustment - This item represents administrative expense reimbursement based on a percentage of

total premium on all non-cat crop policies less the reduction for late filed acreage and/or Late Sales Reductions. The CAT loss adjustment expense which is based on the total CAT premium. The net installment adjustment is supported by the FCIC Installment report.

- b Less Premium Collected - Insured's premium whether or not collected by the Company.
- c Loss-CR, Escrow and Drafts -
 - 1 Escrow is the lesser of the "Previous Escrow Funded" or the amount of "Drafts Issued (Escrow)" (See Items v, w).
 - 2 Drafts - represents the amount paid by the Company for losses paid to producers if the Company is not participating in Escrow. It is determined from Type 20 records which contain a "D" for drafts.
 - 3 Loss Credits
- d Loss Deductions (F, R, O) - Amounts reimbursed by the FCIC to the Company for administrative fees (F), recovery of previous year premium (R), or other "O" to include interest and hail deduction amounts, which the Company deducted from their loss reimbursement request.
- e State Subsidy - Cumulative amount of all state subsidy.
- f Subsidy - Cumulative amount of subsidy.
- g Cost Share - Cumulative amount of AGR cost share assistance.
- h Company Previous Payment - The cumulative amount of other payments received by FCIC via electronic transfer to Treasury by the Company.
- i FCIC Interest Paid - The cumulative total of all interest paid to Companies by FCIC for late payments, etc.
- j Litigation Expense
- k Net Administrative Fee Adjustment - Net fee due FCIC supported by supplemental administrative fee reports.
- l Less Reduction Due to Reconciliation Report Differences - Net reduction amount based on unreconciled differences from reconciliation reports that have a negative financial impact to FCIC.
- m FCIC Interest/Penalty - This item represents interest or penalty assessed against the Company.
- n FCIC Determined Overpaid - Any overpayments that FCIC has made to the Company.
- o FCIC Previous Payment - The cumulative amount of all payments made to the Company by FCIC for the current Reinsurance Year.
- p Escrow Funded - This line item represents the escrow amount the Company has been funded.

- q Paid Previous Worksheets - Cumulative interest from any worksheets.
- r Underwriting Gain/Loss - This line item represents the gain/loss taken from the "Reinsurance Run" report. This amount is a calculation of the Company's gain/loss based on entries made in the Plan of Operations, together with the Standard Reinsurance Agreement applicable to each respective Reinsurance Year. The report is a summation of reinsured data displayed at fund, state and national (grand total) levels.
- s Aquaculture Underwriting Gain/Loss - same as above except 'Aquaculture Reinsurance Run'.
- t Subtotal - The total of lines preceding this line from the FCIC Due/Paid Column on the Operations Report.
- u Total from Current Worksheet - Normally this item represents the total from the Premium Due Without Payments Worksheets; however, there is an exception for those companies which had deferred premium. For those companies, on the 1st annual report only, a Premium Due Worksheet calculating interest should also be included in this total.
- v Balance Due Company (+), FCIC (-) - The total balance due the Company or FCIC.
- w Escrow Funded - This line item represents the amount of escrow the Company has been funded, and is reported here when FCIC issues the funds to the Company. The total is same as 'p' above.
- x Less Drafts Issued (Escrow) - This item represents the amount of checks issued to producers for losses, and is accumulated from an "E" that was validated and accepted in the DAS from the Type 20 record.
- y Escrow Balance - This item represents the difference between the "Escrow Funded" line and the "Less Drafts Issued (Escrow)" line.

2 INTEREST CALCULATION

The Company will be charged interest in the following cases: Late payments of the balance due on Monthly/Annual Operations Reports, overpayment by FCIC of losses or expense reimbursements, increases in the Premium Due Without Payments Report, and on Premium Variations and on uncollected premiums not paid which are reported on the Premium Due Worksheet. The Company will pay FCIC interest at the annual fixed rate of 15%. (See Exhibit 6).

- A If the balance due FCIC on the Monthly/Annual Operations Report is not received by the last banking day of the month, via electronic transfer to FCIC's account at Treasury, interest will attach from the day following the last banking day of the month and will be charged through the day funds are received at Treasury.
- B The Company will repay, with interest, any amount paid to the Company by FCIC which is subsequently determined by FCIC or the Company, to have been not due to the Company, such as overpaid indemnities or excessive expense reimbursements. Interest will attach beginning on the day after the Company is notified of the overpayment through the date the payment is received.
- C Increases in premium amounts for a crop contract which occur after a billing date are reported on the Premium Due Without Payments Report. Interest on these increased amounts will accrue from the first of the month following the Company Payment Date, and will accrue through the end of the month for the monthly report on which the increase was included.
- D The Company will pay interest on any uncollected premiums if the uncollected premiums are not paid to FCIC by the month following the month of the billing date. Interest will attach on any uncollected premiums from the first of the month following the month of the billing date. A full month's interest will be charged for any month or portion of a month that the uncollected premiums are not paid to FCIC. (Exhibit 1)
- E All payments are subject to post audit by FCIC.

SECTION 8 ELECTRONIC DATA ACCEPTANCE SYSTEM (eDAS)**1 PURPOSE AND OBJECTIVE****2 RESPONSIBILITIES OF COMPANIES OPERATING UNDER THE LIVESTOCK PRICE REINSURANCE AGREEMENT (LPRA)**

- A. Submit Plan of Operation to Reinsurance Services Division for review and approval.
- B. Allow eligible producers to use electronic methods to submit information to the maximum extent practicable. The company must file its plan for providing such electronic service methods with their Plan of Operations.
- C. Submit a completed FCI-586 for Web Application User to RMA Security for approval.
- D. Submit accurate and detailed contract data to FCIC through eDAS in accordance with the reporting requirements contained in M13.
- E. Collect and provide to FCIC the SSN or the EIN for all policyholders and all persons with a substantial beneficial interest in the policyholder.
- F. Designate any eligible livestock price insurance contract accepted by the UCM to the Private Market Fund in accordance with M13 within two Federal work days of the acceptance date of the contract by FCIC.
- G. Designate in Plan of Operations whether it will use commercial reinsurance or private market instruments to transfer or hedge its retained liability for ultimate new losses remaining after all cessions to FCIC under the agreement.
- H. If the company purchases private market instruments, it must submit a copy of its brokerage statements detailing the purchase, sale, and holdings of private market instruments as required by LPRA and certify to the completeness and accuracy of the information.
- I. Producer premiums collected by the company must be reported on the monthly summary report submitted to FCIC by the accounting cut-off date for the calendar month after collection.
- J. Report/submit a minimum of 5 percent of insurance contracts and 5 percent of indemnified contracts reviewed. Flag contracts that are reviewed.

3 SYSTEM OVERVIEW

- A. eDAS is a real-time system operating in a web environment designed to edit transmitted data from Reinsured Companies. Companies will send data in Extensible Markup Language (XML) format to be processed by eDAS or use web application to input required information to eDAS. After performing a series of edits on the data, an XML transmission with all input data received from the company and all output data defined by RMA will be sent back to the company. The transmission will also notify the company of its acceptance or rejection, and if rejected, errors will be included in the transmission.

- B. eDAS will perform a series of edits on the current data. The type of data and edits performed will be outlined in the M13. Edits are done in a series of steps. If any step fails, no other edits beyond the current step will be done. First, basic edits are done. Some of these basic edits include a required check, optional check, numeric check, alphabetic check, and validity of codes check. The next step is to run conditional rules. These rules apply to M13 tags that will only be present based on the value of other M13 tags. Next, the advanced step occurs. Advanced rules include ADM cross reference checks and inter-field comparisons. If needed for the current M13 data identifier, the corporate calculation modules are run to determine premium or indemnity. Calculation validation edits are performed to determine if the company's calculated values match RMA's calculated values. Finally, post-processing rules are performed. Post-processing edits include the Underwriting Capacity Manager (UCM) check.
- C. Companies will indicate the type of transaction currently being sent to eDAS using the M13 fields process flag and change flag. Process flag indicates whether the transaction is an original, an update, a deletion, a validation, a quote, a retrieval, or to be cancelled. Original indicates a first time entry. All edits will apply. An update is a modification to an existing record. Key fields and the updated values are required. All other fields will be ignored. A deletion will mark the currently accepted record as removed. Key fields will be required for the delete. All other fields will be ignored. Validation will not consider the current transaction as real but only as a test. All M13 edits will apply and errors will be returned to the company. A quote is only performed on data identifiers associated with corporate calculations modules. Only values necessary to perform the quote will be required as input. A quote will not be treated as a real transaction but will return errors on required fields and corporate calculation results to the company. A retrieval indicates a company is requesting the information. A cancel indicates a company is requesting the information to be cancelled. The change flag of 1,2, or 3 is required only on an update transaction. All fields not identified as a KEY on the M13 may be changed at a certain level. The change flag indicates the level of change authority associated with this record. Only fields with a level of change less than or equal to the change flag may be modified. Change flag of 3, company must submit a request to Reinsurance Services Division (RSD) for approval.
- D. All eDAS transactions will be stored in an Informix eDAS database. Input and output data will be stored when an original, update, or delete takes place. Each of these transactions will also be kept on the web server for a period of time for companies to download. Also, once an original, update, or delete passes all edits and therefore was accepted by eDAS, it will be copied to the Policy database. This will be done frequently during the day. For a quote or validation, data will not be stored but an entry will be put into the eDAS database to mark that the transaction was sent into eDAS. The quote or validated transaction will not be sent to the web server or the Policy database.
- E. The Accounting Reports System (ARS) will be used to generate accounting reports containing Reinsured Company data processed by eDAS. Data will be taken directly from the Policy database to feed ARS.

4 DATA SUBMISSION REQUIREMENTS

- A. Data will be processed through eDAS in real-time. eDAS will be operational 24 hours a day and 7 days a week for certain M13 data identifiers with exceptions for maintenance. These are the Agent, Producer, SBI, Fund, and Reviewer (if applicable). The insurance plan will determine the availability of eDAS for the Premium and Indemnity data identifiers. For example, the Livestock Risk Protection plan will fail any Premium or Indemnity records sent during certain hours of the day due to ADM data unavailability. If maintenance is required, eDAS will be temporarily shut down, fixes will be migrated into eDAS, and eDAS will be turned on again. eDAS will be unavailable for processing premium daily from 11:49pm to 12:15am for determining "premium in force". If at this time eDAS is in the middle of processing premium data, the premium data not processed will be rejected.
- B. eDAS requires the transmission of M13 data identifiers in a certain order. This order by data identifier is as follows: Agent, Producer, SBI, Reviewer (if applicable), Premium, Fund, and Indemnity. If data is sent out of order, eDAS will send an error back to the Company in its XML output for the current transaction. For example, Producer data with an Agent SSN must have an accepted Agent SSN on the Agent database.
- C. eDAS does not require the bundling of an entire set of data identifiers for a policy. For example, once the Agent data has been accepted by eDAS, it never will have to be sent to eDAS again unless the Company wishes to update it. Agent data is not required each time Producer or Premium data is sent. This also applies to the SBI data. If five SBI records are required for the policy, one may be sent today while two more may be sent next week and the remaining two may be sent in two months from now.

5 TELECOMMUNICATIONS

All eDAS transactions will take place on a web server. A user id and password are required to use eDAS. These items will be given to each company by RMA upon request. XML data transfer will take place along a 128-bit SSL link. Performing a HTTP XML post to eDAS may be done with many languages including Perl, Java, or Windows Server Com objects XMLDOM and XMLHTTP.

6 SECURITY

- A. Company must submit a FCI-586 to RMA Security for approval. Upon approval RMA Web Team will establish a Virtual Host on the Web Server and assign a VPN account. RMA Security will assign a Web App account.
- B. There are two versions of the web app, Admin and Sales. In both cases, the web app is secured by 128-bit SSL. The Admin app will eventually be restricted to IP address. The Sales web app is not restricted to IP address since an agent could log in from somewhere other than the insurance provider office. The Admin web app is secured by the insurance provider ID and password provided by RMA (changed every 6 months). The insurance provider controls the ID and password of their agents to be used for the Sales web app. Agents can log into the Sales web app using the ID and password that is submitted via the agent data identifier. If an insurance provider

does not provide an ID and password for an agent, that agent will not have access to the Sales web app. For problems related to ID or password contact RMA Web Team at 816-936-7301 or via email webteam@rm.fcic.usda.gov.

7 PROCESSING CONSIDERATIONS

- A. 1. FCIC maintains all eDAS transactions, which will be stored in an Informix eDAS database. Once an original, update, or delete passes all edits and therefore accepted by eDAS, it will be copied to the Policy database.
 2. eDAS does not require the bundling of an entire set of data identifiers for a policy. Once the data is accepted only the 'KEY' and data being modified will need to be resent.
- B. Acceptable data identifiers and specific handling considerations are as follows:

1 AGENT

The AGENT data identifier is used to record/report agent information.

This data will be used by FCIC to identify agents, provide agent counts for Company, facilitate the creation of the Agent Location Directory and FCIC planning purposes. eDAS will separate agencies for an agent by using the DETAIL_NUM, listed on the M13 AGENT data identifier in the DETAIL section. Each DETAIL_NUM represents a separate agency (i.e. Agent ID Code). Use 'comma delimited' to list multiple directory counties for an agent (Example: <DIRECTORY_COUNTY>1,2,215</DIRECTORY_COUNTY>). The acceptance of PRODUCER and PREMIUM are dependent on the acceptance of a valid agent SSN. Only report licensed and/or certified agents who are actively participating in the delivery of FCIC approved livestock products. Records will be rejected if the individual agent is currently disbarred or suspended.

2 REVIEWER

The REVIEWER data identifier (if applicable) is used to record/report reviewer information.

The company is required to review a minimum of 5 percent of the insurance contracts and 5 percent of indemnified contracts. This data will be used by FCIC to facilitate compliance analysis. Premium and indemnity that have been reviewed (flagged) are dependent on eDAS acceptance of a reviewer. Reviewer SSN reported on premium and indemnity will be verified against the reviewer database.

3 PRODUCER

The PRODUCER data identifier is used to record/report producer information by location state/insurance plan.

A policy cannot be active for both livestock products at the same time within the same reinsurance year. The existing policy can be cancelled if the coverage period has ended and the producer wants to insure another livestock product. Example: Product 1 was purchased

for 90 days of coverage. At the end of that coverage the insured wants to cancel product 1 and purchase product 2 during the next sales period.

4 SBI

The SBI data identifier is used to record/report significant business interests information related to the producer.

The company is required to collect and report all entities with significant business interests. This data will include SSN, EIN, and share of the SBIs.

5 FUND

The FUND data identifier is used to record/report fund designation information.

eDAS will generate initial fund data with fund designation flag set to 'C' (Commercial Fund) when premium is accepted. Company may designate to Private Market Fund by resubmitting fund data with flag set to 'P' within two Federal workdays after the acceptance date of premium (fund lockdown date). Example: premium accepted by eDAS/UCM Monday, lockdown will be Wednesday at midnight. If change flag equals 3, company must submit a request to Reinsurance Severices Division (RSD) for approval.

6 PREMIUM

The PREMIUM data identifier is used to record/report premium and liability information.

Insurance plan will determine the availability of eDAS and type of data necessary in submission of premium. Premium is dependent on eDAS acceptance of agent, producer, SBI (if applicable) and reviewer (if applicable) and the acceptance by the UCM. Coverage may not be available if the UCM has been expended. When premium is accepted eDAS will assign an approval number. If change flag equals 3, company must submit a request to Reinsurance Severices Division (RSD) for approval.

7 INDEMNITY

The INDEMNITY data identifier is used to record/report indemnity information.

Indemnity is dependent on eDAS acceptance of agent, producer, SBI (if applicable), premium, and reviewer (if applicable). Company is responsible for determining if an indemnity is due and submission of data to eDAS for validation and acceptance. If change flag equals 3, company must submit a request to Reinsurance Severices Division (RSD) for approval.

8 ACCOUNTING CONSIDERATIONS