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PREVENTED PLANTING LOSS ADJUSTMENT STANDARDS HANDBOOK

2003 and Succeeding Crop Years

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

FEDERAL CROP INSURANCE HANDBOOK		NUMBER: 25370-1 (02-2003) 25370 (09-2002)
SUBJECT: PREVENTED PLANTING (PP) LOSS ADJUSTMENT STANDARDS HANDBOOK 2003 AND SUCCEEDING CROP YEARS	DATE: March 4, 2003	
	OPI: Product Development Division	
	APPROVED: Deputy Administrator, Research and Development	

THIS HANDBOOK CONTAINS THE OFFICIAL FCIC-APPROVED LOSS ADJUSTMENT STANDARDS FOR PREVENTED PLANTING FOR THE 2003 AND SUCCEEDING CROP YEARS. IN THE ABSENCE OF INDUSTRY-DEVELOPED, FCIC-APPROVED PROCEDURE FOR PREVENTED PLANTING FOR 2003 AND SUCCEEDING CROP YEARS, ALL REINSURED COMPANIES WILL UTILIZE THESE STANDARDS FOR BOTH LOSS ADJUSTMENT AND LOSS TRAINING.

SUMMARY OF CHANGES/CONTROL CHART

Major Changes: See changes or additions in text which have been **highlighted**. Three stars (***) identify information that has been removed.

Changes for March 2003 Issuance (FCIC-25370-1):

- A. In Section 4 A, added millet as a crop eligible for prevented planting, since the revised 2003 Millet Crop Provisions now allow prevented planting coverage for millet.
- B. In Section 4 E, added millet since the revised 2003 Millet Crop Provisions now allow prevented planting coverage for millet.
- C. In Section 4 F (1) (a), referred the reader to the section entitled “Insurable Acres” in the Basic Provisions and specific crop provisions and to any statements in the Special Provisions pertaining to insurable acres to determine what constitutes insurable acres.
- D. In Section 4 F (3), added millet since the revised 2003 Millet Crop Provisions now allow prevented planting coverage for millet.
- E. In Section 4 F (7), added a “Note” explaining what is considered the closest crop when the insured is prevented from planting any non-irrigated acreage and the insured does not have any remaining eligible acreage for that crop. However, the insured does have remaining eligible acreage for another crop(s), but the crop(s) with remaining eligible acreage has only an irrigated history.

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SUMMARY OF CHANGES/CONTROL CHART (Continued)

- F In Section 10 E, removed the note referring to Section 12 for peanut PP payment calculation for quota and non-quota peanuts since there is no longer a quota peanut program.
- G In Section 11 E, added a Note stating the same thing that was added to Section 4 F (7) and deleted the last sentence of Note 1 on page 35 since it was referring to the closest PP payment when involving quota and non-quota peanuts.
- H Removed Section 12 since quota peanuts is no longer applicable to the peanut crop insurance program.

Control Chart For: Prevented Planting Loss Adjustment Standards Handbook						
	SC Page(s)	TC Page(s)	Text Page(s)	Reference Material	Date	Directive Number
Remove	1-2	1-2	1-2		09-2002	FCIC-25370
			7-12		09-2002	FCIC-25370
			27-28		09-2002	FCIC-25370
			33-38		09-2002	FCIC-25370
Current Index	1-2	1-2	1-2		03-2003	FCIC-25370-1
			3-6		09-2002	FCIC-25370
			7-12		03-2003	FCIC-25370-1
			13-26		09-2002	FCIC-25370
			27-28		03-2003	FCIC-25370-1
			29-32		09-2002	FCIC-25370
			33-38		03-2003	FCIC-25370-1
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1. INTRODUCTION

This handbook identifies the procedural requirements for adjusting Multiple Peril Crop Insurance (MPCI) prevented planting losses in a uniform and timely manner. These procedures, which include prevented planting claim completion instructions, supplement the general (not crop-specific) procedures, forms, and manuals for loss adjustment identified in the Loss Adjustment Manual (LAM).

2. SPECIAL INSTRUCTIONS

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

A. DISTRIBUTION

The following is the minimum distribution of forms completed by the adjuster for the loss adjustment inspection:

One legible copy to the insured. The original and all remaining copies as instructed by the insurance provider.

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

B. TERMS, ABBREVIATIONS, AND DEFINITIONS

- (1) Terms, abbreviations, and definitions **general** (not crop specific) to loss adjustment are identified in the LAM.
- (2) Terms, abbreviations, and definitions **specific** to loss adjustment of prevented planting claims and this handbook, which are not defined in this section, are defined as they appear in the text.

3. GENERAL INFORMATION

Prevented planting (PP) provisions are contained in the Basic Provisions. These provisions provide PP coverage, unless the specific crop provisions or Special Provisions specifies otherwise.

4. PP COVERAGE AND ELIGIBLE ACREAGE

A. ELIGIBLE CROPS

PP coverage is applicable to the following crops: barley, canola/rapeseed, corn, cotton, ELS cotton, crambe, dry beans, dry peas, flax, grain sorghum, green peas, hybrid seed corn, hybrid sorghum seed, millet, mustard, oats, onions, peanuts, popcorn, central and southern potatoes, northern potatoes, processing sweet corn, processing beans, rice, rye, safflowers, soybeans, sugar beets ^{1/}, sunflower seed, and wheat.

^{1/} PP is not available in California counties with an April 30 Contract Change Date and a July 15 Cancellation Date.

B. INSURANCE PERIOD

- (1) The insurance period begins:
 - (a) For First Year Crop Coverage: on the sales closing date for the insured crop in the county for the crop year the producer's application is accepted.
 - (b) For Continuous Crop Coverage (not terminated or canceled for a crop year): on the sales closing date for the insured crop in the county for the prior crop year.

NOTE: Transfer of coverage (cancellation/re-write) to a different insurance provider or a different plan of insurance (from MPCCI to CRC, RA, etc.) is still considered continuous coverage.

- (2) The insurance period ends for PP acreage the earlier of the calendar date for the end of the insurance period or the date the claim is finalized for the PP acreage.
- (3) The following is applicable when an insured peril occurs in the prior crop year and continues to occur within the insurance period for the current crop year.
 - (a) When information is available from local irrigation authorities responsible for water allocations, the Bureau of Reclamation, the Corp of Engineers, Cooperative State Research, Education, and Extension Service (CSREES), the National Resources Conservation Service (NRCS) or other sources responsible for water allocations, that indicates expected water allocations or non-irrigated planting conditions if average snow-pack/precipitation occurs during the PP insurance period, PP coverage will be provided as follows:
 - ¹ When available information indicates average snow-pack/precipitation occurring within the PP insurance period for the current year would provide sufficient water to produce a crop on all insurable acreage, PP coverage will be provided for all acreage that is prevented from planting.

NOTE 3: COVER CROP EXAMPLE: WHEN AN INSURED WAS ELIGIBLE FOR A PP PAYMENT BUT THROUGH THE INSURED'S ACTIONS IS LATER DECLARED TO BE INELIGIBLE FOR A PP PAYMENT

The insured was prevented from planting wheat by the final planting date. The insured reports prevented planting wheat, and plants wheat after the final planting date for the purpose of a cover crop (not for harvest as grain). In this instance since wheat is an approved cover crop, the insured is eligible for a PP payment for wheat if all other eligibility requirements are met. However, if the insured harvests the crop as grain, the insured is no longer eligible for a PP payment on such wheat acreage. If a PP payment has already been made to the insured, the acreage report must be revised to remove the PP acres for this wheat acreage, and a corrected claim must be processed to set up an overpayment for the PP payment for this wheat acreage.

- (5) There is enough eligible PP acreage (after deducting planted acreage) to cover the unplanted acreage. (Refer to subsection 4 F and G.)
- (6) The amount of premium (gross premium less FCIC subsidy) that would be required to be paid by the insured for the PP acreage DOES NOT exceed the liability for such acreage. (Refer to section 5.)

NOTE: Also, refer to Section 4 G for acreage that is not eligible for PP coverage.

D. PP COVERAGE LEVEL PERCENTAGES

- (1) The crop provisions contain the PP coverage level percentage that will automatically apply to the insured's crop policy if the insured does not elect an available PP coverage level percentage on or prior to the sales closing date.
- (2) The actuarial documents may contain additional levels of PP coverage the insured may purchase for the insured crop on or before the sales closing date.
- (3) If the insured has a CAT Endorsement for any crop, the additional levels of PP coverage will not be available for that crop.
- (4) The insured may not increase the elected or assigned PP coverage level percent for any crop year if a cause of loss that will or could prevent planting is evident prior to the time the insured wishes to change his/her PP coverage level percent.

E. PRODUCTION GUARANTEES

IF ACREAGE IS PREVENTED FROM PLANTING TO THE INSURED CROP...	THEN THE GUARANTEE IS...
<p>, and acreage is left idle or planted to a cover crop not to be harvested (cover crop can be hayed* or grazed - Refer to subsection 4 J below for acceptable cover crops)</p> <p>* NOTE: haying includes silage, forage, haylage, and green chop.</p>	<p>C 60, 65, * or 70 * percent of the per-acre production guarantee for timely planted acres of barley, corn, canola/rapeseed, crambe, dry beans, dry peas, flax, grain sorghum, millet, mustard, oats, popcorn, rye, safflowers, soybeans, sunflower seed, and wheat.</p> <p>C 60, 65, * or 70 * percent of the per-acre amount of insurance for timely planted acres of hybrid sorghum seed.</p> <p>C 50, 55, * or 60 * percent of the per-acre production guarantee for timely planted acres of corn, cotton, ELS cotton, and peanuts. (Note: production guarantee for cotton and ELS cotton is based on the solid planted approved APH yield.)</p> <p>C 50, 55,* or 60* percent of the per-acre amount of insurance for timely planted acres of hybrid seed corn.</p> <p>C 45, 50, * or 55* percent of the per-acre production guarantee for timely planted acres of rice.</p> <p>C 45, 50,* or 55* percent of the <u>final stage</u> per-acre production guarantee for timely planted acres of sugar beets.</p> <p>C 45 percent of the <u>final stage</u> per-acre production guarantee for timely planted acres of onions.</p> <p>C 40, 45,* or 50* percent of the per-acre production guarantee for timely planted acres of green peas, processing sweet corn, and processing beans.</p> <p>C 25, 30,* or 35* percent of the per-acre production guarantee for timely planted acres of central and southern potatoes and northern potatoes.</p> <p>* If the insured has additional coverage and elects one of these higher PP coverages by the sales closing date.</p> <p>NOTE: PP coverage for double-cropped acreage is not available for CAT.</p> <p>NOTE: The PP guarantee for eligible double-cropped acreage is the same as for PP acreage that is not planted to any crop (e.g.; 60 percent for corn).</p>

F. ELIGIBLE ACRES

(1) Acreage eligible for PP must be:

(a) Insurable. To determine whether acreage is insurable refer to the section entitled Insurable Acreage in the Basic Provisions and crop provisions, and if applicable, statements in the Special Provisions pertaining to insurable acreage.

(b) Available for planting.

NOTE: Available for planting means land is free of trees, rocky outcroppings, or other factors that would prevent proper and timely preparation of the seedbed for planting and harvest of the crop for the crop year. Acreage not considered available for planting includes, but is not limited to, the following: (1) acreage enrolled in CRP, (2) perennial crop acreage; i.e., trees or vines still on the acreage or not removed in time to plant, and (3) permanent pasture acreage.

(c) Acreage for which the insured can provide evidence that there was intent to plant an insured crop. Evidence that the insured had previously planted the crop on the unit will be considered adequate proof unless the insured's planting practices or rotational requirements show the acreage would have remained fallow or would have been planted to another crop.

(2) Maximum eligible acreage for ALL insured crops eligible for PP payments.

The maximum is the TOTAL number of acres eligible for PP coverage for ALL crops. This total cannot exceed the number of cropland acres in the insured's farming operation for the crop year, unless the insured is eligible for PP coverage on double-cropped acreage. Refer to subsection G (4) below.

Continued on the next page

(3) Maximum eligible acreage for each crop.

TYPE OF CROP:	Eligible acres if, in any of the 4 most recent policy crop years, the insured has planted ANY crop in the county for which PP insurance was available or has received a PP insurance guarantee:	Eligible acres if, in any of the 4 most recent policy crop years, the insured HAS NOT planted ANY crop in the county for which PP insurance was available or has not received a PP insurance guarantee:
<p>For crops not required to be contracted with a processor to be insured.</p> <p>Applicable crops not requiring processor contracts are as follows:</p> <p>Barley, canola/rapeseed, corn, cotton, ELS cotton, dry beans*, dry peas*, flax, grain sorghum, millet, oats, onions, peanuts, central and southern potatoes, northern potatoes, rice, rye, soybeans, safflowers, sunflower seed, and wheat</p> <p>*This does not include contract seed beans or contract seed peas. See contract seed beans or contract seed peas below.</p>	<p>The maximum number of acres certified for APH purposes or reported for insurance for the crop in any one of the 4 most recent policy crop years (not including reported PP acreage that was planted to a substitute crop other than an approved cover crop).</p> <p>The number of acres determined above for a crop may be increased by multiplying it by the ratio of the total cropland acres that the insured is farming in the current policy crop year (if greater) to the total cropland acres that the insured farmed in the previous year, provided that the insured submits proof to the insurance provider that for the current policy crop year the insured has purchased or leased additional land or that acreage will be released from any USDA program which prohibits harvest of a crop. Such acreage must have been purchased, leased, or released from the USDA program in time to plant it for the current policy crop year using good farming practices. No cause of loss that will or could prevent planting may be evident at the time the acreage is purchased, leased, or released from the USDA program.</p>	<p>The number of acres specified on an intended acreage report submitted to the insurance provider by the sales closing date for ALL crops insured for the policy crop year and that is accepted by the insurance provider. The total number of acres listed (for all crops) cannot exceed the number of acres of cropland in the insured's farming operation at the time the intended acreage report is submitted. The number of acres determined above for a crop can only be increased by multiplying it by the ratio of the total cropland acres that the insured is farming in the current policy crop year (if greater) to the number of acres listed in the intended acreage report, if the insured submits proof to the insurance provider that for the current policy crop year the insured has purchased or leased additional land or that acreage will be released from any USDA program which prohibits harvest of a crop. Such acreage must have been purchased, leased, or released from the USDA program in time to plant it for the current policy crop year using good farming practices. No cause of loss that will or could prevent planting may be evident at the time the acreage is purchased, leased, or released from the USDA program.</p>

TYPE OF CROP:	Eligible acres if, in any of the 4 most recent policy crop years, the insured has planted ANY crop in the county for which PP insurance was available or has received a PP insurance guarantee:	Eligible acres if, in any of the 4 most recent policy crop years, the insured HAS NOT planted ANY crop in the county for which PP insurance was available or has not received a PP insurance guarantee:
<p>For crops that require a processor contract in order for the crop to be insured.</p> <p>Applicable crops requiring processor contracts are as follows:</p> <p>Crambe, hybrid seed (corn), hybrid sorghum seed, contract seed beans under the dry bean crop provisions, mustard, contract seed peas under the dry pea crop provisions, green peas, popcorn, processing sweet corn, processing beans, and sugar beets.</p>	<p>The number of acres specified in the processor contract, if the contract specifies a number of acres contracted for the policy crop year; or</p> <p>The result of dividing the quantity of production stated in the processor contract by the insured's approved yield, if the processor contract specifies a quantity of production that will be accepted. (For the purposes of establishing the number of PP acres, any reductions applied to the transitional yield for failure to certify acreage and production for four prior years will not be used.)</p>	<p>The number of acres specified for the crop in the processor contract, if the contract specifies a number of acres contracted for the policy crop year; or</p> <p>The result of dividing the quantity of production stated in the processor contract by the insured's approved yield, if the processor contract specifies a quantity of production that will be accepted. (For the purposes of establishing the number of PP acres, any reductions applied to the transitional yield for failure to certify acreage and production for four prior years will not be used.)</p>

- (4) Any eligible acreage determined in accordance with the table in subsection F (3) above will be reduced by subtracting the number of acres of the crop (insured and uninsured) that are timely and late planted.
- (5) PP acreage is established when insureds report their acreage by the acreage reporting date. Refer to section 6 for acreage reporting information and section 11 for information about verifying eligibility of reported PP acreage and examples thereof.
- (6) If an insured has an additional coverage policy for a crop and executes a High Risk Land Exclusion Option that separately insures high-risk land acreage for that crop under a CAT policy, the maximum number of acres eligible for a PP payment will be limited for each crop policy as specified in subsection 4 F and G.
- (7) If the insured is prevented from planting a crop for which the insured does not have an adequate base of eligible PP acreage, as determined in accordance with the table in subsection F (3) above, the following applies:

- (a) **The** PP production guarantee or amount of insurance, premium, and PP payment will be based on the crops insured for the current crop year, for which the insured has remaining eligible PP acreage. **The** crops used for this purpose will be those that result in a PP payment **most similar (closest)** to the per-acre PP payment that would have been made for the crop that was prevented from being planted.

NOTE: When the insured is prevented from planting any non-irrigated acreage, and the insured does not have any remaining eligible acreage for that crop but has remaining eligible acreage for another crop, the PP payment for that acreage can be made based on an irrigated practice for a crop **ONLY** when the irrigated practice results in the most similar payment. If the producer has only irrigated history for another crop that has remaining eligible acres, and both irrigated and non-irrigated practices for the crop are insurable in the county and the non-irrigated practice would result in the most similar payment, a non-irrigated practice will be established for the producer and the PP payment for the remaining acres will be paid based on the non-irrigated practice for the crop.

- (b) **The** PP payment may or may not be made from crop eligibility that is in the same physical location as the acreage that was actually prevented from being planted. For example, the land upon which the crop was prevented from being planted may be located in legal section 12 and the crop and unit for which the PP payment is the most similar may be associated with legal section 10. Refer to example in subsection 11 E.

G. ACREAGE WHICH IS NOT ELIGIBLE FOR PP COVERAGE

Regardless of the number of eligible acres determined from using the table in subsection F (3) above, PP coverage will not be provided for any acreage:

- (1) That does not constitute at least 20 acres or 20 percent of the insurable crop acreage in the unit, whichever is less (after the minimum acreage requirement on the unit is met, PP payments are on a per acre basis).

NOTE: Any PP acreage within a field that contains planted acreage will be considered to be acreage of the same crop, type, and practice that is planted in the field, unless the PP acreage in the field constitutes at least 20 acres or 20 percent of the total insurable acreage in the field and the insured produced both crops, crop types, or followed both practices in the same field in the same crop year within any of the 4 most recent policy crop years. This provision is used only to determine the crop, type, or practice for the unplanted acreage. All policy provisions for the crop, type or practice determined must be met in order for the acreage to qualify for PP coverage (e.g., the crop determined must have been prevented from being planted, rotation requirements must have been met, etc.);

- (2) For which the actuarial documents do not designate a premium rate unless a written agreement designates such premium rate;
- (3) Used for conservation purposes or intended to be left unplanted under any program administered by the USDA;

(b) Indemnity Payment (planted acres) Claim

If a PP Claim has already been prepared and submitted previous to an Indemnity Payment (planted acres) Claim, or the insurance provider prefers that separate claim forms are prepared for each type of claim, list the planted acres as instructed in the appropriate crop handbooks. List the PP acres for which a separate claim form has already been prepared, and make the appropriate entries (as instructed in subsections A and B above) in the “Stage” and “Intended Use” columns that indicate the PP payment has already been made. This would also include acreage planted after the LP period due to an insured cause that prevented planting prior to the respective crop’s final planting date or during the LP period for the respective crop.

For example, there are 100 acres in the unit. A separate PP payment was previously paid on the 30 acres. The 70 acres of planted acres have been harvested. On the line with the 70 acres, the entry in the “Stage” column would be “H” and the “Intended Use” would be “H.” On the line showing the 30 acres of previously paid PP acres (60% PP coverage), the “Stage” column entry would be “P2P, ” and the “Intended Use” column entry would be “Prev. Paid.” The entry for “Total” final acres for the unit would be 100.0 acres.

(c) Combination Indemnity Payment (planted acres) and PP Payment Claim

If the insured is eligible for a PP payment, which has not been claimed previously, and an indemnity payment is due for the planted acres, a combination of both types of claims can be entered on the same claim form.

- 1 For all lines of planted acres, follow the instructions in the appropriate crop handbook for making the appropriate claim entries.
 - 2 For all lines of PP acres, make the appropriate claim entries as instructed in subsections A and B above.
 - 3 The indemnity payment for the planted acres will be determined separately from the PP payment.
- (4) The insurance provider must be reasonably certain that PP acreage is not shared in common between two or more crops insured through different insurance providers before finalizing a claim for indemnity.
 - (5) The PP acreage reported on the acreage report for the unit will be considered the PP acres for the unit UNLESS ineligible PP acreage was reported. Verify eligible PP acreage as described in section 11.

If ineligible PP acreage is reported, the entry for “determined acres” on the claim form for the PP acres must reflect only the ELIGIBLE PP acres. The acreage report does not need to be revised during loss adjustment except as stated in subsection 6 H.

E. PP PAYMENT CALCULATION

The PP guarantee is separate from the timely and LP guarantees, and the guarantees are not added together to determine the PP payment. The PP payment is considered a separate payment from the indemnity payment. The PP payment is determined as follows:

- C per-acre production guarantee (or per-acre amount of insurance if, applicable) for timely planted acreage X
- C the price election for the crop (or type if applicable) X
- C the PP coverage level elected by the insured X
- C the number of eligible PP acres in the unit X
- C the insured's share.

F. UNIT GUARANTEE FOR THE CLAIM

- (1) For planted acreage, the claim will reflect the total of the guarantees, by line, of the timely planted and LP acreage, and
- (2) For PP acres, the claim will reflect the PP guarantee.

G. MULTIPLE PP PAYMENTS

Only ONE PP payment (excluding share arrangements) can be made for each acre for the crop year for CAT coverage. For additional coverage, only ONE PP payment can be made for each acre for the crop year unless, the insured provides records showing that the acreage and crop has a history of double-cropping in each of the last four years in which the insured crop was grown on the acreage. Double-cropping must be an insurable practice in the county for the crop.

H. FINALIZING CLAIMS

PP payment claims are **not** to be **finalized** UNTIL:

- (1) The adjuster and insurance provider are satisfied with all verifications/determinations, including, but not limited to:
 - (a) All acres claimed as PP for the insured crop met all acreage eligibility requirements for PP payments;

NOTE: Acres are not eligible PP acres if they are not available for planting; refer to subsection 4 F (b) for more information. If the adjuster questions the eligibility of any of the reported PP acreage, the adjuster is to contact the next level of supervision.

- (b) The crop claimed as a cover crop met the criteria for a cover crop; i.e., was not planted for the purpose of silage, haying, etc., (refer to "NOTE" in subsection 4 J);

(2) **EXAMPLE 2**

FSN #1 (Unit 00101)	FSN # 2 (Unit 00102)
100 PP Wheat acres	50 corn acres timely planted
100 PP Soybeans (double-crop)	50 corn LP
100 acres of corn LP	100 corn acres timely planted
100 corn timely planted	100 soybean acres timely planted

2 FSN's (each FSN represent an optional unit)

300 cropland acres available for planting in each FSN = 600 total cropland acres

Wheat History = 100 acres
Corn History = 400 acres
Soybean History = 100 acres
DC Soybean History = 100 acres (acceptable DC history)

Insured reports: Units:

00101	100 wheat acres PP
	100 corn acres timely planted
	100 corn acres LP
	100 soybean acres PP (int. double-crop)
00102	150 corn timely planted
	50 corn acres LP
	<u>100 soybean acres timely planted</u>
TOTAL	700 acres for both units

Insured has coverage greater than CAT coverage. It is determined that there was an insured cause that prevented planting of wheat and soybeans. Since the insured met the policy requirements of a history of double-cropping soybeans after wheat, both the PP wheat and PP soybeans are eligible.

Eligible for PP payment by crop: wheat = 100 acres
soybeans = 100 acres

Individual crop acres do not exceed maximum eligible PP acres by crop, and the 200 acres does not exceed the remaining eligible acres for ALL crops. All planted and PP acres do not exceed cropland when the eligible double-cropped acreage is considered in determining the insured's maximum eligible PP acreage.

NOTE: The term "cropland" as used in this example includes ONLY cropland that is available for planting. Refer to subsection 4 F (b) for more information regarding cropland acreage that is available for planting.

E. PREVENTED FROM PLANTING - NOT ENOUGH ELIGIBLE ACREAGE FOR THE CROP

EXAMPLE: An insured plants 75 acres of Unit 00101 to corn and is prevented from planting 25 acres. The insured has a 100 percent share on this unit. The adjuster determines that there are 75 acres MAXIMUM eligible acres for corn. Since the insured has planted 75 acres of corn and there are no more eligible corn acres, the PP payment must be based on another crop(s) that will result in the most similar (closest) PP payment as corn. The corn Unit 00101 per acre PP amount is \$146.25. The insured also has soybeans and grain sorghum on the policy and has another policy for fall wheat for the same crop year. The per-acre PP guarantee dollar amounts (without regard to share) are:

<u>Soybeans</u>	<u>Grain Sorghum</u>	<u>Wheat-Fall Policy</u>
00101 - \$112.50	00100 - \$44.10	00101- \$35.88
00102 - \$101.25	00201 - \$53.75	00102 - \$32.48
00103 - \$123.75	00202 - \$58.50	00200 - \$40.50

NOTE: When the insured is prevented from planting any non-irrigated acreage, and the insured does not have any remaining eligible acreage for that crop but has remaining eligible acreage for another crop, the PP payment for that acreage can be made based on an irrigated practice for a crop ONLY when the irrigated practice results in the most similar payment. If the producer has only irrigated history for another crop that has remaining eligible acres, and both irrigated and non-irrigated practices for the crop are insurable in the county and the non-irrigated practice would result in the most similar payment, a non-irrigated practice will be established for the producer and the PP payment for the remaining acres will be paid based on the non-irrigated practice for the crop.

The maximum eligible PP acres for each crop is as follows :

Corn = 75.0 acres Grain Sorghum = 42.0 acres
 Soybeans = 47.0 acres Wheat = 105.4 acres

Eligible acres for each crop after deduction for planted and prevented planting acres for the specific crop:

Corn = 75 eligible PP acres minus 75 planted acres = 0 acres

Soybeans = 47.0 eligible acres minus 32.0 planted acres = 15 acres

Grain Sorghum = 42.0 eligible acres minus 30.0 planted acres minus 7 PP acres of actual PP acres of grain sorghum = 5 acres

Fall Wheat = 105.4 eligible acres minus 100.4 planted acres = 5 acres.

Unit 00103 soybeans per-acre PP amount of \$123.75 is the closest amount to the corn PP amount of \$146.25. Since there are not enough eligible soybean acres, the next similar (closest) payment must be found on another crop, which is Unit 00202 grain sorghum at

\$58.50. Since there is not enough eligible grain sorghum acreage, the next most similar (closest) payment on another crop with eligible acreage must be used. The next most similar (closest) payment is on unit 00200 wheat at \$40.50. The insured would be paid a PP payment on the following crops, units as follows:

Soybeans unit 00103 - 15 acres X \$123.75 X (same share as unit 00101 corn)

Grain Sorghum unit 00202 - 5 acres X \$58.50 X (same share as unit 00101 corn). The actual 7 PP acres for grain sorghum for this unit will be the share reported for this grain sorghum unit. Wheat unit 00200 - 5 acres X \$40.50 X (same share as qualifying corn unit)

When making comparisons to determine the crop/unit for which the PP payment would be the most similar (closest) to the crop prevented from planting (qualifying unit) and when making PP payments in this type of situation (for the PP acreage for the qualifying unit), the share used will be the share from the crop unit on which the acreage was prevented from planting (qualifying unit).

NOTE: Once the crop unit that would result in the most similar payment is determined, the number of acres payable under that unit is not limited to the number of physical acres in that unit. For example, if a producer claimed 200 acres of PP corn and did not have any remaining eligible corn acres, and you determine the producer had 200 acres of soybeans remaining eligible PP acres, and soybeans unit 00101 would result in the closest payment, the 200 acres claimed as PP corn could be paid as PP soybeans, unit 00101, even though there may have only been 100 cropland acres in soybeans, unit 00101.

Acreage reports will also be revised to show PP acreage that will be used to pay the PP acreage for the qualifying unit. The share will be the same as the qualifying unit (in this example unit 00101 corn).

When preparing the claim form for the PP payment for each crop unit that eligible PP acreage was used to pay the PP claim for the qualifying unit acreage, document the crop, unit number, and legal description of the qualifying crop/unit.

NOTE 1: The most similar (closest) PP payment could be either a higher amount or a lower amount than the qualifying crop's per acre PP amount would have been. For crops insured under a CRC, RA, or other revenue- type plans of insurance under which PP is available, when determining the per acre PP payment amount most similar (closest) to the qualifying crop's PP acre amount, calculate the per acre PP payment amount as stated in ******* the applicable policy provisions.

NOTE 2: In counties having both a fall and spring wheat final planting dates, eligible acres are based on the total of all wheat types; however, payment is based on the spring type only.

12. RESERVED

This section is reserved.

