United States Department of Agriculture
Federal Crop Insurance Corporation
Catastrophic Risk Protection Endorsement

(This is a continuous endorsement)

You should be aware that additional coverage is available through an approved insurance provider or through local offices of the Consolidated Farm Service Agency, USDA, when such provider is not available.

If a conflict exists between this Endorsement and any of the policies specified in subsection 2.(a) or the Special Provisions for the insured crop, this endorsement will control.

1. Definitions

(a) **Additional coverage** – A plan of crop insurance providing a level of coverage equal to or greater than sixty–five percent (65%) of your approved yield indemnified at one hundred percent (100%) of the expected market price or a comparable coverage as established by FCIC.

(b) **Administrative fee** – The $50 fee the policyholder must pay on a per crop and county basis, with a maximum of $200 per policyholder per county and $600 per policyholder for catastrophic and limited coverage on an annual basis.

(c) **Approved insurance provider** – A private insurance company, including their agents, that has been approved and reinsured by FCIC to provide insurance coverage to producers participating in the Federal crop insurance program.

(d) **Approved yield** – The average amount of production per acre obtained under FCIC's Actual Production History Program (7 CFR part 400, subpart G) using production records of the insured or yields assigned by FCIC. At least four crop years of yields must be averaged to obtain the approved yield.

(e) **Catastrophic risk protection** – The minimal level of coverage offered by FCIC, which is required before a person may qualify for certain other United States Department of Agriculture program benefits (see subsections 4. (a) and (b) and subsection 11.(a)).

(f) **CFSA** – The Consolidated Farm Service Agency of the United States Department of Agriculture.

(g) **County** – The county or other political subdivision shown on your accepted application including land in an adjoining county, provided such land is part of a field that extends into the adjoining county and the county boundary is not readily discernable. For peanuts and quota tobacco, the county will also include any land identified by a CFSA farm serial number for the county but physically located in another county.

(h) **Crop of economic significance** – A crop that has either contributed in the previous crop year, or is expected to contribute in the current crop year, ten percent (10%) or more of the total expected value of your share of all crops in which you have an insurable share that are grown in the county. However, notwithstanding the preceding sentence, if the total expected liability under the catastrophic risk protection endorsement is equal to or less than the administrative fee required for the crop, such crop will not be considered a crop of economic significance.

(i) **FCIC** – The Federal Crop Insurance Corporation, a wholly owned Government Corporation within the Consolidated Farm Service Agency, United States Department of Agriculture.

(j) **"Insurance is available"** – Means only those crops for which the crop information is contained in the county actuarial documents.

(k) **Limited coverage** – A plan of insurance offering coverage that is equal to or greater than fifty percent (50%) of your approved yield indemnified at one hundred percent (100%) of the expected market price, or a comparable coverage as established by FCIC but less than sixty–five percent (65%) of your approved yield indemnified at one hundred percent (100%) of the expected market price, or a comparable coverage as established by FCIC.

(l) **Limited resource farmer** – A producer or operator of a small or family farm, including a new producer or operator, with an annual gross income of less than $20,000 derived from all sources of revenue for each of the prior two years and who demonstrates a need to maximize farm income. Notwithstanding the preceding sentence, a producer on a farm of less than 25 acres aggregated for all crops, where the producer derives a majority of the producer's gross income from the farm but the producer's gross income from farming operations does not exceed $20,000, will be considered a limited resource farmer.

(m) **Price election** – In lieu of any provision contained in any other policy document, price election means sixty percent (60%) of the expected market price for the 1995 through 1998 crop years, and fifty–five percent (55%) of the expected market price for the 1999 and subsequent crop years.

(n) **Secretary** – The Secretary of the United States Department of Agriculture.

(o) **Share** – In lieu of any provision contained in any other policy document, your percentage of interest in the insured crop as owner, operator, or tenant at the time coverage begins. However, only for the purpose of determining the amount of indemnity, your share will not exceed your share at the earlier of the time of loss or the beginning of harvest. Unless the accepted application clearly indicates that insurance is requested for a partnership or joint venture, insurance will only cover the crop share of the person completing the application. The share will not extend to any other person having an interest in the crop except as may otherwise be specifically allowed in this endorsement. Any acreage or interest reported by or for your spouse, child or any member of your household may be considered your share. Leases containing provisions for both a cash or minimum payment and a crop share will be considered a crop share lease.

(p) **USDA** – The United States Department of Agriculture.

2. Eligibility, Life of Policy, Cancellation, and Termination

(a) You must have one of the following policies in force to elect this Endorsement and you must have made application for catastrophic risk protection on or before the sales closing date for the crop in the county:

(1) The General Crop Insurance Policy (§ 401.8) and crop endorsement;

(2) The Common Crop Insurance Policy (§ 457.8) and crop provisions;

(3) The Group Risk Plan Policy, if available for catastrophic risk protection; or

(4) A specific named crop insurance policy.

(b) You must be a person as defined in the crop policy to be eligible for catastrophic risk protection coverage.

(c) In addition to the provisions specified in the applicable crop endorsement, crop provision, and crop insurance policy, this Endorsement will terminate for the crop year for which:

(1) You fail to pay the applicable administrative fee as specified in subsections 5.(b) and (c);

(2) You elect to purchase limited or additional coverage for the insured crop; or

(3) The applicable crop policy, to which this endorsement attaches, automatically terminates (e.g. Macadamia Tree and Nut Crop Insurance Policies must be renewed each year).

3. Unit Division

(a) This section is in lieu of the unit provisions specified in the applicable crop endorsement, crop provisions, or crop insurance policy.

(b) For catastrophic risk protection coverage, a unit will be all insurable acreage of the insured crop in the county on the date coverage begins for the crop year:

(1) In which you have one hundred percent (100%) crop share; or

(2) Which is owned by one person and operated by another person on a share basis.

(Example: If, in addition to the land you own, you rent land from five landlords, three on a crop share basis and two on a cash basis, you would be entitled to four units, one for each crop share lease and one for the two cash leases and the land you own.)

(c) Land rented for cash, a fixed commodity payment, or any consideration other than a share in the insured crop on such land will be considered as owned by the lessee.

(d) Any unit division other than stated in subsection (b) above is not allowed under this Endorsement.

4. Insurance Guarantees, Coverage Levels, and Prices for Determining Indemnities

(a) Notwithstanding any provision contained in any other policy document, for the 1995 through 1998 crop years, coverage will be equal to fifty percent (50%) of your approved yield indemnified at sixty percent (60%) of the expected market price, or a comparable coverage as established by FCIC.

(b) Notwithstanding any provision contained in any other policy document, for the 1999 and subsequent crop years, coverage will be equal to fifty percent (50%) of your approved yield indemnified at fifty–five percent (55%) of the expected market price, or a comparable coverage as established by FCIC.

(c) If the crop policy utilizes dollar coverage or other alternative methods of coverage, we will convert the dollar coverage or alternative coverage to the amount of coverage that would be available at fifty percent (50%) of your approved yield indemnified at sixty percent (60%) of the expected market price through 1998 and fifty percent (50%) of your approved yield indemnified at fifty–five percent (55%) of the expected market price for subsequent years.

(d) You may elect catastrophic coverage, on a commodity–by–commodity basis, on either an individual yield and loss basis, or an area yield and loss basis, if both options are offered in the Actuarial Table or Special Provisions.

5. Annual Premium and Administrative Fees

(a) Notwithstanding any provision contained in any other policy document, you will not be responsible to pay a premium, nor will the policy be terminated because the premium has not been paid. FCIC will pay a premium subsidy equal to the premium established for the coverage provided under this Endorsement.

(b) In return for catastrophic risk protection, you must pay an administrative fee of $50 per crop per county as follows:

(1) Each type or variety specified in subsections 6.(a) and (b), and crop acreage specified in subsection 6.(c) will be a separate insured crop to which separate administrative fees apply; and

(2) Total administrative fees for all crops insured under any combination of catastrophic coverage and limited coverage will not exceed two hundred dollars ($200) per county and six hundred dollars ($600) for all counties in which you have crops insured.

(c) Administrative fees for catastrophic coverage:

(1) Must be paid to the insurance provider at the time of application (the fee will not be refunded if you file a zero acreage report the crop year for which the application is accepted);

(2) Must be paid annually by the acreage reporting date for the applicable crop for any subsequent crop years that crop insurance is in effect (the fee will not be required if you file a bona fide zero acreage report on or before the acreage reporting date); and

(3) Will be waived for a limited resource farmer (see subsection 1.(l)).

(d) The administrative fee will be refunded if, after applying for catastrophic risk protection and paying the administrative fee, you elect to purchase additional coverage for such crop in the same county on or before the sales closing date. Administrative fees will be refunded only if you have not purchased catastrophic risk protection and limited coverage in excess of the maximum administrative fee to be paid in the applicable situation.

(e) If the administrative fee is not paid at the time of application, or by the acreage reporting date, whichever is applicable, the crop insurance contract will not be in effect for the crop year for which the fee is due and will terminate, and you will not be eligible for certain USDA programs as set out in section 11.

6. Insured Crop

The crop insured is specified in the applicable crop policy documents except as indicated in (a), (b), and (c) below:

(a) You may elect to insure the crop by type, as specified in the applicable policy documents for Stonefruit, Texas Citrus, Florida Citrus, Arizona–California Citrus, Texas Citrus Trees, and Guaranteed Tobacco. These individual crop types will be insured as separate crops.

(b) You may elect to insure your grapes grown in California by variety, as specified in the Special Provisions. These individual crop varieties will be insured as separate crops.

(c) Notwithstanding any other policy provision requiring insurance coverage on all insurable acreage of the crop in the county, if you purchase limited or additional coverage for a crop, you may separately insure acreage that has been designated as high risk land by FCIC, provided that you have executed a high risk land exclusion option under that policy and obtained a catastrophic risk protection policy with the same approved insurance provider. If both policies are in force, that acreage of the crop covered under the limited or additional coverage policy and the acreage covered under the Catastrophic Risk Protection Endorsement will be considered separate crops.

7. Replanting Payment

Notwithstanding any provision contained in any other crop insurance document, no replant payment will be paid whether or not replanting of the crop is required under the policy.

8. Claim for Indemnity

(a) If two or more insured crop types, varieties, or classes are insured within the same unit, and multiple expected market prices are applicable, the dollar amount of insurance and the dollar amount of production to be counted will be determined separately for each type, variety, class, etc., that have separate expected market prices and then added together to determine the total liability for the unit.

(b) If you are eligible to receive an indemnity under this Endorsement, and are also eligible to receive benefits for the same loss under any other USDA program, you must elect the program from which you wish to receive benefits. Only one payment or program benefit will be allowed.

9. Concealment or Fraud

Notwithstanding any provision contained in any other crop insurance document, your policy may be voided on all crops, without waiving any rights, including the right to collect any amounts due:

(a) If at any time you conceal or misrepresent any material fact or commit fraud relating to this or any other contract issued under the authority of the Federal Crop Insurance Act with any insurance provider; and

(b) The voidance will be effective as of the beginning of the crop year with respect to which such act or omission occurred. After the policy has been voided, you must make a new application to obtain catastrophic risk protection coverage for subsequent crop years.

10. Exclusion of Coverage

(a) Options or endorsements which provide additional coverage and which are available under any crop endorsement, crop provision or crop policy offered by FCIC will not be available under this Endorsement, except for the Late Planting Agreement Option. Written agreements are not available for any crop insured under this Endorsement.

(b) Notwithstanding any provision contained in any other crop insurance document, hail and fire coverage and high–risk land may not be excluded for any crop for which this Endorsement is in effect.

11. Eligibility for Other USDA Program Benefits

(a) You must obtain at least the catastrophic risk protection level of coverage for each crop of economic significance in the county in which you have an insurable share, if insurance is available in the county for the crop, to be eligible for:

(1) Price support and production adjustment programs including, but not limited to, those for tobacco, rice, extra long staple cotton, upland cotton, feed grains, wheat, peanuts, oilseeds, and sugar;

(2) Loans or any other USDA provided farm credit including guaranteed and direct farm ownership loans, operating loans, and emergency loans under the Consolidated Farm and Rural Development Act; and

(3) The Conservation Reserve Program.

(b) The requirement that you obtain catastrophic risk protection will apply to all new and amended applications, contracts and loans obtained after October 13, 1994.