Group Risk Plan (GRP) Oysters Policy
Basic Provisions

This insurance policy establishes a risk management program offered under the authority of the Federal Crop Insurance (Act) (7 U. S. C. 1501-1524).

This insurance policy is reinsured by FCIC under the provisions of the Act. All terms of the policy and rights and responsibilities of the parties are subject to the Act and all regulations published in 7 CFR chapter IV. The provisions of this policy may not be waived or modified in any way by us, our insurance agent or any other contractor or employee of ours or any employee of USDA unless the policy specifically authorizes a waiver or modification by written agreement. We will use the procedures (handbooks, manuals, memoranda, and bulletins), as issued by FCIC and published on the RMA website at http://www.rma.usda.gov/ or a successor website, in the administration of this policy. All provisions of state and local laws in conflict with the provisions of this policy as published at 7 CFR part 407 are preempted and the provisions of this policy will control. In the event that we cannot pay your loss because we are insolvent or are otherwise unable to perform our duties under our reinsurance agreement with FCIC, your claim will be settled in accordance with the provisions of this policy and FCIC will be responsible for any amounts owed. No state guarantee fund will be liable for your loss.

Throughout this policy, "you" and "your" refer to the person shown on the accepted application and "we," "us," and "our" refer to the reinsured company issuing this policy. Unless the context indicates otherwise, the use of the plural form of a word includes the singular use and the singular form of the word includes the plural.

The Group Risk Plan (GRP) is designed as a risk management tool to insure against widespread loss of production of the insured commodity in a county. It is primarily intended for use by those producers whose oyster landings tend to follow the average county oyster landings. It is possible for you to have low oyster landings in the basin that you insure and still not receive a payment under this plan.

The insurance contract shall become effective upon the acceptance by us of a duly executed application for insurance on our form. Acceptance occurs when we issue a Summary of Protection to you. The policy will consist of the accepted application, these Basic Provisions, the Special Provisions, other applicable amendments, endorsements or options, the actuarial documents for the insured agricultural commodity, the Catastrophic Risk Protection Endorsement, if applicable, and the applicable regulations published in 7 CFR chapter IV. Insurance for each agricultural commodity in each county will constitute a separate policy.

AGREEMENT TO INSURE

In return for the payment of premium and subject to all of the provisions of this policy, we agree with you to provide risk protection as stated in this policy. If there is a conflict between the Act, the regulations published at 7 CFR chapter IV, and the procedures as issued by FCIC, the order of priority is as follows: (1) the Act; (2) the regulations; (3) the procedures as issued by FCIC, with (1) controlling (2), etc. If a conflict exists among the policy provisions, the order of priority is: (1) the Catastrophic Risk Protection Endorsement, as applicable; (2) the Special Provisions; and (3) these Basic Provisions, with (1) controlling (2), etc.

Terms and Conditions

1. Definitions.

Act - Federal Crop Insurance Act (7 U.S.C. 1501-1524).

Actuarial documents - The material for the crop year that is available for public inspection in your insurance provider's local office and published on RMA web site and which shows the maximum price election per pound of oyster meat, expected county landings, average county landings, coverage levels, information needed to determine the premium rates, practices, program dates, and other related information regarding Oyster GRP of Insurance in the county.

Agricultural commodity - Any crop or other commodity produced, regardless of whether it is insurable.

Annual report - A report required by section 7 of these provisions that contains, in addition to other information, a report of your percent share of all expected county landings of oysters for the current crop year by practice and type as applicable, whether insurable or not insurable; other persons sharing in landings of oysters, if applicable; your landings from the three immediately preceding crop years; and an explanation of any changes in your oyster farming operation for the current crop year.

Annual reporting date - The date shown on the actuarial documents by which you must submit your annual report in order to be eligible for the GRP Oysters policy.

Apportioned landings - Oyster landings expressed in pounds of oyster meat established for you in accordance with these Basic Provisions, and, on which your amount of policy protection for the crop year is based. Apportioned landings are calculated at the beginning of each crop year by multiplying the expected county landings by your apportionment factor. Your apportioned landings may be adjusted for changes in your oyster farming operation as reported by you or as determined by us, whichever we elect.

Apportionment factor - The factor determined by dividing your individual average landings by the average county landings for the same period as shown on the actuarial documents and rounded to the nearest four decimal places.

Average county landings - Are shown on the actuarial documents and are the total landings from privately held oyster beds in the county for the three consecutive crop years immediately preceding the current crop year, divided by three. Average county landings are used to calculate your apportionment factor.

Billing date - The date shown on the actuarial documents by which we will bill you for the premium and administrative fee.

Cancellation date - The calendar date shown on the actuarial documents on which insurance for the next crop year will automatically renew unless the policy is canceled in writing by either you or us or terminated in accordance with policy terms.

Catastrophic risk protection - The minimum level of coverage and price election offered by FCIC. For GRP, an amount of protection equal to 65 percent of expected county landings indemnified at 45 percent of the maximum price election per pound of oyster meat shown on the actuarial documents for the practice and type, as applicable.

Code of Federal Regulations (CFR) - The codification of general and permanent rules published in the Federal Register by the Executive departments and agencies of the Federal Government. Rules published in the Federal Register by FCIC are contained in 7 CFR chapter IV. The full text of the CFR is available in electronic format at http://www.access.gpo.gov/ or a successor web site.

Contract change date - The calendar date shown on the actuarial documents by which changes to the policy, if any, will be made available in accordance with section 18 of these Basic Provisions.

County - For the purposes of these Basic Provisions, a county will consist of an oyster production basin as identified and shown on the actuarial documents. See the definition of oyster production basin.

Crop year - The twelve month period of time beginning June 1 of the calendar year in which insurance attaches and continuing through May 31 of the following calendar year.

Delinquent debt - Has the same meaning as the term defined in 7 CFR part 400, subpart U.

Dollar amount of insurance - The dollar amount obtained when the price election percentage selected by you is multiplied by the maximum price election per pound of oyster meat shown on the actuarial documents by practice and type, if applicable. The dollar amount of insurance is shown on your Summary of Protection.

ECL adjustment factor - A factor between 0.00 and 0.90 that will reduce the expected county landings. The ECL adjustment factor will be published FCIC not later than 15 days prior to the sales closing date if the underwriting analysis indicates actual oyster landings will be less than the projected oyster landings determined by the standard formula for estimating the expected county landings. The expected county landings will not be reduced by less than 10 percent. If the expected county landings are reduced, you may elect to cancel your insurance coverage provided you do so in writing on or before April 30 preceding the crop year.

Expected county landings - The projected county oyster landings in pounds of oyster meat for the crop year. The expected county landings are calculated based on oyster landings from privately held oyster beds reported by the appropriate state agency and are shown on the actuarial documents. The expected county landings may be revised up to 15 days prior to the sales closing date. See the definition of ECL adjustment factor.

FCIC - The Federal Crop Insurance Corporation, a wholly owned corporation within USDA.

FSA - The Farm Service Agency, an agency of the United States Department of Agriculture, or a successor agency.

Household - A domestic establishment including the members of a family (parents, brothers, sisters, children, spouse, grandchildren, aunts, uncles, nieces, nephews, first cousins, or grandparents, related by blood, adoption or marriage, are considered to be family members) and others who live under the same roof.

Individual average landings - Your total insurable landings from leased or owned oyster beds for the same three crop years used to calculate the average county landings as shown on the actuarial documents divided by three.

Insurance provider - The FSA or a private insurance company, including us, approved by FCIC which provides crop insurance coverage to producers participating in any Federal crop insurance program administered under the Act.

Landings - The number of pounds of oyster meat brought to dock or shore by licensed commercial and/or private fishermen.

Limited resource farmer - Has the same meaning as the term defined by USDA at http://www.lrftool.sc.egov.usda.gov/LRP-D.htm.

Net apportioned landings - Your apportioned landings multiplied by your share.

Offset - The act of deducting one amount from another amount.

Oyster production basin - A geographically defined area of water with its subsurface reefs either reserved by private leases or approved for public access primarily for use in oyster production. For the purposes of these Basic Provisions, each basin is identified as a county as shown on the actuarial documents. See the definition of county.

Payment calculation factor - For the purpose of calculating an indemnity payment, subtract the payment landings from your trigger landings and divide the result by your trigger landings.

Payment landings - The amount of landings for the crop year determined by FCIC for a county based on landings data of the state agency shown on the actuarial documents and used with the trigger landings to determine whether an indemnity will be due. In the event oyster harvests are reduced due to a cause of loss not covered by section 3 of these Basic Provisions, payment landings will be calculated by adding: (a) the actual amount of oysters harvested, for the areas not affected by the uninsured cause of loss, and (b) a three year average of the oyster landings for the period of any resulting basin closure, in the areas affected by the non-insured cause of loss. If oyster landing figures are adjusted for uninsured causes of loss, the payment landings published may differ from separately published oyster landing amounts.

Person - An individual, partnership, association, corporation, estate, trust, or other legal entity, and wherever applicable, a state or a political subdivision or agency of a state.

Policy protection - Your net apportioned landings multiplied by your dollar amount of insurance.

Producer - Persons who are actively involved in the production of oysters on the oyster production basin such as laying cultch material, planting seed oysters, moving oysters, rehabilitating reefs after storm damage, etc., and who harvest oysters under a license issued by the state. Persons who only harvest oysters are not considered a producer.

RMA's Web site - A web site hosted by the Risk Management Agency (RMA) and located at http://www.rma.usda.gov/ or a successor web site.

Sales closing date - The date shown on the county actuarial documents by which an application must be filed. Also, it is the last date by which you may change your crop insurance coverage for a crop year.

Share - Your percentage of interest in your apportioned landings of the oyster crop as an owner-operator, landlord, tenant or sharecropper at the time insurance attaches. Premium will be determined on your share as reported to us. However, only for the purpose of determining the amount of any indemnity, your insured share will not exceed your share on the annual reporting date or on the date insurance ends, whichever occurs first. See Section 7.

Subsidy - The portion of your premium, shown on the actuarial documents, that FCIC will pay in accordance with the Act.

Substantial beneficial interest - An interest held by any person of at least 10 percent in you. The spouse of any individual applicant or individual insured will be considered to have a substantial beneficial interest in the applicant or insured unless the spouses can prove they are legally separated or otherwise legally separate under state law. Any child of an individual applicant or individual insured will not be considered to have a substantial beneficial interest in the applicant or insured unless the child has a separate legal interest in such person. For example, there are two partnerships that each have a 50 percent interest in you and each partnership is made up of two individuals, each with a 50 percent share in the partnership. In this case, each individual would be considered to have a 25 percent interest in you, and both the partnerships and the individuals would have a substantial beneficial interest in you (The spouses of the individuals would not be considered to have a substantial beneficial interest unless the spouse was one of the individuals that made up the partnership). However, if each partnership is made up of six individuals with equal interests, then each would only have an 8.33 percent interest in you and although the partnership would still have a substantial beneficial interest in you, the individuals would not for the purposes of reporting in Section 17.

Summary of Protection - Our written statement to you of the oysters insured, dollar amount of insurance and amount of policy protection, premiums, and other information obtained from your accepted application, annual report, and the actuarial documents.

Termination date - The calendar date shown on the actuarial documents, on which insurance ceases to be in effect because of nonpayment of any amount due us under the policy, including premium and administrative fees.

Trigger landings - The result of multiplying the expected county landings by the coverage level percentage chosen by you. When the payment landings are less than your trigger landings, an indemnity is due. Trigger landings by coverage level are shown on the actuarial documents.

Type - Oysters having common traits or characteristics that distinguish them as a group or class from other oysters and, where applicable, are shown on the actuarial documents.

USDA - United States Department of Agriculture.

2. Insured Crop.

The insured crop will be oysters as shown on your accepted application, for which premium rates are provided by the actuarial documents, and:

(a) Landings of oysters must be for fresh market sale from your leased or owned oyster beds (Landings of oysters from public oyster reefs are not insurable);
(b) Landings of oysters must be from the county listed on your accepted application;
(c) You must report the pounds of oyster meat landings by the annual reporting date.
(d) Oyster landings must not be grown for experimental or research purposes;
(e) Landings of oysters must be in compliance with local, state and federal laws and regulations;
(f) You must provide verifiable records of your actual oyster landings, including zero landings, for the three most recent crop years ending in the previous calendar year; and
(g) You must be a producer who has a share in the oysters. You may be required to provide evidence that you are a producer. Evidence of active involvement in oyster farming includes, but is not limited to:
  (1) Records of oyster landings, in which you have a verifiable share, in accordance with state law; and
  (2) Evidence of workman-like-care of your oysters in the absence of sales such as laying cultch material, planting seed oysters, moving oysters, rehabilitating reefs after storm damage, etc. However, you must harvest your marketable oysters from your leased acreage during the crop year if oyster harvest is general in the area.

3. Causes of Loss.

The insurance provided is against only unavoidable loss of oyster landings directly caused by drought, flood, hurricane, and other natural disasters.

4. Policy Protection.

(a) When catastrophic risk protection is elected, the dollar amount of insurance per pound of oyster meat will be 45 percent of the maximum price election per pound shown on the actuarial documents. When additional coverage is elected, you may select any dollar amount of insurance from 60 percent through 100 percent of the maximum price election shown on the actuarial documents by practice and type, if applicable.
(b) The dollar amount of insurance multiplied by your insured net apportioned landings is your policy protection for each practice and type, if applicable.
(c) All landings determined for the county are based on determinations by the state agency shown on the actuarial documents, and such determinations for the county will be conclusively presumed to be accurate.
(d) Insurance for oysters will not be offered for sale if the required data for establishing the expected landings for the insurance period are not available.

5. Coverage Levels.

(a) When catastrophic risk protection is elected, the coverage level is 65 percent for each practice and type, as applicable. For additional coverage, you may select any percentage of coverage shown on the actuarial documents for practice and type, if applicable.
(b) Your coverage level multiplied by the amount of expected county landings shown on the actuarial documents for the crop year is the amount of your trigger landings. If the amount of the county payment landings published by FCIC for practice and type, if applicable, for the insured crop year falls below the amount of your trigger landings, you will receive an indemnity payment.
(c) You may change the percent of coverage level or percent of maximum price election on or before the sales closing date for the crop year in which the change will become effective. Changes must be in writing and received by us by the sales closing date.

6. Payment.

(a) We will pay you if the payment landings for the insured crop year is less than your trigger landings.
(b) The amount of payment landings will be determined by November 1 following the crop year.
(c) We will issue any payment to you by December 1 following the crop year.
(d) Your payment calculation factor will be the difference between the amount of your trigger landings and the amount of payment landings divided by the amount of your trigger landings:

$$\frac{\text{Trigger Landings} - \text{Payment Landings}}{\text{Trigger Landings}} = \text{Payment Calculation Factor } (0.000)$$

(e) Your payment is equal to the payment calculation factor multiplied by your policy protection.
(f) Your payment will not be recalculated even though the landings data of the state agency shown on the actuarial documents may be subsequently revised.
(g) If the state agency responsible for publishing landings data does not publish such data timely, any indemnity due you may be delayed.

7. Annual Report of Landings and Share.

(a) You must report on our form all insurable oyster landings in the county in which you have a share from the previous crop year (three years for new applicants).
  (1) This report must be submitted each year on or before the annual reporting date shown on the actuarial documents.
  (2) If you do not submit an annual report by the annual reporting date, we will either determine your landings and share or deny liability on the policy, whichever we elect.
  (3) You may be required to provide documentation substantiating your reported landings and crop share.
(b) You must provide all required annual reports and you are responsible for the accuracy of all information provided to us. You should verify the

information on all such reports prior to submitting them to us.

(1) Except as provided in section 7(b)(2), if you submit information on any report that is different than what is determined to be correct and such information results in:

(i) A lower amount of policy protection than the correct amount, the amount of policy protection will be the amount consistent with the reported information; or

(ii) A higher amount of policy protection than the correct amount, the information contained in the annual report will be revised to be consistent with the correct information.

(2) If your share is misreported and the share is:

(i) Under-reported, any claim will be determined using the share you reported; or

(ii) Over-reported, any claim will be determined using the share we determine to be correct.

(c) Information on the initial annual report will not be considered misreported for the purposes of section 7(b) if the annual report is revised:

(1) Because information is clearly transposed;

(2) When you provide adequate evidence that we or someone from USDA have committed an error regarding the information; or

(3) As expressly permitted by the policy.

(d) If we discover you have incorrectly reported any information on the annual report for any crop year, you will be required to provide documentation in subsequent crop years substantiating your reported landings and crop share for those crop years. If the correction of any misreported information would affect an indemnity that was paid in a prior crop year, such claim will be adjusted and you will be required to repay any overpaid amounts.

(e) You may insure only your share of the crop, which includes any share of your spouse and dependent children unless it is demonstrated to our satisfaction, prior to the sales closing date, that you and your spouse maintain completely separate farming operations and that each spouse is the operator of his or her own separate operation. Any commingling of any part of the operations will cause shares of you and your spouse to be combined.

8. Administrative Fees and Annual Premium.

(a) If you elect catastrophic risk protection, you will only pay an administrative fee, unless otherwise specified in 7 CFR part 400:

(1) Of $300 per crop per county;

(2) Payable to the insurance provider on the billing date for the crop.

(b) If you obtain additional GRP coverage, you will pay an administrative fee:

(1) Of $30 per crop per county;

(2) Payable to the insurance provider on the billing date for the crop.

(c) The administrative fee will be waived if you request it and you qualify as a limited resource farmer.

(d) For additional GRP coverage, your premium is determined by multiplying your policy protection by the premium rate per hundred dollars of protection for your coverage level shown on the actuarial documents, by 0.01, and subtracting the applicable subsidy.

(e) For both catastrophic risk protection and additional coverage, payment of an administrative fee will not be required if you file a bona fide zero share report on or before the annual reporting date (if you falsely file a zero annual report you may be subject to criminal and administrative sanctions).

(f) The annual premium is earned and payable on June 1, the date insurance attaches. You will be billed for premium and the administrative fee not earlier than the billing date shown on the actuarial documents. Premium, administrative fee, and any other amount owed us is due on the billing date and interest will accrue if the premium, administrative fee, or any other amount owed is not received by us before the first day of the month following the billing date.

(g) If the amount of premium (gross premium less premium subsidy paid on your behalf by FCIC) and administrative fee you are required to pay exceeds the amount of policy protection, coverage will not be provided (no premium or administrative fee will be due and no indemnity will be paid).

9. Written Agreements.

Terms of this policy cannot be changed by written agreements.

10. Access to Insured Crop and Record Retention.

(a) We, and any employee of USDA authorized to investigate or review any matter relating to crop insurance, have the right to examine the insured crop, any records relating to the crop and this insurance, and any records regarding mediation, arbitration or litigation involving the insured crop, at any location where such crop or records may be found or maintained, as often as reasonably required during the record retention period.

(b) You must retain, and provide upon our request, or the request of any employee of USDA authorized to investigate or review any matter relating to crop insurance, complete records pertaining to the insured crop and your landings for a period of three years after the end of the crop year or three years after the date of final payment of the indemnity, whichever is later. This requirement also applies to all such records for landings that are not insured.

(c) We, or any employee of USDA authorized to investigate or review any matter relating to crop insurance, may extend the record retention period beyond three years by notifying you of such extension in writing.

(d) By signing the application for insurance authorized under the Act or by continuing insurance for which you have previously applied, you authorize us or USDA, or any person acting for us or USDA authorized to investigate or review any matter relating to crop insurance, to obtain records relating to the production, harvesting, and disposition of the insured oyster crop from any person who may have custody of such records, including but not limited to FSA offices, banks, cooperatives, marketing associations, and accountants. You must assist in obtaining all records we or any employee of USDA authorized to investigate or review any matter relating to crop insurance request from third parties.

(e) Failure to provide access to the insured crop or the farm, maintain or provide any required records, authorize access to the records maintained by third parties, or assist in obtaining all such records will result in a determination that no indemnity is due for the crop year in which such failure occurred.

11. Transfer of Coverage and Right to Indemnity.

If you transfer any part of your share during the crop year, you may transfer your coverage rights, if the transferee is eligible for crop insurance.

(a) We will not be liable for any more than the liability determined in accordance with your policy that existed before the transfer occurred.

(b) The transfer of coverage rights must be on our form and will not be effective until approved by us in writing.

(c) Both you and the transferee are jointly and severally liable for payment of the premium.

(d) The transferee has all rights and responsibilities under this policy consistent with the transferee's interest.

12. Assignment of Indemnity.

You may assign to another person your right to an indemnity for the crop year. The assignment must be on our form and will not be effective until approved in writing by us.

13. Other Insurance.

Nothing in this section prevents you from obtaining other insurance not authorized under the Act. However, unless specifically required by these provisions, you must not obtain any other crop insurance authorized under the Act on your share of the insured crop.

(a) If you cannot demonstrate that you did not intend to have more than one policy in effect, you may be subject to the consequences authorized under this policy, the Act, or any other applicable statute.

(b) If you can demonstrate that you did not intend to have more than one policy in effect (For example, an application to transfer your policy or written notification to an insurance provider that states you want to purchase, or transfer, insurance and you want any other policies for the crop canceled would demonstrate you did not intend to have duplicate policies), and:

(1) One is for additional coverage and the other is for catastrophic risk protection:

(i) The policy with additional coverage will apply if both policies are with the same insurance provider or, if not, both insurance providers agree; or

(ii) The policy with the earliest date of application will be in force if both insurance providers do not agree; or

(2) Both are policies with additional coverage elected regardless of amount or both have catastrophic risk protection elections, the policy with the earliest date of application will be in force and the other policy will be void, unless both policies are with:

(i) The same insurance provider and the insurance provider agrees otherwise; or

(ii) Different insurance providers and both insurance providers agree otherwise.

14. Restrictions, Limitations, and Amounts Due Us.

(a) Violation of Federal statutes including, but not limited to, the Act; the controlled substance provisions of the Food Security Act of 1985; the Food, Agriculture, Conservation, and Trade Act of 1990; and the Omnibus Budget Reconciliation Act of 1993, and any regulation promulgated there under, will result in cancellation, termination, or voidance of your crop insurance contract. We will recover any and all monies paid to you or received by you during your period of ineligibility, and your premium will be refunded, less a reasonable amount for expenses and handling not to exceed 20 percent of the premium paid or to be paid by you.

(b) Our maximum liability under this policy will be limited to the policy protection provided in section 4 of these Basic Provisions.

(c) Interest will accrue at the rate not to exceed 1.25 percent simple interest per calendar month, or any part thereof, on any unpaid premium or administrative fee balance. For the purpose of premium and administrative fee amounts due us, interest will begin to accrue on the first day of the month following the premium billing date shown on the actuarial documents.

(d) For the purpose of any amounts due us, such as repayment of indemnities found not to have been earned, interest will start to accrue on the date that notice is issued to you for the collection of the unearned amount.

(1) Amounts found due under this paragraph will not be charged interest if payment in full is made within 30 days of issuance of notice by us.

(2) The amount will be considered delinquent if not paid in full within 30 days of the date the notice is issued by us.

(e) All amounts paid will be applied first to expenses of collection (see section 14(g)) if any, second to reduction of accrued interest, and then to reduction of the principal balance.

(f) If we determine that it is necessary to contract with a collection agency or to employ an attorney to assist in collection, you agree to pay all of the expenses of collection.

(g) A portion of the amount paid to you to which you were not entitled may be collected through administrative offset from payments you receive from United States government agencies in accordance with 31 U.S.C. chapter 37.

(h) We will pay simple interest computed on the net indemnity ultimately found to be due by us or determined by a final judgment of a court of competent jurisdiction or a final administrative determination from, and including, the 61st day after the date we determine the payment landings.

(1) Interest will be paid only if the reason for our failure to timely pay is not due to your failure to provide information or other material necessary for the computation or payment of the indemnity.

(2) The interest rate will be that established by the Secretary of the Treasury under Section 12 of the Contract Disputes Act of 1978 (41 U.S.C. 611 *et seq.*), and published in the Federal Register.

15. Mediation, Arbitration, Appeals, and Administrative and Judicial Review.

(a) If you and we fail to agree on any determination made by us except those specified in section 15(d) or (e), the disagreement may be resolved through mediation in accordance with section 15(g). If resolution cannot be reached through mediation, or you and we do not agree to mediation, the disagreement must be resolved through arbitration in accordance with the rules of the American Arbitration Association (AAA), except as provided in sections 15(c) and (f), and unless rules are established by FCIC for this purpose. Any mediator or arbitrator with a familial, financial or other business relationship to you or us, or our agent or loss adjuster, is disqualified from hearing the dispute.

(1) All disputes involving determinations made by us, except those specified in section 15(d) or (e), are subject to mediation or arbitration. However, if the dispute in any way involves a policy or procedure interpretation, regarding whether a specific policy provision or procedure is applicable to the situation, how it is applicable, or the meaning of any policy provision or procedure, either you or we must obtain an interpretation from FCIC in accordance with 7 CFR part 400, subpart X or such other procedures as established by FCIC.

(i) Any interpretation by FCIC will be binding in any mediation or arbitration.

(ii) Failure to obtain any required interpretation from FCIC will result in the nullification of any agreement or award.

(iii) An interpretation by FCIC of a policy provision is considered a rule of general applicability and is not appealable. If you disagree with an interpretation of a policy provision by FCIC, you must obtain a Director's review from the National Appeals Division in accordance with 7 CFR 11.6 before obtaining judicial review in accordance with section 15(e).

(iv) An interpretation by FCIC of a procedure may be appealed to the National Appeals division in accordance with 7 CFR part 11.

(2) Unless the dispute is resolved through mediation, the arbitrator must provide to you and us a written statement describing the issues in dispute, the factual findings, the determinations and the amount and basis for any award and breakdown by claim for any award. The statement must also include any amounts awarded for interest. Failure of the arbitrator to provide such written statement will result in the nullification of all determinations of the arbitrator. All agreements reached through settlement, including those resulting from mediation, must be in writing and contain at a minimum a statement of the issues in dispute and the amount of the settlement.

(b) Regardless of whether mediation is elected:

(1) The initiation of arbitration proceedings must occur within one year of the date we denied your claim or rendered the determination with which you disagree, whichever is later;

(2) If you fail to initiate arbitration in accordance with section 15(b)(1) and complete the process, you will not be able to resolve the dispute through judicial review;

(3) If arbitration has been initiated in accordance with section 15(b)(1) and completed, and judicial review is sought, suit must be filed not later than one year after the date the arbitration decision was rendered; and

(4) In any suit, if the dispute in any way involves a policy or procedure interpretation, regarding whether a specific policy provision or procedure is applicable to the situation, how it is applicable, or the meaning of any policy provision or procedure, an interpretation must be obtained from FCIC in accordance with 7 CFR part 400, subpart X or such other procedures as established by FCIC. Such interpretation will be binding.

(c) Any decision rendered in arbitration is binding on you and us unless judicial review is sought in accordance with section 15(b)(3). Notwithstanding any provision in the rules of the AAA, you and we have the right to judicial review of any decision rendered in arbitration.

(d) If you do not agree with any determination made by us or FCIC regarding whether you have used a good farming practice, you may request reconsideration by FCIC of this determination in accordance with the reconsideration process established for this purpose and published at 7 CFR part 400, subpart J (Reconsideration).

(1) You must complete reconsideration before filing suit against FCIC and any such suit must be brought in the United States district court for the district in which the insured farm is located.

(2) Suit must be filed not later than one year after the date of the decision rendered in the reconsideration.

(3) You cannot sue us for determinations of whether good farming practices were used by you.

(e) Except as provided in section 15(d), if you disagree with any other determination made by FCIC or any claim where FCIC is directly involved in the claims process or directs us in the resolution of the claim, you may obtain an administrative review in accordance with 7 CFR part 400, subpart J (administrative review) or appeal in accordance with 7 CFR part 11 (appeal).

(1) If you elect to bring suit after completion of any appeal, such suit must be filed against FCIC not later than one year after the date of the decision rendered in such appeal.

(2) Such suit must be brought in the United States district court for the district in which the insured acreage is located.

(3) Under no circumstances can you recover any attorney fees or other expenses, or any punitive, compensatory or any other damages from FCIC.

(f) In any mediation, arbitration, appeal, administrative review, reconsideration or judicial process, the terms of this policy, the Act, and the regulations published at 7 CFR chapter IV, including the provisions of 7 CFR part 400, subpart P, are binding. Conflicts between this policy and any state or local laws will be resolved in accordance with section 31. If there are conflicts between any rules of the AAA and the provisions of your policy, the provisions of your policy will control.

(g) To resolve any dispute through mediation, you and we must both:

(1) Agree to mediate the dispute;

(2) Agree on a mediator; and

(3) Be present, or have a designated representative who has authority to settle the case present, at the mediation.

(h) Except as provided in section 15(i), no award or settlement in mediation, arbitration, appeal, administrative review or reconsideration process or judicial review can exceed the amount of liability established or which should have been established under the policy, except for interest awarded in accordance with section 15(i).

(i) In a judicial review only, you may recover attorneys fees or other expenses, or any punitive, compensatory or any other damages from us only if you obtain a determination from FCIC that we, our agent or loss adjuster failed to comply with the terms of this policy or procedures issued by FCIC and such failure resulted in you receiving a payment in an amount that is less than the amount to which you were entitled. Requests for such a determination should be addressed to the following: USDA/RMA/Deputy Administrator of Compliance/Stop 0806, 1400 Independence Avenue, S.W., Washington, D.C., 20250-0806.

(j) If FCIC elects to participate in the adjustment of your claim, or modifies, revises or corrects your claim, prior to payment, you may not bring an arbitration, mediation or litigation action against us. You must request administrative review or appeal in accordance with section 15(e).

16. Holidays and Weekends.

If any date specified in this program falls on Saturday, Sunday, or a legal Federal holiday, that date will be extended to the next business day.

17. Life of Policy, Cancellation, and Termination.

(a) This is a continuous policy and will remain in effect for each crop year following the acceptance of the original application until canceled by you in accordance with the terms of the policy or terminated by operation of the terms of the policy or by us.

(b) Your application for insurance must contain your social security number (SSN) if you are an individual or employer identification number (EIN) if you are a person other than an individual, and all SSNs and EINs, as applicable, of all persons with a substantial beneficial interest in you, the per cent level of coverage, dollar amount of insurance, crop, plan of insurance, and any other material information required on the application to insure the crop. If you or someone with a substantial beneficial interest is not legally required to have a SSN or EIN, you must request and receive an identification number for the purposes of this policy from us or the Internal Revenue Service (IRS) if such identification number is available from the IRS. If any of the information regarding persons with a substantial beneficial interest changes during the crop year, you must revise your application by the next sales closing date applicable under your policy to reflect the correct information.

(1) Applications that do not contain your SSN, EIN or identification number, or any of the other information required in section 17(b) are not acceptable and insurance will not be provided (Except if you fail to report the SSNs, EINs or identification numbers of persons with a substantial beneficial interest in you, the provisions in section 17(b)(2) will apply);

(2) If the application does not contain the SSNs, EINs or identification numbers of all persons with a substantial beneficial interest in you, you fail to revise your application in accordance with section 17(b), or the reported SSNs, EINs or

identification numbers are incorrect and the incorrect SSN, EIN or identification number has not been corrected by the acreage reporting date, and:

(i) Such persons are eligible for insurance, the amount of policy protection for all crops included on this application will be reduced proportionately by the percentage interest in you of such persons, you must repay the amount of indemnity that is proportionate to the interest of the persons whose SSN, EIN or identification number was unreported or incorrect for such crops, and your premium will be reduced commensurately; or

(ii) Such persons are not eligible for insurance, except as provided in section 17(b)(3), the policy is void and no indemnity will be owed for any crop included on this application, and you must repay any indemnity that may have been paid for such crops. If previously paid, the balance of any premium and any administrative fees will be returned to you, less twenty percent of the premium that would otherwise be due from you for such crops. If not previously paid, no premium or administrative fees will be due for such crops.

(3) The consequences described in section 17(b)(2)(ii) will not apply if you have included an ineligible person's SSN, EIN or identification number on your application and do not include the ineligible person's share on the acreage report.

(c) After our acceptance of the application, you may not cancel this policy for the initial crop year unless the expected county landings are reduced by 10% or more. Thereafter, the policy will continue in force for each succeeding crop year unless canceled or terminated as provided below.

(d) Either you or we may cancel this policy after the initial crop year by providing written notice to the other on or before the cancellation date shown on the actuarial tables. You may cancel this policy on or before April 30 preceding the crop year if the expected county landings are reduced by 10% or more.

(e) Any amount due to us for any policy authorized under the Act will be offset from any indemnity due you for this or any other crop insured with us.

(1) Even if your claim has not yet been paid, you must still pay the premium and administrative fee on or before the termination date for you to remain eligible for insurance.

(2) If we offset any amount due us from an indemnity owed to you, the date of payment for the purpose of determining whether you have a delinquent debt will be the date we determine the payment landings for the applicable crop year.

(f) A delinquent debt for any policy will make you ineligible to obtain crop insurance authorized under the Act for any subsequent crop year and result in termination of all policies in accordance with section 17(f)(2).

(1) With respect to ineligibility:

(i) Ineligibility for crop insurance will be effective on:

(A) The date that a policy was terminated in accordance with section 17(f)(2) for the crop for which you failed to pay premium, an administrative fee, or any related interest owed, as applicable;

(B) The payment due date contained in any notification of indebtedness for any overpaid indemnity, if you fail to pay the amount owed, including any related interest owed, as applicable, by such due date;

(C) The termination date for the crop year prior to the crop year in which a scheduled payment is due under a payment agreement if you fail to pay the amount owed by any payment date in any agreement to pay the debt; or

(D) The termination date the policy was or would have been terminated under sections 17(f)(2)(i)(A), (B), or (C) if your bankruptcy petition is dismissed before discharge.

(ii) If you are ineligible and a policy has been terminated in accordance with section 17(f)(2), you will not receive any indemnity, and such ineligibility and termination of the policy may affect your eligibility for benefits under other USDA programs. Any indemnity that may be owed for the policy before it has been terminated will remain owed to you, but may be offset in accordance with section 17(e), unless your policy was terminated in accordance with sections 17(f)(2)(i)(D) or (E).

(2) With respect to termination:

(i) Termination will be effective on:

(A) For a policy with unpaid administrative fees or premiums, the termination date immediately subsequent to the billing date for the crop year;

(B) For a policy with other amounts due, the termination date immediately following the date you have a delinquent debt;

(C) For each policy for which the termination date has passed before you become ineligible, the termination date immediately following the date you become ineligible;

(D) For execution of an agreement to pay any amounts owed and failure to make any scheduled payment, the termination date for the crop year prior to the crop year in which you failed to make the scheduled payment; or

(E) For dismissal of a bankruptcy petition before discharge, the termination date the policy was or would have been terminated under sections 17(f)(2)(i)(A), (B), or (C).

(ii) For all policies terminated under sections 17(f)(2)(i)(D) and (E), any indemnities paid subsequent to the termination date must be repaid.

(iii) Once the policy is terminated, it cannot be reinstated for the current crop year unless the termination was in error. Failure to timely pay because of illness, bad weather, or other such extenuating circumstances is not grounds for reinstatement in the current crop year.

(3) To regain eligibility, you must:

(i) Repay the delinquent debt in full;

(ii) Execute an agreement to pay any amounts owed and make payments in accordance with the agreement (We will not enter into an agreement with you to pay the amounts owed if you have previously failed to make a scheduled payment under the terms of any other agreement to pay with us or any other insurance provider); or

(iii) File a petition to have your debts discharged in bankruptcy (Dismissal of the bankruptcy petition before discharge will terminate all policies in effect retroactive to the date your policy would have been terminated in accordance with section 17(f)(2)(i));

(4) After you become eligible for crop insurance, if you want to obtain coverage for your crops, you must submit a new application on or before the sales closing date for the crop (Since applications for crop insurance cannot be accepted after the sales closing date, if you make any payment after the sales closing date, you cannot apply for insurance until the next crop year);

(5) For example, for the 2009 crop year, if crop A, with a termination date of October 31, 2009, and crop B, with a termination date of March 15, 2010, are insured and you do not pay the premium for crop A by the termination date, you are ineligible for crop insurance as of October 31, 2009, and crop A's policy is terminated as of that date. Crop B's policy does not terminate until March 15, 2010, and an indemnity for the 2009 crop year may still be owed. If you enter an agreement to repay amounts owed on September 25, 2010, the earliest date by which you can obtain crop insurance for crop A is to apply for crop insurance by the October 31, 2010, sales closing date and for crop B is to apply for crop insurance by the March 15, 2011, sales closing date. If you fail to make a payment that was scheduled to be made on April 1, 2011, your policy will terminate as of October 31, 2010, for crop A, and March 15, 2011, for crop B, and no indemnity will be due for that crop year for either crop. You will not be eligible to apply for crop insurance for any crop until after the amounts owed are paid in full or you file a petition to discharge the debt in bankruptcy.

(6) If you are determined to be ineligible under section 17(f), persons with a substantial beneficial interest in you may also be ineligible until you become eligible again.

(g) If you die, disappear, or are judicially declared incompetent, or if you are an entity other than an individual and such entity is dissolved, the policy will terminate as of the date of death, judicial declaration, or dissolution. If such event occurs after coverage begins for any crop year, the policy will continue in force through the crop year and terminate at the end of the insurance period and any indemnity will be paid to the person or persons determined to be beneficially entitled to the indemnity. The premium will be deducted from the indemnity or collected from the estate. Death of a partner in a partnership will dissolve the partnership unless the partnership agreement provides otherwise. If two or more persons having a joint interest are insured jointly, death of one of the persons will dissolve the joint entity.

(h) We may cancel your policy if no premium is earned for 3 consecutive years.

(i) The cancellation and termination dates are shown on the actuarial documents.

18. Contract Changes.

(a) We may change any terms and conditions of this policy from year to year.

(b) Any changes in policy provisions, expected county landings, maximum price election, premium rates, and program dates (except as allowed herein) can be viewed on the RMA Web site not later than the contract change date. We may only revise this information after the contract change date to correct clear errors (For example, the maximum price election was announced at $3,000.00 per pound of meat instead of $3.00 per pound), except we may publish an ECL adjustment factor consistent with the defined term in section 1 of these Basic Provisions, which will reduce the expected county landings.

(c) After the contract change date, all changes specified in section 18(b) will also be available upon request from your crop insurance agent.

(1) You will be provided, in writing, a copy of the changes to these provisions not later than 30

days prior to the cancellation date for the insured crop.

(2) Acceptance of the changes will be conclusively presumed in the absence of notice from you to change or cancel your insurance coverage.

19. Eligibility for Other Farm Program Benefits.

To remain eligible for benefits under the Agriculture Marketing Transition Act, the conservation reserve program, or certain farm loans, you are required to obtain at least the catastrophic level of coverage for either GRP or any other plan of insurance that is available in the county, for all crops of economic significance, or execute a waiver of your rights to any emergency crop assistance on or before the sales closing date for the crop.

20. Remedial Sanctions.

If you willfully and intentionally provide false or inaccurate information to us or FCIC or you fail to comply with a requirement of FCIC, in accordance with 7 CFR part 400, subpart R, FCIC may impose on you:

(a) A civil fine for each violation in an amount not to exceed the greater of:

(1) The amount of the pecuniary gain obtained as a result of the false or inaccurate information provided or the noncompliance with a requirement of this title; or

(2) $10,000; and

(b) A disqualification for a period of up to 5 years from receiving any monetary or non-monetary benefit provided under each of the following:

(1) Any crop insurance policy offered under the Act;

(2) The Farm Security and Rural Investment Act of 2002 (7 U.S.C. 7333 *et seq.*);

(3) The Agricultural Act of 1949 (7 U.S.C. 1421 *et seq.*);

(4) The Commodity Credit Corporation Charter Act (15 U.S.C. 714 *et seq.*);

(5) The Agricultural Adjustment Act of 1938 (7 U.S.C. 1281 *et seq.*);

(6) Title XII of the Food Security Act of 1985 (16 U.S.C. 3801 *et seq.*);

(7) The Consolidated Farm and Rural Development Act (7 U.S.C. 1921 *et seq.*); and

(8) Any federal law that provides assistance to a producer of an agricultural commodity affected by a crop loss or a decline in the prices of agricultural commodities.

An Example to Demonstrate How GRP Works

Producer A buys 90 percent coverage level and selects 80 percent of the maximum price election per pound of oyster meat. Producer B buys 75 percent coverage level and selects 100 percent of the maximum price election per pound. Both producers have 100 percent share in their oyster landings. With $4.50 as the maximum price election shown on the actuarial documents, Producer A's dollar amount of insurance is calculated to be $3.60 ($4.50 x .80) per pound and Producer B's is $4.50 ($4.50 x 1.00).

Producer A's apportioned landings are 30,000 pounds of oyster meat and B's apportioned landings are also 30,000 pounds. The expected county landings are 2,200,000 pounds of oyster meat. The unsubsidized premium rate for 90 percent coverage is $6.00 per hundred dollars of policy protection and the premium rate for 75 percent coverage is $4.30 per hundred dollars of policy protection.

A's policy protection is $108,000 (30,000 pounds x 100% share x $3.60 dollar amount of insurance per pound) and the total premium due is $6,480.00 ($108,000 at $6.00 per $100 of coverage). Of that premium amount, FCIC pays $3,564 (55% subsidy at the 90% level). A's net premium is $2,916 plus $30 administrative fee.

B's policy protection is $135,000 (30,000 pounds x 100% share x $4.50 dollar amount of insurance per pound of oyster meat) and the total premium is $5,805 ($90,000 x $4.30 per $100). Of that premium FCIC pays $3,715.20 (64% subsidy at the 75% level). B's net premium is $2,089.80 plus $30 administrative fee.

The expected county landings is 2,200,000 pounds. A's trigger landings is 1,980,000 pounds (2,200,000 pounds x 90% level) and for B it is 1,650,000 pounds (2,200,000 x 75% level). If the amount of payment landings for the county is determined by FCIC to be 925,000 pounds, Producers A and B will be qualified for a payment.

Producer A will receive a payment of $57,545.45 computed as follows:

$$\text{Payment Calculation Factor} = \frac{\text{Trigger landings} - \text{Payment landings}}{\text{Trigger Landings}}$$

$$\text{Payment Calculation Factor} = \frac{1{,}980{,}000\text{lbs} - 925{,}000\text{lbs}}{1{,}980{,}000\text{lbs}} = .533$$

A's Policy Protection	$108,000
Payment Calculation Factor	x .533
Indemnity	$57,545.45

Producer B will receive a payment of $59,318.18 calculated as follows:

$$\text{Payment Calculation Factor} = \frac{\text{Trigger landings} - \text{Payment landings}}{\text{Trigger Landings}}$$

$$\text{Payment Calculation Factor} = \frac{1{,}650{,}000\text{lbs} - 925{,}000\text{lbs}}{1{,}650{,}000\text{lbs}} = .439$$

B's Policy Protection	$135,000
Payment Calculation Factor	x .439
Indemnity	$59,318.18

Loss Scenario 1 (likely)

FCIC issues a payment landings of 2,000,000 pounds of oyster meat for the county. This is above both producers' trigger landings, so no indemnity payment is made, even if one or both have actual individual landings for the crop year that are below the trigger landings.

Loss Scenario 2 (less likely)
FCIC issues a payment landing of 1,800,000 pounds of oyster meat. A's payment calculation factor is 0.091 ((1,980,000 – 1,800,000) / 1,980,000). This factor multiplied by the policy protection results in an indemnity payment of $9,828.00 (.091 x $108,000). B's trigger landings of 1,650,000 lbs. is less than the payment landings, so no indemnity payment is made.

Loss Scenario 3 (least likely) FCIC issues a payment landings of 925,000 pounds of oyster meats for the County. Both A and B will qualify for payments as detailed in the examples above.