

COP SUMMARY OF CHANGES TO THE PREVENTED PLANTING LOSS ADJUSTMENT STANDARDS HANDBOOK

- 1 The FCIC 25370 Prevented Planting (PP) Loss Adjustment Standards Handbook (LASH), in general, applies to the Cost of Production (COP) Insurance program. All sections, definitions, and exhibits contained in the PP LASH apply to COP Insurance EXCEPT as specifically identified in instructions and changes listed below.
- 2 As a general rule, when working a PP claim for the COP Insurance program and referring to a specific section, paragraph and/or subparagraph of the PP LASH, the following references, terms and/or terminology specific to COP should replace or be substituted for the existing references, terms and/or terminology as noted below.
 - A References to price election and/or production guarantee should be substituted with the words “covered expenses,” as appropriate for the COP Insurance program.
 - B References to the Basic Provisions should be substituted with “COP Basic Provisions,” as appropriate for the COP Insurance program.
- 3 References to the Crop Insurance Handbook (CIH) should be substituted with the words, “Cost of Production (COP) Pilot Program General Underwriting Guide,” as appropriate for the COP Insurance program.
- 4 References to “replant payment(s)” should be replaced with “an increase in covered expenses due to replanting” as appropriate (including section 9) for the COP Insurance program.
- 5 For COP Insurance, the PP payment will be “that portion of the covered expenses per acre which have been expended and/or documented at the time of loss inspection.” Therefore, references to PP coverage-level percentage, percentage of the production guarantee, or any specified percentage figure are not applicable for the COP Insurance program.
- 6 References to approved insurance plans (where insurance plans are specified) should include COP Insurance, as appropriate.
- 7 Catastrophic Risk Protection (CAT) coverage is not available under the COP Insurance program; therefore, all references to CAT in the PP LASH are not applicable to COP.
- 8 In section 4 A, where a list of crops eligible for PP coverage is provided, only those crops approved for the COP Insurance pilot program are eligible for the specific PP coverage available under the COP Insurance program. These include corn, AUP cotton, onions, rice, soybeans, and wheat.
- 9 Section 4 F (6) is not applicable to COP Insurance.

10 When working a PP claim for COP Insurance, add the following language to Section 6 C: “Verify against the Covered Expenses Worksheet that the expenses claimed have been expended by the date of loss inspection.”

11 For the COP Insurance program, the following Section 6 F (1) applies:

(1) Enterprise units and within each unit, separate line entries for differing practices, types, varieties, shares, and risk classifications (as appropriate). For whole farm units, a separate line entry is required for each crop and for each crop with differing practices, types, varieties, shares, and risk classification.

12 Section 10A through 10D: Do not use PP codes PF, PT, PFP and PTP for COP claims in this section and elsewhere stated in the PP LASH.

13 For the COP Insurance program, the following Section 10E “PP Payment Calculation” applies as follows.

“The COP Insurance PP payment is based on that portion of the covered expenses per acre, which have been expended at the time of loss. The COP Insurance PP payment is considered a separate payment from an indemnity payment. The COP Insurance PP payment is determined as follows:

- that portion of the per-acre covered expenses expended X;
- the number of eligible PP acres in the unit X; and
- the insured’s share.”

14 For the COP Insurance program, the following Section 10G applies:

“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 have 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.”

15 For the COP Insurance program, the following Section 11E applies:

EXAMPLE: An insured with 100% share in all crops plants 75 acres of Unit 00100 to corn and is prevented from planting 25 acres. The adjuster determines that there are 75 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 insured crop(s) that will result in the PP payment most similar (closest) to corn. The corn Unit 00100 per acre PP amount is \$146.25. The insured also has soybeans and fall wheat for the same crop year on the policy.

The per-acre PP covered expenses are:

Soybeans	00100	\$123.75
Fall Wheat	00100	\$40.50

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

Corn = 75.0 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 = 75.0 eligible PP acres minus 75.0 planted acres = 0 acres
Soybeans = 47.0 eligible acres minus 27.0 planted acres = 20 acres
Fall Wheat = 105.4 eligible acres minus 100.4 planted acres = 5 acres

Unit 00100 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 insured crop. The most similar (closest) payment is on unit 00100 (wheat at \$40.50). The insured would be paid a PP payment on the following crop units as follows:

Soybeans unit 00100 = 20 acres X \$123.75 = \$2475.00
Wheat unit 00100 = 5 acres X \$40.50 = \$202.50

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 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).

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 00100 corn).

When preparing the claim form for the PP payment for each crop unit for which 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 units.

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. When determining the per-acre PP payment amount most similar (closest) to the qualifying crop's PP payment 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 date, eligible acres are based on the total of all wheat types; however, payment is based on the spring type only.

16 Section 12 is currently not applicable to COP Insurance.