

GROUP RISK PLAN FOR OYSTERS STANDARDS HANDBOOK

**2009 and Succeeding Crop Years
Handbook Number: 20120**

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**OYSTER GROUP RISK PLAN OF INSURANCE (GRP) STANDARDS HANDBOOK
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1. INTRODUCTION

This handbook identifies procedural requirements for servicing Oyster Group Risk Plan of Insurance (GRP) policies. These procedures supplement the general (not crop-specific) procedures, forms, and manuals for loss adjustment identified in the Loss Adjustment Manual (LAM).

- A. The Group Risk Plan of Insurance is a risk management tool offered by the Federal Crop Insurance Corporation (FCIC) as an alternative program to the Actual Production History (APH) plan of insurance.
- B. This Handbook and the Oyster Group Risk Plan of Insurance Provisions provide information needed for those involved with oyster GRP. Because of the broad scope of information covered by this handbook, references are made to other handbooks, procedures, or the oyster GRP provisions as appropriate.

2. SPECIAL INSTRUCTIONS

This handbook remains in effect until superseded by reissuance of either the entire handbook or selected portions (through slip-sheets or bulletins).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

A. DISTRIBUTION

The following is the minimum distribution of forms:

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

(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 that are general (not crop specific) to loss adjustment are identified in the LAM.

(2) Terms, abbreviations, and definitions specific to oyster GRP and this handbook, which are not defined in this section, are defined as they appear in the text.

Actuarial documents

The material for the crop year which is available for public inspection in the insurance provider's local office and published on RMA's 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 Group Risk Plan of Insurance in the county.

Annual Report

A report required by the oyster policy that contains, in addition to other information, a report of the insured's 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;

the insured's landings from the three immediately preceding crop years; and an explanation of any changes in the insured's oyster farming operation for the current crop year.

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| Annual reporting date | The date shown on the actuarial documents by which the insured must submit the annual report in order to be eligible for Oyster Group Risk Plan of Insurance. |
| Apportioned landings | The landings expressed in pounds of oyster meat on which the insured's amount of oyster policy protection for the crop year is based. Apportioned landings are calculated at the beginning of each crop year by dividing the average of the insured's actual oyster landings for the three consecutive crop years immediately preceding the current calendar year by the average county landings shown on the actuarial documents for the same period and multiplying that quotient by the expected county landings to determine the insured's apportioned landings. The insured's apportioned landings may be adjusted for changes in the oyster farming operation as reported by the insured 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. |
| 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. |
| County | For oyster insurance purposes, 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. |
| 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 the 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.

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| Individual average landings | The oyster producers total insurable landings from leased or owned oyster beds for the three consecutive crop years immediately preceding the current calendar year divided by three. |
| Landings | The number of pounds of oyster meat brought to dock or shore by licensed commercial and/or private fishermen. |
| Net apportioned landings | Apportioned landings multiplied by the insured's share. |
| 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 oyster insurance purposes, 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 the insured's trigger landings and divide the result by the insured's 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 the policy, 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 we publish may differ from separately published oyster landing amounts. |
| Policy protection | The insured's net apportioned landings multiplied by the insured's dollar amount of insurance. |
| Trigger landings | The result of multiplying the expected county landings by the coverage level percentage chosen by the insured. When the payment landings are less than the trigger landings, an indemnity is due. Trigger landings by coverage level are shown on the actuarial documents. |

(3) Abbreviations:

| | |
|-------------|------------------------------------|
| CAT | Catastrophic Risk Protection |
| FCIC | Federal Crop Insurance Corporation |
| GRP | Group Risk Plan |
| MPCI | Multiple Peril Crop Insurance |
| RMA | Risk Management Agency |

3. INSURANCE CONTRACT INFORMATION

A. GENERAL INFORMATION

Oyster GRP coverage is based on the experience of both the county landings and the Insured's landings. Like other GRP programs, oyster GRP coverage uses an index to represent the harvest of oysters for each oyster producer. The index is based on the total number of pounds of oysters harvested from an oyster production basin. The coverage apportions the average oyster production basin harvest to oyster producers in proportion to their contribution to the average. It creates the amount of insurance each producer may purchase using simple apportionment. Oyster producers can purchase an insurance guarantee from 65-90 percent of the expected county landings of oysters from the oyster production basin. The program indemnifies policy holders when payment landings are less than the insured's trigger landings. FCIC will issue the payment landings for the county following the end of the insured crop year.

B. INSURABILITY

The insurance provider must determine that the insured has complied with all policy provisions of the insurance contract. Oyster GRP provisions which are to be considered in this determination include (but are not limited to):

- (1) Oyster GRP insurance is available ONLY in the states and counties listed on the actuarial documents.
- (2) Oyster GRP is a continuous contract unless canceled in writing by either the insured or the insurance provider by the cancellation date shown on the actuarial documents.
- (3) More than one GRP offer (the practices and/or types listed for oysters in the actuarial documents) may be available in a county. If more than one offer (practice and/or type) is available in a county, the insured must insure ALL of his/her oysters under the respective offer (practice and/or type) actually carried out.
- (4) GRP coverage consists of the following requirements:
 - (a) Coverage is to be provided in accordance with the terms of the Oyster Group Risk Plan of Insurance Provisions.
 - (b) Unless otherwise specifically allowed by the Oyster Group Risk Plan of Insurance Provisions or actuarial documents, an insured producer CANNOT insure oysters in the same crop year through any other federally subsidized multiple peril crop insurance program in counties where they carry oyster GRP coverage.

Exception - GRP policyholders may insure oysters in the same county and crop year under an Adjusted Gross Revenue (AGR) policy.
 - (c) Catastrophic Risk Protection (CAT) coverage is available for GRP oysters. Refer to the actuarial documents.
 - (d) Protection is limited to the maximum price election per pound of oyster meat shown on the actuarial documents.
 - (e) For each GRP offer (practice/type):
 - 1 Indemnity payments are calculated independently and are not offsetting.
 - 2 The insured must choose a percent of the maximum price election.

- 3 The insured must choose a coverage level percent.
 - 4 The insured oyster farmer must report by the annual reporting date ALL landings of insurable oysters in the county in which the insured has a share, from the previous crop year (new insureds must report landings for the three previous crop years).
- (5) Applicants are required to sign a disclaimer form at the time of application. Refer to the blank disclaimer form (exhibits 3A and 3B) at the end of this handbook.
- (6) The following coverage's DO NOT apply to oyster GRP:
- (a) Hail and fire exclusion provisions;
 - (b) High-risk land exclusion provisions;
 - (c) Late planting provisions;
 - (d) Replant requirements;
 - (e) Replanting payment provisions;
 - (f) Prevented planting provisions;
 - (g) Experience adjustment factors; or
 - (h) Optional, basic, whole farm, or enterprise unit provisions.

C. INSURABILITY OF OYSTERS

- (1) Refer to the Oyster Group Risk Plan of Insurance Provisions for specific definitions (i.e., apportioned landings, apportionment factor, average county landings, expected county landings, etc.)
- (2) The insured crop will be oysters as listed on the accepted application, and for which premium rates are provided by the actuarial documents.
 - (a) Oysters must be grown on leased or owned oyster beds in the county. Landings of oysters from public oyster reefs are not insurable.
 - (b) Oyster landings must be for fresh market sale, not grown or landed for experimental or research purposes.
 - (c) Oyster landings must be from the county listed on the accepted application.
 - (d) Oyster landings must be in compliance with local, state and federal laws and regulations.
 - (e) New insureds must provide verifiable records of their actual landings, including zero landings for the three most recent crop years ending in the previous calendar year. Carry-over insureds must provide verifiable records of their actual landings, including zero landings for the most recent crop year ending in the previous calendar year.
 - (f) The insured must be actively engaged in oyster farming, including harvest, during the crop year.

D. COVERAGE AVAILABLE

- (1) Oyster GRP coverage is expressed in dollar and cents. Insureds may select any amount of protection from 60 through 100 percent of the maximum price election per pound shown on the actuarial documents, with the exception of CAT coverage which is 45% of the maximum price election per pound.

- (2) The expected county landings multiplied by the coverage level percentage elected equals the insured's trigger landings.
- (3) The data source for oysters is the state agency shown on the actuarial documents.
- (4) Premium rates are stated in dollars per one-hundred dollars of policy protection.

E. LANDINGS HISTORY AND LANDINGS RECORDS

Oyster policyholders are required to report verifiable actual landings annually as part of their annual report requirements.

F. ROUNDING RULES

- (1) Landings to whole pounds;
- (2) Share and factors (except oyster Apportionment Factor) to thousandths (X.XXX);
- (3) Oyster Apportionment Factor to ten thousandths (X.XXXX)
- (4) Dollars to dollars and cents (X.XX); and
- (5) Payment calculation factor to thousandths (X.XXX).

G. PAYMENT CALCULATIONS

- (1) The insured will receive an indemnity payment if the county's payment landings is less than the insured's trigger landings. The amount of payment is determined by multiplying the policy protection times the payment calculation factor. Refer to the Oyster Group Risk Plan of Insurance Provisions for detailed examples of payment calculations.
- (2) Any unpaid amounts due the insurance provider arising from GRP, or any other plan of insurance participation (except for AGR) are deducted from payments owed to the insured. Refer to the actuarial documents for the appropriate billing dates.

4. UNDERWRITING

A. FORMS AND PROCEDURES

The following forms are used to administer GRP oysters:

- (1) **Special Report.** See the CIH.
- (2) **Application.** Refer to B and C of this section.
- (3) **Contract Changes form. See the CIH.**
- (4) **Disclaimer.** Refer to a blank copy of the GRP Disclaimer at the end of this handbook (exhibits 3A and 3B).
- (5) **Policy Confirmation. See the CIH.**
- (6) **Annual Report.** Refer to Exhibit 2 for a copy of the form, E of this section for annual reporting requirements and F,G, and H of this section for annual report review selection, criteria, and summary.

- (7) **Schedule of Insurance.** Refer to I of this section.
- (8) **Assignment of Indemnity. See CIH.**
- (9) **Transfer of Right to an Indemnity.** A Transfer of Right to an Indemnity for GRP must be made during the crop year for the affected crop. This is to ensure that any indemnity payments are made to the proper entity. The form should indicate that the contract covers the share transferred only to the end of the current crop year for the specific crop.
- (10) **Actuarial Documents. The actuarial documents include the FCI-35 Coverage and Rates table and Special Provisions.** The following specific information is included in the actuarial documents for the county for GRP oysters: average county landings, coverage levels, dates, expected county landings, GRP premium subsidy factor, practices (if applicable), trigger landings, types (if applicable), and unsubsidized rates.
- (11) **Power of Attorney. See CIH.**
- (12) **Indemnity Payment.** Refer to J of this section for general indemnity payment form requirements and K for notice of indemnity payment requirements.
- (13) **Oyster Group Risk Plan Worksheet.** Refer to Exhibit 1 for a blank copy of the worksheet.

B. GENERAL APPLICATION REQUIREMENTS

- (1) **Sales Closing Date.** Shown on the actuarial documents.
- (2) **Late-Filed Applications.** Accepted ONLY when there is documented evidence that:
 - (a) The primary reason for the application being late filed is the action or inaction of an insurance provider agent or employee; or
 - (b) It was the producer's intent to make timely application, but circumstances beyond that persons control prevented them from doing so.
- (3) **Levels of Coverage.** 65 percent for CAT coverage and 70, 75, 80, 85, and 90 percent for additional coverage. The insured may select any percentage of coverage shown on the actuarial documents for oysters, for the practice and type, if applicable.
- (4) **Eligible Counties.** Shown on the actuarial documents. Multiple county contracts may be insured, but oyster beds physically located in a county for insurance purposes will be subject to that county's actuarial documents; the county name(s) or county code number(s) must be shown on the application.
- (5) **Insurable Oysters.** Only oysters grown on leased or owned oyster beds and reported by the annual reporting date shown on the actuarial documents, are insurable at the time of filing the annual report.
- (6) **Dollar Amount of Insurance.** Any dollar and cent amount of insurance per pound of oyster meat from 60 through 100 percent (45 percent for CAT coverage) of the maximum price election per pound shown on the actuarial documents. The applicant must choose a price election percentage for each GRP offer.
- (7) **Policy Protection.** The dollar and cent amount the insured will receive if the payment landings is zero. It is equal to your dollar amount of insurance multiplied by your net apportioned landings.

- (8) **Group Risk Plan Disclaimer.** The disclaimer form must be prepared by the agent when a GRP application is completed. The agent and applicant must sign and date the disclaimer form when the insurance application is signed. Refer to Exhibits 3A and 3B.

C. APPLICATION FORM REQUIREMENTS

All Oyster GRP applications must contain AT LEAST the following information:

(1) **Applicant:**

- (a) First name/initial, middle name/initial, and last name.
- (b) Mailing address, city or town, state, and zip code.
- (c) Area code and telephone number.
- (d) Social Security Number (SSN) or Employer Identification Number (EIN). Persons and/or entities with 5 percent or more interest in the insurable entity must report their name, address, phone number, and SSN/EIN number, on a "Social Security Number (SSN) and Employer Identification Number (EIN) Reporting Form" approved by FCIC.
- (e) Applicant's signature and date the application is signed (applicant's signature must match the name entry in item 1(a), above).

(2) **Agent or Service Office:**

- (a) Agent or agency office name servicing the policy.
- (b) Mailing address, city or town, state, and zip code.
- (c) Area code and telephone number.
- (d) Agent code number as issued by the insurance provider.
- (e) Agent's signature and date the application is signed.

- (3) **Insurance Provider's Name:** Include the insurance provider's name on the application if not preprinted on the form.

- (4) **State Name:** State name and, if required by insurance provider, the corresponding two-digit code number shown on the actuarial documents where the landings is insurable.

- (5) **County Name:** List the name of each county and, if required by the insurance provider, the corresponding three-digit code number shown on the actuarial documents where the landings is insurable.

- (6) **Policy/Contract number:** Insured's assigned policy number.

- (7) **Effective Crop Year:** Appropriate four-digit year, such as "YYYY," as defined in the policy.

- (8) **Crop Name and Plan of Insurance Code Number:** Oysters and the three-digit plan of insurance code number as shown on the actuarial documents.

- (9) **Coverage Level:** Two-digit coverage level percent elected by applicant for each GRP offer (practice and/or type, if applicable).

- (10) **Dollar amount of insurance:** Insured's dollar and cent amount of protection elected for each GRP offer, from 60 through 100 percent, (45 percent for CAT coverage) of the maximum price election per pound of oyster meat.
- (11) **Practice and/or Type Code:** Three-digit practice and/or type code shown on the actuarial documents, if applicable.

D. ANNUAL REPORT FOR OYSTERS

- (1) Insurance providers must obtain an annual report from ALL OYSTER GRP insureds.
- (2) GRP oyster landings must be reported separately from any other crops insured.
- (3) Annual reports must be timely filed and properly submitted by insurance providers to FCIC as stated in the Standard Reinsurance Agreement.
- (4) Annual reports must contain:
 - (a) Insured's 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;
 - (b) Other persons sharing in oyster landings, if applicable;
 - (c) All insurable oyster landings in the county in which the producer has a share from the previous crop year (three years for new applicants); and
 - (d) An explanation of any changes in the insured's oyster farming operation for the current crop year.
- (5) The annual report must be received by the agent each year on or before the annual reporting date shown on the actuarial documents. If the annual reporting date falls on a Saturday, Sunday, or legal holiday, then the date by which the report must be reported will be extended to the next business day.
- (6) Late-filed annual reports (initially received at the agent's office after the specified annual reporting date) will be either accepted or rejected by the insurance provider ON A COUNTY BASIS.
- (7) Corrected/revised annual reports may be taken prior to the published annual reporting date for any reason. After the published annual reporting date, a corrected annual report may be completed at the insurance provider's discretion and identified as "Revised" if the correction affects the Schedule of Insurance.

E. ANNUAL REPORT FORM REQUIREMENTS

All oyster GRP annual reports must contain AT LEAST the following information:

Insurance providers may utilize unused columns of their FCIC-APPROVED acreage report form to accommodate required entries.

- (1) **State Name:** As shown on the actuarial documents.
- (2) **County Name:** As shown on the actuarial documents.
- (3) **Policy/Contract Number:** Insured's assigned policy number (may include the numeric state and county code).

- (4) **Crop Year:** Crop year, as defined in the policy, e.g., YYYY.
- (5) **Insured's Name and Address:** Insured's complete name and address as shown on the application.
- (6) **Insurance Provider's Name:** If not preprinted on the report.
- (7) **Agent/Agency Servicing Office:** Servicing agents or agency's complete name, address, and phone number.
- (8) **Insured Landings:** The insured's oyster landings are to be reported to the nearest whole pound by county, share, practice and type, as applicable. GRP coverage is by county but multiple counties may be reported on a single acreage report, if such a report has been previously approved by the insurance provider.
- (9) **Insured Share:** Insured's share expressed as a 3 place decimal. Differing GRP crop shares, and practices or types shown on the actuarial documents, as applicable, require separate acreage report line entries. ALL OYSTER LANDINGS WITH THE SAME SHARE AND PRACTICE AND TYPE (GRP OFFER), REGARDLESS OF NAME OF OTHER PERSON(S) SHARING IN THE CROP, CAN BE ENTERED ON A SINGLE LINE OF THE REPORT. (The share of the spouse and dependent children IS TO BE INCLUDED under the named insured's share, unless it is demonstrated to the insurance provider's satisfaction that the insured and spouse maintain a separate operation. Refer to section 7 of the Oyster Group Risk Plan of Insurance Provisions.
- (10) **Expected County Landings:** Expected county landings are shown on the actuarial documents.
- (11) **Insured Apportioned Landings:** (individual average landings ÷ average county landings) x expected county landings.
- (12) **Coverage Level:** Coverage level percent elected by the insured from those shown on the actuarial documents for oysters.
- (13) **Practice and/or Type Code:** Practice and/or type code as shown on the actuarial documents for each line on the annual report for all landings for which a practice or type code is specified. Record as a three digit number (e.g., practice code "002," and type code "011"). Use code "997" for each line on the annual report for all landings for which no practice or type is specified.
- (14) **GRP Offer Number:** Practice and/or type code as shown on the actuarial documents for oysters. Record as a five-digit number in the column "Unit Number" (e.g., a type number "011" is specified as type code "00011" and a practice code "002," is specified as "00002." For a combination of type and practice codes, combine the two numbers (e.g., "01102"). The type code will be recorded in the first three positions and the practice code in the last two positions. Use "00997" for each line for all oyster landings in the county for which no practice or type is specified.
- (15) **Insured's Signature and Date:** Insured's signature and the month, day and year the annual report is signed by the insured.
- (16) **Agent Code Number:** As issued by the insurance provider.
- (17) **Agent's Signature and Date Signed:** Agent's signature and the month, day and year the annual report is signed by the agent.

F. ANNUAL REPORT REVIEW SELECTION

Insurance providers must perform annual report field reviews **no later than 120-days after the reporting date** for the crop, as shown on the actuarial documents. Annual report reviews are required for:

- (1) All policies of employees of the insurance provider/FCIC, or representatives, adjusters, agents, etc;
- (2) All policies for which misrepresentation or concealment of material facts is suspected;
- (3) All late-filed annual reports;
- (4) All "zero" annual reports; and
- (5) **Not less than** a 3-percent random sample of policies with reported acreage or apportioned landings (which were not selected in (1) through (4) above). Where policies have been selected that have multiple GRP crops, the reviewer may verify the acreage report information for the other crops. Such verifications will apply toward the required reviews for that company for those crops, even though such reviews were not random.

G. ANNUAL REPORT REVIEW CRITERIA

Annual report reviews verify actual versus reported landings. For verification of actual oyster landings reported on the Annual Report, it is necessary to verify a sample period of 3 non-consecutive months of one or more of the years in the 3 years of landings reported. The following are examples of acceptable verification:

- (1) State approved landing tickets or records showing landings ticket numbers;
- (2) Sales receipts;
- (3) Delivery records or receipts;
- (4) Tax records;
- (5) Records of other persons sharing in the same oyster landings; and
- (6) Records of landings prior to September 2005 may not be available due to hurricane damage. If so, draw the landings sample from the following period without penalty to the insured.

H. ANNUAL REPORT REVIEW SUMMARY

Thirty days prior to the date FCIC releases the payment landings the insurance provider must submit a written summary of its completed GRP annual report reviews (see section 4 G) to the FCIC Compliance Division, Washington, D.C. The summary must identify, separately by category listed in section 4 G, any discrepancies found from that originally reported. Annual reports are considered to be within tolerance if the premium and indemnity discrepancies for each separate crop, county, practice and/or type (GRP offer number) are less than \$250.

I. SCHEDULE OF INSURANCE REQUIREMENTS

Insurance providers will provide each GRP insured a schedule of insurance which must contain AT LEAST the following information:

- (1) **State Name:** As shown on the actuarial documents.

- (2) **County Name:** As shown on the actuarial documents, for each county insured.
- (3) **Crop Year:** Crop year, as defined in the policy (e.g., YYYY).
- (4) **Policy/Contract Number:** Insured's assigned policy number (may include the numeric state and county code).
- (5) **Insurance Provider's Name:** When not preprinted on the schedule of insurance.
- (6) **Insured's Name and Address:** Insured's complete name and address as shown on the application.
- (7) **Agent/Agency Servicing Office:** Servicing agent's or agency's complete name, address, and phone number.
- (8) **Name of Crop:** Crop name as shown on the county actuarial documents.
- (9) **Total Reported Landings:** Reported landings (before share), in whole pounds from the annual report.
- (10) **Apportioned Landings:** As computed to nearest whole pound on the annual report.
- (11) **Insured's Share:** Insured's share, expressed as a three-place decimal, taken from the annual report.
- (12) **Practice and/or Type Code:** Three-digit practice and/or type code shown on the county actuarial documents, for the reported practice and/or type (GRP offer number), for the line.
- (13) **GRP Offer Number:** Five digit number combining the practice and/or type code numbers (see section 4 E 14).
- (14) **Trigger landings:** Trigger landings are calculated by multiplying the expected county landings shown on the actuarial documents by the elected coverage level percentage listed on the accepted application. Trigger landings by coverage level are shown on the actuarial documents.
- (15) Dollar Amount of insurance: **The** maximum price election per pound of oyster meat shown on the actuarial documents multiplied by the elected price election percentage.
- (16) **Policy Protection: The insured's net apportioned landings multiplied by the insured's dollar amount of insurance.**
- (17) **Premium:** The insured's policy protection multiplied by the premium rate per hundred dollars of protection for the coverage level elected, multiplied by 0.01, and subtract the applicable subsidy.

J. GENERAL INDEMNITY PAYMENT FORM REQUIREMENTS

There are no field claims activities or "loss adjustment" for Oyster GRP. GRP has the following general requirements:

- (1) Indemnity payments must be paid according to the Oyster Group Risk Plan of Insurance Provisions, utilizing the payment landings released by FCIC and the insured's trigger landings.

- (2) Indemnity payments are calculated separately for each county.
- (3) Insurance providers must make any indemnity payments **within 30 days** of receiving payment landings from FCIC.

K. NOTICE OF INDEMNITY PAYMENT REQUIREMENTS

The insurance provider is to acknowledge each indemnity payment with a "notice of indemnity payment" by GRP offer number for the respective county. This notice must contain AT LEAST the following:

- (1) **Insured's Name and Address:** Insured's complete name and address as shown on the application.
- (2) **Insurance Provider's Name:** When not preprinted on the notice of indemnity payment.
- (3) **Agent/Agency Name:** Servicing agent's or agency's complete name, address, and phone number.
- (4) **Contract/Policy Number:** Insured's assigned policy number.
- (5) **Name of Crop:** Crop name as shown on the actuarial documents.
- (6) **Crop Year:** Crop year, as defined in the policy, for which the indemnity is paid (e.g., YYYY).
- (7) **Insured's Share:** Insured's share, expressed as a three-place decimal, taken from the annual report.
- (8) **Coverage Level:** Two-digit coverage level percent elected by the insured for each GRP offer number (practice and/or type).
- (9) **GRP Offer Number:** As reported on the annual report (see section 4 E 14).
- (10) **Dollar Amount of Insurance: The dollar amount obtained when the price election percentage elected by the insured is multiplied by the maximum price election per pound of oyster meat.**
- (11) **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.** If oyster landing figures are adjusted for uninsured causes of loss, the payment landings published may differ from separately published oyster landing amounts.
- (12) **Trigger landings:** Trigger landings are calculated by multiplying the expected county landings by the elected coverage level percentage listed on the accepted application.
- (13) **Total Indemnity:** Total indemnity payment, in whole dollars, for the insured crop in the county by GRP offer number (practice and/or type).
- (14) **Final Payment:** Final indemnity payment in dollars and cents for all GRP crops, by GRP offer number (practice and/or type). This entry is to reflect any reduction for any amount due the company.
- (15) **Check Number and Date:** Actual check number with date of issue (e.g. MM/DD/YYYY).

NOTES

**FOR ILLUSTRATION PURPOSES ONLY
OYSTER GROUP RISK PLAN WORKSHEET**

Grower Name: _____ **Date:** _____
State : _____ (_____) **County :** _____ (_____)

Grower Selection: _____ **Crop Name:** Oysters _____

| | |
|---|--------------------|
| Dollar Amount of Insurance = Maximum Price Election \$ _____ x Price Election % _____ = _____. Minimum is 45% (CAT) of the Maximum Price Election. Maximum is 100% | \$ _____ Per Pound |
| Trigger Landings = Expected County Landings _____ lbs. x Coverage Level % _____ = _____. (Possible Coverage Level Percentages are 65 (CAT), 70, 75, 80, 85 or 90%. | _____ lbs |
| Apportioned Landings = Individual Average Landings ÷ Average County Landings = _____ Apportionment Factor x Expected County Landings = _____ lbs. | _____ lbs |
| Net Apportioned Landings = Apportioned Landings x Insurable Share | _____ lbs |
| Policy Protection = Net Apportioned Landings _____ lbs. x Dollar Amount of Insurance \$ _____ = \$ _____. | \$ _____ |
| Gross Premium = Policy Protection \$ _____ x Premium Rate \$ _____ x 0.01. = \$ _____. | \$ _____ |
| Premium Subsidy = Gross Premium \$ _____ x Subsidy Factor _____ = \$ _____. | \$ _____ |
| Premium Owed = Gross Premium \$ _____ - Premium Subsidy \$ _____ = \$ _____. | \$ _____ |

Notes:

Prepared by: _____ **Prepared for:** _____
 (Agent's Signature) (Grower's Signature)

OYSTER GROUP RISK PLAN of INSURANCE

ANNUAL REPORT

| | | | | |
|-----------------------------|--------|------------|---------------------------|---------------------------|
| Insured's Name and Address: | | Policy No. | Insurance Provider's Name | |
| | | | Servicing Office | |
| County: | State: | Crop Year: | Price Election %: | Coverage Level Election % |

APPORTIONED LANDINGS COMPUTATION SECTION

| Crop Year | Practice/Type | Landings | Offer Number | Remarks |
|------------------|---------------|----------|--------------|---------|
| | | | | |
| | | | | |
| | | | | |
| Total Landings = | | | | |

$$\begin{array}{rcccl}
 \text{Total Landings} & \div 3 = & \text{Individual Average Landings} & \div & \text{Average County Landings} & = & \text{Apportionment Factor} \\
 & & \text{X} & & & = & \\
 & & \text{Apportionment Factor} & & \text{Expected County Landings} & & \text{Apportioned Landings}
 \end{array}$$

SHARE REPORT SECTION

| Apportioned Landings | Your Share | Other Person Sharing | Apportioned Landings | Your Share | Other Person Sharing |
|----------------------|------------|----------------------|----------------------|------------|----------------------|
| | | | | | |
| | | | | | |

Remarks:

I certify that the information that I have furnished on this form is complete and accurate. I understand that any false or inaccurate information on this form may result in the imposition of sanctions outlined in my policy and administrative, civil, and criminal sanctions under 18 U.S.C. 1001,1006 and 1014; 7 U.S.C. 1515; 31 U.S.C. 3729 and 3730 and any other applicable

federal statutes.

Insured's Signature _____

Date

Agents Signature and Code _____

Date _____

**FOR ILLUSTRATION PURPOSES ONLY
OYSTER GROUP RISK PLAN
DISCLAIMER**

YOU NEED TO UNDERSTAND THE FOLLOWING:

- THIS IS NOT A PLAN OF INSURANCE AGAINST INDIVIDUAL LOSS.

- FINAL PAYMENT WILL BE MADE ACCORDING TO THE OYSTER GROUP RISK PLAN OF INSURANCE PROVISIONS. PREMIUM WILL BE DUE 30 DAYS AFTER THE BILLING DATE SPECIFIED IN THE ACTUARIAL DOCUMENTS AND WILL USUALLY BE DUE BEFORE A LOSS IS DETERMINED OR AN INDEMNITY IS PAID.

- YOU MAY HAVE A LOW YIELD ON YOUR FARM AND NOT RECEIVE PAYMENT UNDER OYSTER GRP. THIS PROGRAM IS BASED UPON COUNTY LANDINGS, NOT INDIVIDUAL FARM LANDINGS.

I understand the terms of the Oyster Group Risk Plan of Insurance.

Insured: _____

Date: _____

Agent: _____

Date: _____

(Reverse)

Exhibit 3B

COLLECTION OF INFORMATION AND DATA (PRIVACY ACT)

To the extent that the information requested herein relates to your individual capacity as opposed to your business capacity, the following statements are made in accordance with the Privacy Act of 1974, as amended (5 U.S.C. 552a). The authority for requesting information to be furnished on this form is the Federal Crop Insurance Act (7 U.S.C. 1501 et seq.) (Act) and the Federal crop insurance regulations contained in 7 C.F.R. chapter IV.

Collection of the social security account number (SSN) or the employer identification number (EIN) is authorized by section 506 of the Act and is required as a condition of eligibility for participation in the Federal crop insurance program. The primary use of the SSN or EIN is to correctly identify you, and any other person with an interest in you or your entity of 10 percent or more, as a policyholder within the systems maintained by the Federal Crop Insurance Corporation (FCIC). Furnishing the SSN or EIN is voluntary; however, failure to furnish that number will result in denial of program participation and benefits.

Your policy also specifies other information that must be provided. The principle purposes of this information are to provide insurance; reinsurance; determine eligibility; determine the correct parties to the agreement; determine and collect premiums or other monetary amounts (including administrative fees and over payments); and pay benefits. The routine uses of this information include: (1) Referral to the appropriate agency, whether Federal, State, local or foreign including the Department of Justice, charged with the responsibility of investigating or prosecuting a violation of law, or of enforcing or implementing a statute, rule regulation or order issued pursuant thereto, of any record within this system when information available indicates a violation or potential violation of law, whether civil, criminal, or regulatory in nature, and whether arising by general statute or particular program statute or by rule, regulation or order issued pursuant thereto; (2) Disclosure to a court, magistrate or administrative tribunal, or to opposing counsel in a proceeding before a court, magistrate or administrative tribunal, of any record within the system that constitutes evidence on that proceeding, or which is sought in the course of discovery, to the extent that FCIC determines that the records sought are relevant to the proceeding; (3) Disclosure to a congressional office in response to any inquiry from the congressional office made at the request of that individual; (4) Disclosure to Approved Insurance Providers (AIP) for any purpose relating to the sale, service, and administration of the Federal crop insurance program and the policies insured under the authority of the Act; (5) Disclosure to other Federal agencies and contractors, cooperators, and partners of FCIC for the purpose of conducting research, development, analyses, and evaluation into all aspects relating to new and existing crop insurance programs and other risk management tools; (6) Disclosure to contractors or other Federal agencies to conduct research and analysis to identify patterns, trends, anomalies, instances and relationships of AIP's, agents, loss adjusters and policyholders that may be indicative of fraud, waste, and abuse; (7) Disclosure to AIPs, contractors, and other applicable Federal agencies to determine whether information has been accurately provided to FCIC and the AIPs and to determine compliance with program requirements; and (8) Disclosure to AIPs, contractors, cooperators, partners of FCIC, and other Federal agencies for any purpose relating to the sale, service, administration, analysis and evaluation of the Federal crop insurance program.

Furnishing other information is also voluntary. However, failure to report the information specified in your policy may result in rejection of any claim for indemnity, replanting payment, or other benefit; ineligibility for insurance; a unilateral determination of any monetary amounts due; or any remedy provided in the policy.

PAPERWORK REDUCTION ACT

In accordance with the Paperwork Reduction Act, public reporting burden for the collection of information is estimated to average 5 minutes per response, including the time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information. Send comments regarding this burden estimate, or any other aspect of this collection information, including suggestions for reducing this burden to the Department of Agriculture, Clearance Officer, OIRM (OMB No. 0563-0053), Stop 7630, Washington, D.C. 20250-7630.

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The U.S. Department of Agriculture (USDA) prohibits discrimination in all its programs and activities on the basis of race, color, national origin, age, disability, and where applicable, sex, marital status, familial status, parental status, religion, sexual orientation, genetic information, political beliefs, reprisal, or because all or a part of an individual's income is derived from any public assistance program. (Not all prohibited bases apply to all programs.) Persons with disabilities who require alternative means for communication of program information (Braille, large print, audiotape, etc.) should contact USDA's TARGET Center at (202) 720-2600 (voice and TDD).

To file a complaint of discrimination, write to: USDA, Director, Office of Civil Rights, 1400 Independence Avenue, S.W., Washington, D.C. 20250-9410, or call (800) 795-3272 (voice) or (202) 720-6382 (TDD). USDA is an equal opportunity provider and employer.