

United States
Department of
Agriculture

Federal Crop
Insurance
Corporation



Product
Development
Division

FCIC 25010

LOSS ADJUSTMENT MANUAL (LAM)

Also Known As

GENERAL LOSS ADJUSTMENT STANDARDS (GLAS)

1998 and Succeeding Crop Years

LOSS ADJUSTMENT MANUAL

SUMMARY OF CHANGES/CONTROL CHART

Major Changes: **Redline** identifies changes or additions in the text. Three stars (***) identifies information that has been removed.

- 1 General Changes throughout the handbook are as follows:
 - A Removed references to FSA serviced policies.
 - B Removed "NACAT" identifiers.
 - C Moved sections or paragraphs for the purpose of (1) consolidating subject matter, and (2) obtaining better subject sequence. Also removed duplicative paragraphs to reduce the size of handbook.
 - D From PART 4 of the 1997 LAM, removed paragraphs that contained underwriting type inspections, and moved and retained paragraphs that contained loss related materials to appropriate areas of the handbook.
- 2 PAR. 2
 - A Removed the terms "Insurance Provider" and "Policy confirmation." They have been defined in Exhibit 1.
 - B Removed instructions for identifying changes/deletions. This information is always stated on the first page of the Summary of pages just prior to the listed changes.
 - C Removed description of Statement of Facts. Statement of Facts will be replaced with the term "Special Report," and has been defined in Exhibit 1.
- 3 PAR. 5 C Removed listing of additional forms that might be applicable to the loss adjustment inspection since these forms are discussed in another section of the handbook.
- 4 PAR. 8 Adjuster's Responsibilities. Removed items that were unnecessary responsibilities for loss adjustment and made some other minor changes/updates.
- 5 PAR. 14 A Added information pertaining to when the landlord or tenant insures the other's share.
- 6 PAR. 12 Duplicate Contracts. Clarified that duplicate contracts are for hybrid seeds (corn or grain sorghum) are allowed only when hybrid seed growers have contracted with more than one seed company for different acreages, and added that the multiple policies must be written by the same insurance provider. Also added that when two policies are allowed and written for an insured due to one policy being for limited or additional coverage, and the other for CAT

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SUMMARY OF CHANGES/CONTROL CHART

- coverage for high-risk land that both policies must be written by the same insurance provider.
- 7 PAR. 14 Share Verification. Changed sequence of listed documents to be used in verification process.
- 8 PART 2
Section 2 Removed the following from the handbook:
- A paragraph containing list of documents that might be found in the insured's contract file folder.
 - B paragraph containing information pertaining to the Policy Confirmation.
 - C paragraph containing Late Planting Agreement information except for verification requirements which was moved to Part 6 of the handbook.
 - D paragraph containing Statement of Facts.
 - E paragraph containing Summary of Protection(Schedule of Insurance). It is defined in Exhibit 1 and moved verification requirement to PAR. 7 - Insurance Provider's Responsibilities.
- 9 PAR. 20 Application. Removed all information except for verification requirements.
- 10 PAR. 21 Written Agreement. Removed all information except for verification requirements.
- 11 PAR. 22 APH Form. Added APH review requirements that are to be done during loss adjustment inspection in lieu of referencing the user to the Crop Insurance Handbook for these requirements.
- 12 PAR. 23 Options and Endorsements. Moved Unit Division Option to paragraph entitled "Unit Structure." Removed all other information except verification requirements.
- 13 PAR. 24 Acreage Report. Removed all information except for verification requirements and made other minor modification /clarifications.
- 14 PAR. 25 Except for verification requirements, removed paragraph containing Summary of Protection (Schedule of Insurance). It is defined in Exhibit 1. Moved and modified verification requirement to paragraph 7 - Insurance Provider Responsibilities.

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- 15 PAR. 27 Transfer of Right to Indemnity. Moved paragraph from another part of the handbook to here so that all related information is contained in one spot.

- 16 PAR. 28 Removed specific adjuster instructions for accepting notices and replaced with instructions to follow the insurance provider's instructions.

- 17 PAR. 29 Power of Attorney. Removed all information except verification information.

- 18 PAR. 34 Revised Acreage Report - After Final Reporting Date. Added paragraph pertaining to misreported practices or types.

- 19 PAR. 50 Summerfallow Practice. Updated language to be the same as CIH to avoid confusion between the two handbooks.

- 20 PAR. 51 Irrigated Practice. Moved irrigated Practice Guidelines that had previously been contained in an exhibit to this paragraph.

- 21 PAR. 58 Unit Structure. Updated to follow the language contained in CIH to avoid conflicts between the two handbooks.

- 22 PAR. 67 FSA Office. Updated, as needed, and added information pertaining to document availability, cost, and document requests for MPCl insurance purposes.

- 23 PART 3
Section 1 Removed paragraph pertaining to clearing notices of damage of loss.

- 24 PAR. 75 Replant Payment Inspection. Removed specific appraisal qualifiers, by crop, and referenced user to policy for this information to avoid future updates.

- 25 PAR. 76 Replanting Provision Issues.
 - A Moved from another part of the handbook so that it follows "Replanting Payment Inspections."

 - B Updated definition of Practical To Replant to agree with new Basic Provisions. Also, updated procedure to include language from the replanting payment provisions in the new Basic Provisions indicating that replanted acreage must be the lesser of 20 acres or 20 percent of the insured PLANTED acreage in the unit rather than all of the insured acreage in the unit. Thus, excluding prevented planting acreage in the unit when making this determination.

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| 26 | PAR. 81 | Production Pre-Measurement Service Inspection. Moved from another part of this handbook to this section so that all inspection types are together. Added information that should be recorded on a form or Special Report for this type of inspection. |
| 27 | PAR. 82 | Moved Growing Season Inspection information to this section so that all inspections are contained in the same section of the handbook. |
| 28 | PAR. 83 | Moved Pre-Harvest Inspection information to this section. Removed information about selection criteria and referred reader to FCIC-14010 for minimum criteria selection information. |
| 29 | PAR. 84 | Moved Acreage Report Revision Inspection paragraph to this section so that all inspections are contained within the same section. Made some other minor deletions/additions. |
| 30 | PAR. 92 | Updated the definition of "Abandon" to agree with new Basic Provisions. |
| 31 | PAR. 96 | Removed paragraph containing instructions on how to convert chains to wheels. Chain measurement is not used by the insurance industry. |
| 32 | PAR. 102 C(5) | Deferred Appraisals. Changed instructions to maintain coordination through Insurance Services rather the RSO's. |
| 33 | PAR. 103 A | Appraisal Deviation. Changed that appraisal deviations require FCIC's written approval rather than RSO Director's written approval. |
| 34 | PAR. 103 B | Under RSO Responsibilities, removed that the RSO Director will provide insurance providers with written authorization to use appraisal deviation approved by R&D/Insurance Services. |
| 35 | PAR. 107 | Verifying Fed Production. Added information about the insured's records and what they should contain. |
| 36 | PAR. 112 | Quality Adjustment. Added canola/rapeseed and safflowers as crops having Quality Adjustment Charts in the Special Provisions. |
| 37 | PAR. 113 | Adjustments for Moisture. Incorporated information from another part of handbook so that all information is in one paragraph. |
| 38 | PAR. 114 | Adjustments for Dockage. Incorporated information from another area of handbook so that all related information is contained in one paragraph. |

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| 39 | PAR. 115 & 116 | Consolidation of Moisture/Dockage and Averaging of Moisture/Dockage. These two paragraph had previously been one paragraph. Due to some confusion of instructions specific to averaging being applied to consolidation, the two paragraphs have been separated. |
| 40 | PAR. 118 | Moved "Mycotoxin in Grain Crops" to this section so that all factors affecting adjustments to production are contained within one section of the handbook. |
| 41 | PAR. 121 | Added language indicating that the adjuster is to assure that for farm-stored production all storage structures containing grain for the unit(s) being inspected have been accounted for and measured. |
| 42 | PAR. 123E | Clarified that only when critical loss work load situations are due to reasons described in subparagraph B can authorization to accept insured's load record or bin markings be granted by the insurance provider. |
| 43 | PAR. 125 | Rounding Fractions. Removed requirement to round after each calculation. Crop handbooks contain rounding rules for each step for specific forms used in loss adjustment. |
| 44 | PAR. 126 | Moved table to "Convert Fractions to Percent Figures" to this section. |
| 45 | PAR. 127 | Added Metric Conversion Table to Convert Metric measurement to British System of measurement. |
| 46 | PAR. 130 | Gross Cubic Feet Formulas by Structure. Moved illustrated examples of calculated gross cubic feet of different structures from exhibits so that they are contained within this paragraph. |
| 47 | PAR. 131 | Unusual Storage Configuration: Measurement and Computation. Moved instructions and illustrations of calculated gross cubic feet of unusual storage structures from exhibits to this section so that all information pertaining to gross cubic feet is within the same section of the handbook. |
| 48 | PAR. 133 | Obstacle Deduction. Moved illustrated example from exhibit for same reason stated in paragraph above. |
| 49 | PAR. 137 | General Procedures to Follow When Involved with Unusual or Controversial Cases. Updated to include use of MPCCI Non-Waiver Agreement that is used by part of the companies. |

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- 50 PAR. 143 Move subparagraphs B and C from paragraphs 91 to this paragraph.
- 51 PAR. 144 Claims Involving Suspected Concealment or Misrepresentation. Updated to include use of MPCl Non-Waiver Agreement.
- 52 PAR. 148 Administrative Appeals or Arbitration. Removed information pertaining to FSA, and updated to reflect as they related to reinsured companies.
- 53 PAR. 149 Added additional examples of claims involving insureds who have fire coverage with MPCl and through private insurance (double fire coverage.)
- 54 PAR. 150 B Commingled Production. Removed due to conflict with policy.
- 55 PART 5 New Late Planting and Prevented Planting Instructions. Added instructions that pertain to new provisions and listed specific crops and/or crops with specific Contract Change Dates that will be under these new provisions.
- 56 PART 6 Old Late Planting and Prevented Planting Instructions. Updated the specific crops and/ or crops with specific Contract Change Dates that will be under the old provisions.
- 57 EXHIBITS - Removals/Deletions/Changes
- A Removed exhibit containing crops reported on FSA-424 (FSA-578). This information will be updated on the Internet and maintained there as long as needed.
- B Removed exhibit containing moisture adjustment charts. These are or will be contained in the applicable crop handbooks.
- C Removed exhibit containing completion instructions for Production Pre-measurement Inspection form since these instructions were specific to form used by FSA. Comparable completion instructions were added to appropriate paragraph.
- D Removed exhibit containing completion instructions for Growing Season Inspections since these instructions were specific to form used by FSA. Comparable completion instructions are in appropriate paragraph.
- E Removed exhibit containing Sample of a Comparison Table for Assessing Damage from Weeds.
- F Removed exhibit containing FSA recommending and Approving Officials since FSA is no longer servicing MPCl contracts.

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- G Exhibit 1 Updated and removed definitions that are defined elsewhere in the handbook.
- H Exhibit 2 Besides crop codes this exhibit has been revised to contain the FCIC and NCIS policy numbers that pertain to each crop and whether replanting, late planting or prevented planting pertains to the crop, plus more information.
- I Exhibit 3 Cause of Loss Codes. Made the following changes: (1) Updated to show what codes apply to each crop; (2) Combined "01" Harvest Price Below Projected Price (IP)" with "02" Market Price Difference (Spring VS. Harvest (CRC))" to cover decline of harvest price (or base price) for ALL revenue type coverages. Code "01" will be retained with the following code name "Decline in Price;" (3) Deleted code "72" (Mediterranean Fruit Fly) because it is no longer contained in any policy, and it can be considered as any other insect damage as provided in the policy; (4) deleted "10" (Drought Deviation); (5) Deleted the following because these codes are not descriptive enough of the insured cause of loss: "32" (Poor Drainage) and "94" Erosion; and (6) made other additions or deletions of crops applicable to specific codes due changes in the crop provisions.
- J Exhibit 4 Unit of Measure of Production, By Crop. Updated to agree with any applicable policy changes.
- K Exhibit 7 Removed FSA-423
- L Exhibit 11 Certification Form. Updated instructions.
- M Exhibit 12 Removed example of form letter to be sent with Self-Certification Worksheet to insured.

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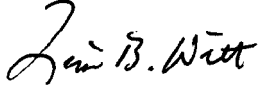
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U.S. DEPARTMENT OF AGRICULTURE
WASHINGTON, D.C. 20250

| | | |
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| FEDERAL CROP INSURANCE HANDBOOK | | NUMBER: 25010 |
| SUBJECT: Loss Adjustment Manual (LAM) (Also known as General Loss Adjustment Standards (GLAS)) 1998 AND SUCCEEDING CROP YEARS | DATE: January 16, 1998 | |
| | OPI: Product Development Division | |
| | APPROVED:  Deputy Administrator, Research and Development | |

PART 1 GENERAL INFORMATION

1 PURPOSE

This handbook identifies the general (not crop-specific) standards (requirements) for adjusting Multiple Peril Crop Insurance (MPCI) losses in a uniform and timely manner. These standards are to be used with the crop-specific standards for loss adjustment identified in the various Crop Handbooks (e.g., Almond Handbook). This handbook may contain requirements that are not adjuster specific, but are an overall part of the loss adjustment process for which the insurance provider is responsible.

2 SPECIAL INSTRUCTIONS

A General Information

This handbook serves as the basis for completing crop insurance appraisals, claims for indemnity and claims for replant payments, and is now interchangeably referred to as the Loss Adjustment Manual (LAM) and General Loss Adjustment Standards (GLAS). The handbook transmitted by this directive replaces FCIC-25010 dated April 1997 and FCIC-25010-1 dated July 1997 for the 1998 crop year.

B Specific Instructions

- (1) **Titles.** Specific titles of insurance providers' approving officials for which certain events, function, etc., would require the approving official's approval are not indicated in this handbook. However, for specific events, functions, etc., that require FCIC approval; titles of approving offices (or officials) are stated.
- (2) **Forms.** The forms mentioned in this handbook, in most instances, will not indicate a form number since form numbers vary from one insurance provider to another. Insurance providers must use equivalent FCIC-

approved forms. Where instructions in this handbook are not entry-specific to the forms used by the insurance provider, insurance providers may update these procedures to show their specific item number that matches the entry instructions in this handbook. However, any further changes in the instructions will require FCIC approval.

- (3) **Items/provisions or plans of insurance not applicable to Catastrophic Risk Protection (CAT) coverage:**
- (a) Written agreements.
 - (b) Hail-fire exclusion (also not applicable to Limited coverage).
 - (c) High-risk land exclusion.
 - (d) Options or endorsements (except Late Planting Agreement).
 - (e) Replant payments.
 - (f) Optional units.
 - (g) Prevented planting coverage for double-cropped acreage (even when there is a history of double cropping), or when a initial crop is prevented from planting and a substitute crop is planted (substitute crop not applicable to most spring-planted crops). See Part 5 and Part 6 for details).
 - (h) Group Risk Plan (except for GRP Forage Production).
 - (i) Crop Revenue Protection plan.
 - (j) Revenue Assurance plan.
- (4) **Definitions, Codes, and Units of Measure.** See Exhibit 1 for definitions. Exhibit 2 contains crop names and codes and other policy information by crop. Exhibit 3 contains cause of loss names and codes, and Exhibit 4 contains units of measure, by crop.

3 OPERATING POLICY

A Procedural Conflict

If there is a conflict between this handbook and comparable FCIC-approved procedures issued by an association or insurance provider, the procedures in this handbook will prevail. If there is a conflict between this handbook and the Crop Insurance Handbook (CIH) , the CIH will prevail.

B Procedural Questions

Questions regarding responsibilities or loss adjustment procedures are to be directed through appropriate channels (through the insurance provider) to the FCIC Product Development Division.

C These Standards Remain in Effect Until Superseded

The issuance of an entire handbook will replace a previous handbook. Handbook slipsheets, FCIC Manager's Bulletins or R&D Informational Memorandums that change any part of this handbook will supersede that part of the handbook. Insurance providers may find it necessary to provide additional internal guidelines or procedures for their loss adjustment functions, such as where completed loss forms are forwarded, specifying specific form numbers and item numbers, etc. Any additional guidelines or procedures require FCIC approval.

4 ABBREVIATIONS

| | |
|--------|---|
| APH | Actual Production History |
| AD | Actuarial Documents |
| CAT | Catastrophic Risk Protection |
| CIH | Crop Insurance Handbook |
| CES | Cooperative Extension Service (State and County Offices under CSREES) |
| CREES | Cooperative State Research, Education, and Extension Service |
| EIN | Employer's Identification Number |
| FCIC | Federal Crop Insurance Corporation |
| FSA | Farm Service Agency |
| FSN | Farm Serial Number |
| FCI-35 | Coverage and Rate Table |
| FGIS | Federal Grain Inspection Service |
| FM | Foreign Material |
| GIPSA | Grain Inspection, Packers, and Stockyards Administration (FGIS is under GIPSA) |
| GLAS | General Loss Adjustment Standards (Same as the LAM) |
| GRP | Group Risk Plan |
| LAC | Loss Adjustment Contractor |
| LAM | Loss Adjustment Manual (Same as the GLAS) |
| LPA | Late Planting Agreement |
| MPCI | Multiple Peril Crop Insurance |
| NAP | Non-Insured Assistance Program |
| NRCS | Natural Resources Conservation Service (formerly Soil Conservation Service (SCS)) |
| NCS | Nonstandard Classification System |
| PCP | Posted County Price |
| QAF | Quality Adjustment Factor |
| R&D | Research and Development (of Risk Management Agency) |
| RCP | Regionally Constructed Price |
| RMA | Risk Management Agency |

| | |
|------|---|
| RSO | Regional Service Office (of Risk Management Agency) |
| SBI | Substantial Beneficial Interest |
| SRA | Standard Reinsurance Agreement |
| SSN | Social Security Number |
| TIN | Tax Identification Number |
| UH | Unharvested |
| USDA | United States Department of Agriculture |

5 DOCUMENTS/PROCEDURES

- A What Can Be Used. Insurance providers must use FCIC-approved forms, procedures, policies, and amendments.
- B Documents and Procedures. Forms (and/or data processed from forms) and manuals necessary for loss adjustment include, but are not limited to:
- (1) Data from accepted applications and acreage reports. This data would include, (but is not limited to) the following: insured's name as accepted on the application, authorized representative, price election, level of coverage, SSN or EIN, approved APH yields, acres, types, practices, shares, etc., reported for the crop;
 - (2) Crop insurance policy (basic provisions and crop provisions or endorsements, or stand alone crop policies) applicable to the inspection;
 - (3) Actuarial documents;
 - (4) RMA Manager's Bulletins and R&D Informational Memorandums;
 - (5) FCIC-25010, Loss Adjustment Manual (or FCIC-approved equivalent);
 - (6) Specific crop loss adjustment handbook;
 - (7) Notice of Damage or Loss; and
 - (8) FCIC-approved forms (or data from forms) or documents applicable to the type of inspection and crop(s) being inspected; e.g., appraisal worksheets, Certification Form, claim forms, etc.

6 FCIC PRODUCT DEVELOPMENT DIVISION RESPONSIBILITIES

- A Standards. Establish the minimum standards and guidelines for loss adjustment.
- B Review and Approve. Unless otherwise specified, review and approve all insurance provider's loss adjustment procedures and forms (including completion instructions) prior to their use.

- C Guidance/Clarification. Provide guidance and clarifications, as needed, regarding these standards.

7 INSURANCE PROVIDER RESPONSIBILITIES

Insurance provider responsibilities include (but are not limited to) the following:

A Administering the General Loss Adjustment Standards

The insurance provider is responsible for all loss adjustment responsibilities outlined in this handbook whether the requirement is performed by an adjuster or insurance provider employee. The insurance provider and other parties involved with FCIC's Multiple Peril Crop Insurance program are to administer general loss adjustment in accordance with the standards (requirements) provided in this handbook and in conjunction with the following issuances:

- (1) FCIC-issued crop handbooks (or crop handbook standards);
- (2) FCIC-14010 (Manual 14 Guidelines and Expectations for Delivery of the Federal Crop Insurance Program) for insurance providers to meet the minimum guidelines, procedures and performance standards that FCIC expects to be used in training loss adjusters;
- (3) FCIC-M13 (Data Acceptance System Handbook) for data elements, data requirements, and edits;
- (4) FCIC-18010 (Crop Insurance Handbook (CIH)) for APH standards and guidelines;
- (5) Any RMA Manager's Bulletins or R&D Informational Memorandums, or slipsheets to this handbook that supersede any portion of this handbook; and
- (6) Applicable policies, basic provisions, crop provisions, applicable actuarial documents (including the Special Provisions), and applicable option forms/endorsements that are in effect for the crop policy being inspected.

B Compliance/Implementation

- (1) Comply with and implement the loss adjustment standards established by FCIC, through procedures and forms approved by the FCIC Product Development Division; and
- (2) Comply with other requirements issued by FCIC in the administration of contracts between the company and FCIC.

C Insurance Provider (or trade association) Developed Loss Adjustment Procedures

This handbook is to be used as a basis for developing any appropriate loss adjustment procedures. Insurance providers are responsible for ensuring that procedures and training are consistent with the standards in this handbook.

D Input. Provide input to FCIC regarding the loss adjustment standards.

E Advise. Advise FCIC's Product Development Division of impending situations which may necessitate the development of procedures, forms, or calculations that are different than those identified in the standards issued by FCIC.

F Documents/Procedures. Provide the adjuster with the insurance contract forms (or data from the processed forms) and procedures identified in PAR. 5.

G Determinations and/or Verifications. In addition to the responsibilities identified in this handbook, determine or verify whether crop-specific contract provisions or requirements (identified in the crop handbooks) apply to the insured, and if so, whether they have been complied with by the insured.

H Loss Adjustment Equipment. Assure that the adjuster has necessary equipment and that such equipment is in proper working order to perform loss adjustment duties.

I Conflict of Interest. Assure that there is no adjuster conflict of interest involved, as described in PAR. 8 B (17).

J Review Summary of Coverage (Summary). Prior to the loss adjustment inspection, the insurance provider should: (1) Review the Summary against the data on the acreage report; (2) reprocess the acreage report if keying errors are found prior to assigning the loss to be worked; and (3) notify the insured that a new summary will be issued with the correct data.

8 LOSS ADJUSTMENT RESPONSIBILITIES

A General Information

The following responsibilities and procedures throughout this handbook apply to whomever is performing loss adjustment whether it is an insurance provider employee or person under contract with an insurance provider to perform loss adjustment. For example, some insurance providers may have employees make some loss adjustment verifications prior to assigning or after assigning the loss notice to the loss adjustment contractor, and/or some insurance providers may have employees perform certain types of reviews or loss adjustment assignments.

Note: Sales Agents, local agency employees, or sales representatives, other than taking notices of damage or loss or as otherwise specified in this

handbook cannot perform loss adjustment duties unless outside of their selling and servicing area as described in PAR. 8 B (17).

B Loss Adjustment Responsibilities. Responsibilities include (but are not limited to) the following:

- (1) Be thoroughly familiar with the insured's contract folder or print-out supplied by the insurance provider showing the insured's coverage that is in effect, and all insurance documents (or data from documents) that pertain to the insured's insurance contract in the county. Verify and/or determine and document the information as specified in this handbook or other FCIC-approved handbooks necessary for loss adjustment.
- (2) Use FCIC-approved forms, loss procedures, and any other issuance (containing information relating to loss adjustment) to perform all loss adjustment duties. DO NOT deviate from FCIC-approved procedures without prior written approval from FCIC. (The insurance provider will provide the appropriate parties with any FCIC-approved deviations.)
- (3) Use and be proficient with the applicable loss adjustment equipment.
- (4) Identify the type of inspection which will be made. All inspections will fall into three types: (1) Indemnity, (2) Replant Payment Inspections, and (3) Special Contract Services Inspections.
- (5) Visit farms for the purpose of inspecting damaged or destroyed crops during the growing season or following harvest.
- (6) Explain to insureds their contractual responsibilities, filing procedures, and what will be done during the inspection.
- (7) During farm visit:
 - (a) Determine and/or verify any insured and uninsured causes of loss. Establish appraisals for uninsured causes of loss.
 - (b) Determine and/or verify the time of loss.
 - (c) Review and verify the acreage report information as described in PAR. 34.
 - (d) Inspect farms and make inquiries to independently establish all harvested, unharvested, and potential production for all units of the crop being inspected in accordance with PART 3, Section 4. Determine (measure, if applicable) all farm-stored production from the loss units of the crop being inspected in accordance with PART 3.
 - (e) Determine (measure if applicable) the insurable acreage of the loss unit or as required in any other type of inspection.

- (f) Determine if there is any unreported insurable acreage. If there is any found, take appropriate steps; as found in this handbook.
- (g) Inspect acreage to determine and verify correct FSN's, legals, classifications, planting dates, planting practices, and whether proper planting and care of the crop was carried out as it pertains to fertilizer, herbicides, irrigation (when applicable), etc.
- (h) Appraise potential production and grant written consent to replant or put insured acreage to another use when the insured is not going to carry the crop to harvest as described in PAR's 102 and 104.
- (i) Perform APH review responsibilities as defined in PAR. 22.
- (8) Review information from any previous inspection for the crop being inspected, including information documented on Special Reports (definition in Exhibit 1).
- (9) Verify that the insured's entity and share are correct.
- (10) During a loss inspection, review FSA records or any other documents, records, etc., that would show the correct entity, share, legal description and/or FSA FSN's, and acres. See appropriate paragraphs for more information.
- (11) If the actuarial classification appears to be incorrect, adverse, or unusual risk conditions exist, prepare a Special Report with details and forward to the insurance provider. The insurance provider can then request an actuarial review or prepare a Request For Actuarial Change.
- (12) During an indemnity inspection explain what the insured's options are under the terms and conditions of the contract, but in no way provide advice or suggestions that could affect the insured's decision concerning these options; e.g., do not advise or suggest whether to carry the crop to harvest or go to another crop, etc.
- (13) DO NOT provide any advice or suggestions to the insured regarding the insured's farming operation; e.g., type and application of chemicals, herbicides, tillage, etc. If the insured solicits your advice, advise the insured to consult with the County Cooperative Extension Agent or other reliable source.
- (14) Advise insureds that a routine quality assurance review may be made to assure the loss adjustment was done in a fair and impartial manner, and in accordance with contract terms.

- (15) Review all entries on appraisal worksheets and claim forms with the insured, and explain any circumstances affecting the indemnity **prior** to obtaining the **insured's signature** on the claim. **Do not sign a final replant payment or) final indemnity claim until you are satisfied with all determinations.**
- (16) Use a Claim Checklist (similar or like the one shown in Exhibit 10) when instructed by the insurance provider to do so.
- (17) Conflict of Interest
- (a) Insurance provider's shall not permit an adjuster to adjust a claim of any family* member of the adjuster's, or a claim of a party in which the adjuster has a material or financial interest, or a claim of a policyholder for which the policyholder's policy was sold by any member of the adjuster's family* or of the family* of an employee of the adjuster's.
- * Family includes, but is not limited to: parents, brothers, sisters, children, spouse, in-laws, grandchildren, aunts, uncles, cousins, and grandparents.
- (b) Insurance provider's shall not permit its sales agents, agency employees, sales supervisors, or any spouse or family member residing in the same household as any such sales agent, agency employee, or sales supervisor to be involved in any way with the following activities in any county or adjoining county where the sales agent, agency employee, any competing agency or sales supervisor performs any sales functions:
- 1 the supervision, control, or adjustment of any loss;
 - 2 a determination of a claim or cause of loss; or
 - 3 verification of yields for the purpose of establishing any insurance coverage or guarantee.
- (18) Do not discriminate against any insured because of race, color, religion, sex, age, disability, marital status, national origin, or sexual orientation.
- (19) Do not solicit or accept money, gifts, or favors from any party that are designed to influence (or give the appearance of influencing) any loss adjustment finding or decision.
- (20) Do not use your position to gain favor, influence, or financial advantage over any insured or individual.

9 INSURED'S RESPONSIBILITIES

Besides notice requirements when damage occurs and other requirements under the policy, the policy provisions require the insured to:

- A Cooperate with the insurance provider in the investigation or settlement of a claim, and as often as the insurance provider reasonably requires:
- (1) Show the insurance provider the damaged crop;
 - (2) Allow the insurance provider to remove samples of the insured crop, and
 - (3) Provide records and documents requested and permit the insurance provider to make copies; AND
- B Obtain consent from the insurance provider before, and notify the insurance provider after:
- (1) Destroying any of the insured crop that will not be harvested,
 - (2) Putting the insured crop to an alternative use,
 - (3) Putting the acreage to another use, or
 - (4) Abandoning any portion of the insured crop.

10 (RESERVED)

PART 2 INSPECTION DUTIES

SECTION 1 PRODUCER ELIGIBILITY AND ENTITIES

11 GENERAL INFORMATION

Before any loss adjustment or contract service can be initiated, verify that the insured and all who have an interest of 10 percent or more are eligible for insurance and the entity is legal.

12 INSURANCE PROVISIONS

A Eligibility

Insurance will cover a PERSON'S share in an insurable crop as landlord, owner-operator, or tenant in an eligible crop.

B Definition

A "Person" or "Insured" is an individual, partnership, association, corporation, estate, trust, other business enterprise, or legal entity and, wherever applicable, a State, a municipality, a political subdivision of a State, or any agency thereof.

C Other MPCl Insurance (Duplicate Coverage)

Only one MPCl policy (issued under the authority of the Federal Crop Insurance Act) is permitted on the same crop/county for the same person/entity EXCEPT for:

- (1) Acreage designated by FCIC as high-risk land which is excluded from a limited or additional coverage policy and insured under a separate CAT policy. High-risk land which is excluded from limited or additional coverage and insured under the CAT endorsement is considered a separate crop for administrative fee and unit division purposes. High-risk land may be insured on a separate CAT policy provided that on or before the crop's sales closing date the insured:
 - (a) Executes a High-Risk Land Exclusion Option Form,
 - (b) Obtains a CAT policy from the **same** Insurance Provider, and
 - (c) Pays the required administrative fee.
- (2) Hybrid Seed (Corn) or Hybrid Seed Sorghum grown under contract with more than one seed company. A separate MPCl policy is allowed for acreage grown under contract with each different seed company.

- (a) If CAT coverage is selected, it applies to all policies in the county.
- (b) Different coverage (limited or additional) may be selected on each different policy if CAT coverage has not been elected in the same county.
- (c) Separate policies issued for acreage contracted with different seed companies do not create more units than is provided by the policy/CAT Endorsement. Payment of losses must be made accordingly. Loss adjustment should be coordinated between policies/insurance providers.

NOTE: Arizona and California Citrus, Florida Citrus, Texas Citrus, Texas Citrus Trees, Grapes (California ONLY), Peas, Stonefruit, and Guaranteed Tobacco crop provisions indicate type/varieties that are insurable as separate crops; therefore, duplicate coverage is not applicable. A separate policy may be written for such type/variety; however, they must be written by the same insurance provider. See Exhibit 2 for insurable crop names and codes.

13 INSURANCE QUALIFICATIONS

A Who Can Be Insured

Only producers who receive all or part of a crop, by reason of their ownership or tenancy, can be insured.

B Landlord

Landlord is the owner of land upon which the crop is grown and who receives a share of the crop.

C Owner-operator or tenant is a person who:

- (1) Produces the crop.
- (2) Exercises managerial control relating to producing and marketing the crop (controls what to plant, when to plant, when to till, cultivate, irrigate, fertilize, spray, harvest, market, etc.).
- (3) Makes credit arrangements.
- (4) Owns farming equipment, makes arrangements to obtain equipment, or hires custom work.

14 VERIFYING AND/OR DETERMINING INSURABLE SHARE**A Insurable Share**

- (1) An insurable share is the percentage of interest in the insured crop that the owner, operator, or tenant has at the time insurance attaches. Unless the accepted application clearly indicates that insurance is requested for a partnership or joint venture, or is intended to cover the landlord's or tenant's share of the crop, insurance will cover only the share of the crop owned by the person/entity who completed the application. The share will not extend to any other person having an interest in the crop except as may be specifically allowed in the policy or CAT Endorsement. The interest of spouses, children, or other household members in most cases will be insured under one entity and have only one policy number issued. See PAR. 15 for exceptions that allow spouses and children to have separate policies.

NOTE: If the landlord or tenant has requested to insure the other's share of the crop on their application, the percentage shares of both persons must be shown in the remarks section of the acreage report or on a Special Report attached to the acreage report. Insurance providers will provide this information to the adjuster, if the adjuster is not provided a copy of the actual acreage report.

- (2) The insured establishes his/her insurable share on the acreage report by reporting the share insurable at the time insurance attached. **However, only for the purpose of determining the amount of indemnity:** If during the final loss adjustment inspection, it is determined that the insured's share differs from what it was at the time insurance attached, the insured's share will be the lesser of what:
- (a) it was at the time insurance attached, or
 - (b) the insurance provider determines to be the share at the earlier of:
 - 1 the time of loss, or
 - 2 the beginning of harvest of the unit, unless excepted by the specific crop policy.

For the purpose of determining share, the time of loss is defined as the date the final claim is completed for signatures. At the time of final loss adjustment, if the insured's share is determined to be less than originally reported, decrease the share by entering the determined share in the appropriate column for the insured's share on the claim. This may also require a revised acreage report depending on the insurance providers processing system. Follow instructions as provided by the insurance provider.

B Share Arrangements (Written or Verbal)

(1) **100 percent crop share (Cash Lease)**

- (a) 100 percent crop shares includes 100 percent share as owner/operator and/or land that is rented for cash, a fixed commodity payment, or any consideration other than a share in the crop.
- (b) A lease that provides for EITHER a minimum payment (such as a specified amount of cash, bushels, pounds, etc.) OR a crop share is considered a cash lease (e.g., lease provides for a 50/50 crop share or \$100 dollars, whichever is greater).
- (c) A lease that contains a crop share but the percentage is not a fixed amount at the time coverage begins is considered a cash lease. Such leases may contain a cash consideration with an undetermined crop share percentage at the time coverage begins.

(2) **Crop Share (Crop Share Lease)**

- (a) In order to have a crop share, the crop share percentage must be specified at the time coverage begins and cannot change based on the amount of production harvested. See example 4 and 8.
- (b) Written or verbal lease agreements containing provisions for BOTH a minimum payment (such as a specified amount of cash, bushels, pounds, etc.) AND a crop share is considered a crop share lease.

C Share Arrangement Examples

Situation 1: The tenant (insured) agrees to give the landlord 1/3 of the crop in return for farming the land.

- ! The agreement is a crop share.
- ! The insured's share is 2/3 of the crop.

Situation 2: The tenant (insured) agrees to give the landlord 1/3 of all the crops produced on the premises and to guarantee that the landlord's share of the crops will average \$35 an acre. In the event that the landlord's share of the crops is worth less than \$35 an acre, the tenant will pay the difference in cash to the landlord.

- ! The agreement is a crop share.
- ! The insured's share is 2/3 of the crop.

Share Arrangement Examples (continued)

Situation 3: The tenant (insured) agrees to give the landlord \$50 per acre cash and 1/4 of the crop in return for farming the land.

! The agreement is a crop share.

! The insured's share is 3/4 of the crop. We do not convert the \$50 per acre cash payment to a share basis.

Situation 4: The tenant (insured) agrees to give the landlord \$50 per acre cash and 1/3 of all the bushels in excess of 60 bushels per acre. (Average yields for the area are usually around 55-65 bushels.)

! The agreement is a cash lease.

! The insured's share is 100 percent. The bushels in excess of the 60 bushels per acre is a "bonus" above and beyond the insured crop. The share percentage of the entire crop cannot be determined at the time coverage begins since it is dependent on how many bushels in excess of 60 bushels will be produced.

Situation 5: The tenant (insured) agrees to give the landlord \$50 per acre cash and 10 bushels per acre.

! The agreement is a cash lease.

! The insured's share is 100 percent. We do not convert the 10 bushels to a percentage share. In this scenario the tenant will pay the landlord a fixed amount, cash (\$50) and commodity (10 bushels per acre).

Situation 6: The tenant (insured) agrees to give the landlord 25¢ for every bushel of peaches harvested.

! The agreement is a cash lease.

! The insured's share is 100 percent. Because there is no agreement for a set share percentage of the crop at the time coverage begins, the insured's share must be considered a cash lease.

Share Arrangement Examples (continued)

Situation 7: The tenant (insured) agrees to pay the landlord \$25 per acre OR 1/4 of the crop, whichever is greater.

- ! The agreement is a cash lease.
- ! The insured's share is 100 percent. Since the lease contains an either/or type arrangement, the share cannot be considered a fixed element of the lease.

Situation 8: The tenant's (insured's) lease agreement states that the tenant will receive the first 85 bushels per acre of corn produced. Of any bushels in excess of 85 bushels per acre, the tenant will receive 60 percent and the landlord will receive 40 percent. The yields range from 107-123 in the R-Span.

- ! The agreement is a cash lease.
- ! The insured's share is 100 percent. Since the share percentage of the crop cannot be established at the time coverage begins, it must be considered a cash lease. The share is dependent on the amount of production in excess of 85 bushels and this is unknown at the beginning of coverage.

D Verify the Following:

- (1) Producer has a bona fide interest in the crop. (See PAR. 13).
- (2) Entity type processed from the application reflects the correct entity (individual, partnership, corporation, co-owner, joint operator, estate, trust, etc.). (See PAR. 15.)
- (3) Producer qualifies as landlord, owner-operator, or tenant. (See PAR. 15.)

E Crop Share Verification

Verify the insured's correct share, by crop, by comparing the reported share on the crop insurance acreage report to the insured's share shown on:

- (1) lease agreements, elevator summaries, packer statements, etc.; or

- (2) FSA-424 (or FSA-578) (Do not use other FSA documents to verify crop share since these documents may contain “contract” shares rather than crop share.); or

NOTE: When crop shares are reported to the FSA, Companies do not have to verify crop shares reported for crop insurance with the crop shares reported to the FSA, but are encouraged to do so.

- (3) If needed, land deeds, or other similar evidence to determine the correct share.

F Documentation

Document from what sources the share verification was made, and document anything else pertinent to the share verification.

G Resolving Share Discrepancies. (See exceptions for spousal shares as outlined in subparagraph H below.)

If the shares on the crop insurance acreage report, by crop, do not agree with the shares on, marketing records, lease or share agreements, FSA-424 (or FSA-578) (does not have to be used for verification purposes, see Note 2 below), or other actions of the insured that reflect crop share, resolve these discrepancies as follows:

- (1) If there is a written lease/share agreement in force, use the share identified on the agreement, unless the marketing records or FSA-424 (or FSA-578) (does not have to be used for verification purposes, see Note 2 below) or actions of the insured do not substantiate the share identified in the agreement; whereas, handle as stated in (3) below. See Notes 1 and 2.
- (2) If no written lease/share agreement is in force but crop shares are reported on the FSA-424 (or FSA-578), use the share identified on the FSA-424 (or FSA-578) if it is used for verification purposes (see note 2 below); unless marketing records or actions of the insured do not substantiate the insured's share identified on the FSA-424 (or FSA-578), whereas, handle as stated in (3) below. See Notes 1 and 2.
- (3) If no written lease/share agreement is in force or the share shown on a written lease/share agreement or FSA-424 (or FSA-578) (does not have to be used for verification purposes, see Note 2 below) is not substantiated with marketing records and/or actions of the insured, determine the share from the marketing records and/or actions of the insured. See Notes 1 and 2.

NOTE 1: Marketing records may include settlement sheets, canceled checks, seed receipts, fertilizer receipts, chemical receipts, etc. Actions refer to other arrangements the insured may have made with the

other party sharing in the crop; e.g., every third load is delivered to the other party sharing in the crop, etc. If there is evidence to support that the lease/share agreement is a scheme to acquire more USDA benefits, the insurance provider may, by policy provisions, void the contract.

NOTE 2: Companies are not required to verify crop shares reported to FSA, but are encouraged to do so.

- (4) Document your findings. The insurance provider will maintain documentation and copies of any applicable agreements and marketing records that substantiate the insured's correct share.

H Spousal Shares

- (1) Background information

Generally, it is found that spouses share in the SAME farming OPERATION(S). This is why you will find that in PAR. 15 under the definition "Individual Entity: Spouses," married couples are usually considered to be an individual entity, thus requiring only ONE insurance contract with only one share shown for both on the crop insurance acreage report. However, occasionally, it will be found that one spouse operates a SEPARATE farming OPERATION independently of the other spouse. Spouses can be recognized as a separate entity if they meet the required criteria defined in PAR. 15.

- (2) Spousal Shares at FSA

- (a) The Farm Bill provides that a married couple who shares in the SAME farming operation can be recognized as "two persons" for the purpose of farm program payment limitations. The "two person" recognition is ONLY for the purpose of the farm program payment limitation. The married couple who shares in the same farming operation is still considered to be one person (entity). Therefore, only ONE contract to participate in other FSA programs is signed by the married couple.
- (b) On the other hand, if FSA recognizes that a SPOUSE operates a SEPARATE farming OPERATION independently of the other spouse, each spouse can be classified as a separate entity with separate contracts signed by each spouse, separate FSN's issued, etc.

- (3) Verifying the share

If there is only one crop insurance contract, there is only one share for the spouses shown on the crop insurance acreage report. However, the FSA-424 (or FSA-578) may list two, as explained in (4) below. If it is found that there are two crop insurance contracts, it must be verified

that the spouses qualify for separate entities as stated in PAR. 15 C (2) under "Individual Entity: Spouses."

When Companies verify crop insurance acreage reports with the FSA-424's (or FSA-578's) it is normally, as indicated in subparagraph G above, considered a discrepancy if the crop shares reported for crop insurance and the shares reported on the FSA-424 (or FSA-578) do not match. The same is true for names and entities. However, in some cases because of the "two person" recognition, the producer's names, entity type (e.g., partnership vs. individual), and/or shares listed on the crop insurance acreage report and FSA-424 (or FSA-578) program can be in disagreement. Handle the verification of the spousal arrangements, as follows:

(a) When it is verified that both spouses SHARE an interest in the SAME farming OPERATION and the FSA-424 (or FSA-578) lists separate share interest for SPOUSES:

- 1 The share reported for crop insurance purposes will be considered correct if the total of the two shares listed for the spouses on the FSA-424 (or FSA-578) equals the same percentage as reported for crop insurance purposes. Document the facts in the narrative of the claim or on a Special Report.

EXAMPLE: Fred Jones is the only name listed on the wheat insurance application. Fred reported a 100% share in Farm Serial Number (FSN) 2020 to FCIC, but the FSA-424 (FSA-578) shows that Fred Jones has a 60% share in FSN 2020, and an FSA-424 shows that Mary Jones has a 40% share in FSN 2020. The total of the two shares reported on the FSA-424 (or FSA-578) equals the same percentage reported for crop insurance purposes. Therefore, there would be no discrepancy in shares reported for crop insurance purposes and those reported to the FSA for other than crop insurance purposes.

- 2 It will be considered a share discrepancy when the total percentage of the two shares reported on the FSA-424 (or FSA-578) for non-crop insurance purposes does not equal the same percentage reported for crop insurance programs. Resolve the share discrepancy in accordance to PAR. 14 G.

(b) When it is verified, that spouses DO NOT share in the SAME farming OPERATION (as verified with FSA representative and/or other sources):

If the FSA has recognized the spouses as being separate entities (operations), and for crop insurance purposes the insurance provider has recognized them as separate entities by giving each

spouse a separate contract, the share reported on each spouses's crop insurance acreage report will be compared against the crop share reported to the FSA for the individual spouse. (Each operation will generally have separate FSN's.) If the individual spouse's crop share amount does not agree with what has been reported to the FSA for non-crop insurance purposes, handle in accordance to PAR. 14 G above.

I Questionable Insurable Interest in the Crop

When it is questionable whether the insured has an insurable interest in the crop, document the circumstances on a Special Report. Forward the Special Report to the next level of supervision, and include the insured's contract folder if it has been assigned to you.

15 ENTITIES

A Verify

- (1) From information obtained from the insured, FSA or other reliable sources, and from the criteria for each entity type found below; verify that the person qualifies for the entity shown on the application or qualifies for a separate entity from another household member, relative, corporation, etc.

NOTE: If an entity type is recorded at the FSA, insurance providers do not have to verify entities through the FSA; however, they are encouraged to do so.

- (2) If the entity type reported is questionable, contact the insurance provider when an entity is verified at FSA and there is a discrepancy between the entity recorded for crop insurance and the local FSA office. Insurance providers will try to resolve the discrepancy with the FSA. If the discrepancy cannot be resolved and the insurance provider has evidence supporting its position, the insurance provider should retain the entity type reported to them; and keep on file all documentation and evidence supporting this decision.

B Signature/Documentation

Exhibit 5 lists the person authorized to sign documents (including loss documents) for each entity type and documentation required for each entity type.

C Entity Types**(1) Individual Entity: Individuals**

- (a) The applicant must be competent, of legal age (18 years of age or older) and capable of entering into a binding contract, and have the authority to fulfill the requirements of the contract. If the applicant is less than 18 years old, see subparagraph (5).
- (b) The applicant incurs debt (if any) related to production, stores or markets in his/her name, receives proceeds, and files tax returns.
- (c) The application covers the individual's share as a co-owner, joint-operator, or as an individual in a partnership, provided the co-owner, joint-operator, or partnership does not have separate contracts.
- (d) A landlord and tenant must have separate contracts unless otherwise provided in the policy.
- (e) When more than one member of a family in the same household applies for insurance or the applicant resides in the household of an insured, applicants must provide evidence on a signed statement indicating separate insurable shares. In most cases, this is not applicable to spouses. See subparagraph (2).

(2) Individual Entity: Spouses

- (a) Only one contract is required when the insurable share is owned jointly or separately by husband and wife. This includes shares owned in community property states.
- (b) Some married persons are sole owners of land and farm as landlords, owner-operators, or as tenants independently of their spouses. For example, if a wife separately owns land which is operated and managed by the husband as head of a family farming enterprise, only one policy is needed for the family operation and share. This is also true if such land is all or part of the land farmed by the husband as owner-operator with the proceeds deposited in either the husband's bank account or a joint bank account. Only one application in the husband's name, wife's name, or both names as co-owners is required and either spouse may sign the insurance documents.
- (c) If a spouse operates a SEPARATE farming operation independently of the other spouse, each spouse (if they choose) may submit a separate application and insure his or her interest separately. To qualify as a separate farming operation ALL of the following criteria must be met: separate ownership of land, separate capital,

separate equipment, separate accounting of labor, separate management, and separate records maintained.

(3) **Individual Entity: An Individual Operating as a Company**

The guidelines for an individual operating as a company (not a Corporation) are identical to those of an individual. The application must be signed by the owner or authorized representative of the company. A statement from the company which lists the authorized representative must be maintained in the insured's file folder in the service office.

(4) **Individual Entity: Joint and Survivor Interests**

"Joint and Survivor Interests" are applicable in "community property" states in which a husband and wife have joint and survivor interest in insurable acreage and in states where such an interest may be created by deed. In such states the application is completed in the name of the joint and survivor interest (e.g., "John W. Doe, James C. Smith", or whomever).

- (a) Both parties must sign the application. Exceptions: husband and wife or when a statement is prepared and signed by both parties showing the authority of either to act as agent for the other for crop insurance purposes.
- (b) If either party dies, the contract continues, but a successor-in-interest application must be obtained. The CIH contains information concerning the effective crop year for which the successor-in-interest application must be prepared.

(5) **Individual Entity: Minors or Mental Incompetents**

- (a) A minor must provide evidence that an insurable share exists and if incompetent or not capable of entering into a binding contract a court appointed guardian or a parent must co-sign the application.
- (b) A mental incompetent may be insured ONLY if a court appointed guardian signs the documents.
- (c) A written statement describing the farming operation and the insurable share must be provided and maintained in the insured's file folder in the service office.
- (d) When a minor becomes capable of entering into a binding contract or when incompetency is dissolved, a successor-in-interest application is required. See the CIH for information concerning the effective crop year for which the successor-in-interest application must be prepared.

- (e) When a parent or court appointed guardian co-signs the application, it must contain a statement guaranteeing payment of the annual premium.

(CAT policies ONLY →

(6) Individual Entity: Producers Under One Tobacco Marketing Card

Tobacco producers may insure 100 percent of the tobacco acreage for which a marketing card is issued by FSA under one policy subject to the following conditions:

- (a) All shareholders must agree to such an arrangement in writing and none of the persons may have other tobacco on which CAT coverage is required.
- (b) The insured is the producer named on the application. The applicant/named insured must have a share in the tobacco acreage covered by the marketing card.
 - 1 The applicant/named insured is responsible for furnishing the insurance provider a copy of the shareholder agreement, names, and Employee Identification Numbers (EIN) or Social Security Numbers (SSN) of all persons who share in the tobacco acreage covered by the marketing card. Each shareholder must be listed as an SBI even if their actual interest in the insured interest is less than 10 percent.
 - 2 The producer designated as the named insured is responsible to apply for insurance, pay any applicable administrative fee and fulfill all contractual requirements (e.g., file acreage reports, provide APH production reports, give notice of damage, etc.). A copy of the agreement that designates the responsible person must be placed in the insured's file.
 - 3 Any indemnity payment due will be made to the named insured under his/her SSN/EIN number. The named insured is responsible for distributing any indemnity payments to other producers sharing in the crop.

←CAT policies ONLY)

(CAT policies ONLY→**(7) Individual Entity: Undivided Interests**

Landowners with an undivided interest in land may insure crops on such land under one policy subject to ALL of the following conditions: (a) The policy covers only insured crop(s) grown on land with an undivided interest. None of the landowners may have other land on which CAT coverage is required.

- (a) The total liability for each crop insured under an undivided interest policy must not exceed \$2500. **←CAT policies ONLY)**

(CAT policies ONLY→

(b) The landowner designated as the named insured is responsible to apply for insurance, pay any applicable administrative fee(s) and fulfill all contractual requirements (e.g., file acreage reports, provide APH production reports, give notice of damage, etc.). A copy of the agreement that designates the responsible person must be placed in the insured's file.

- 1 Any indemnity payment due will be made to the named insured under his/her SSN/EIN number. The named insured is responsible for distributing any indemnity payments to other landowners sharing in the crop.
- 2 The applicant/named insured must furnish to the Insurance Provider proof that an undivided interest in the land exists, names of the landowners, and the SSN/EIN of the landowners.
- 3 All landowners must be listed as an SBI without regard to their actual interest in the land. **←CAT policies ONLY)**

(8) Partnerships

A partnership is a written or verbal (requires an EIN) contract between two or more persons. The essential element of a partnership which distinguishes it from other forms of joint ventures is that each partner has authority to enter into contracts and bind all other members to such contracts.

- (a) The death, declaration of incompetence, or withdrawal of a partner, terminates the partnership, unless a written partnership agreement provides otherwise.
- (b) Crops to be insured under the partnership are those in which the partnership has a share and require only one application.

- (c) If the entire share of the partnership is not to be insured, an application to cover the share of an individual holding an interest in the partnership may be obtained. This application also covers any other individual interest the applicant may have.

(9) **Corporations**

A corporation is a legal entity created and operating under state laws of incorporation. The corporation may insure its share as landlord, owner-operator, or tenant. An application must be signed by an officer of the corporation authorized to enter into contracts. A statement must be maintained in the insured's file folder in the service office stating where the articles of incorporation are on file. Changing officers or stockholders does not affect continuity of the contract.

(10) **Co-ownership/Joint Operations**

An entity composed of two or more parties who engage in a farming operation jointly; pool their resources; contribute land, labor, or machinery; share in expenses; and at the end of the year divide the profits, according to their interests. No individual is authorized to bind any other individual in any business transaction as is possible under a partnership.

- (a) The application must be signed by all parties or by the authorized representative. If an authorized representative signs, an agreement must be executed by co-owners or joint operators giving the representative authority to sign and maintained in the insured's file folder in the service office.
- (b) If the entire share of the entity is not to be insured, an individual application may be obtained to cover the individual share of a co-owner or joint operator and any other individual interest the applicant may have. Such an application will not cover the share of a partnership.
- (c) Death or withdrawal of one of the parties terminates the insurable interest at the end of the crop year.

(11) **Estates**

The application covers the share owned by an estate and must be signed by the authorized court-appointed officer or executor.

- (a) Upon settlement of the estate and the discharge of the court-appointed officer, the contract and a new application is required to maintain insurance protection.
- (b) Removal or discharge of a court-appointed officer and appointment of another does not terminate the contract.

(12) **Trusts**

The application covers the trust's interest (not the beneficiaries' interest). The application must be signed by the administrator or trustee appointed to administer the business affairs of the trust.

- (a) Irrevocable trusts are processed using the same guidelines as individual entities.
- (b) Revocable trusts require an EIN and/or SSN for processing purposes.
- (c) Trusts administered by Bureau of Indian Affairs.
 - 1 Native American land is frequently held in trust by the Bureau of Indian Affairs (BIA) or Tribal governing body and leased to operators. Native American land held under trust is processed in the same manner as land held in any other trust. The name of the trust is the named insured. BIA trusts may be identified by an allotment number or other name identifying the trust. Linkage for certain USDA farm program benefits for individual Native Americans who own parcels of an allotment are established by that trust.
 - 2 If the trust agreement provides that operators of leased land purchase crop insurance, a power of attorney will be executed by the BIA granting the operator the authority to purchase crop insurance on behalf of the trust.
 - 3 If the BIA trust does not have an EIN, a nine digit number may be established as follows: the first two digits identify the state, the next three the county, and the last four the allotment number.

(13) **Other Entities**

The following entities are generally assigned an EIN for tax purposes.

- (a) Receiver or Liquidator. Receivers or liquidators may insure their share. The application must be signed by the person authorized by the court to administer business of the receivership.
- (b) Public Agencies. State, county, or municipal offices may insure their share. The application must be signed by the person having authority to enter into a contract for the entity.
- (c) Association, Clubs, or Tax Exempt Organizations. To act as a representative for any principal, an entity (or an individual, etc.) must provide evidence of authority (preferably a power of attorney) or a signed statement indicating where such authority can be

verified. If authority is by verbal agreement, a statement is required from the principal for verification. The signature of the person having authority to enter into a binding contract for the entity is required.

16 (RESERVED)

17 (RESERVED)

(RESERVED)

SECTION 2 INSURED'S CONTRACT INFORMATION

18 CONTRACT INFORMATION AND VERIFICATION

Before the appointment and inspection are made, thoroughly review all documents in the contract folder or data from the processed documents that are applicable to the inspection. Some information must be verified by the adjuster at the time of the on-the-farm visit. The following paragraphs contain verification requirements of the data on these forms.

19 APPLICATION

A General Information Before a loss adjustment inspection can be done, the insurance provider must assure that there is a properly accepted application confirmed by a policy confirmation (defined in Exhibit 1). For further information regarding the application and the late-filed application, refer to the CIH.

20 CONTRACT CHANGES

A Prior to assignment of the loss inspection, the insurance provider is responsible for verifying any timely filed contract change for the crop and crop year that would affect the loss inspection and indemnity payment. If it is discovered during the loss inspection that a timely contract change has not been processed, contact your insurance provider for further instructions. Refer to the CIH for more information regarding changes in price election, level, cancellation, and successor-in-interest.

21 WRITTEN AGREEMENT

Verification. Verify whether any written agreement is in effect for the crop and crop year being inspected. If there is, read the entire agreement and determine how it affects the crop being inspected; e.g, practice that is not otherwise insurable is insurable via this agreement, etc.

22 APH FORM (PRODUCTION AND YIELD REPORT)

APH Verification at Time of Loss. Insurance providers will use the following guidelines prior to or during farm inspections:

- (1) **Perform APH Field Reviews** when insureds are affiliated with Crop Insurance (employee, agent, contractor, etc.), and an APH field review has not been performed for the crop year for which the loss is being completed.

If an APH field review cannot be performed and the inspection must be made, if the insured has a *bona fide* contract and claim, the inspection may be made but the claim cannot be finalized (do not obtain the insured's signature) until the APH field review has been performed.

(2) **Review Approved APH Forms.** For insureds not affiliated with crop insurance (i.e., not an employee, agent, etc.), a current approved APH form must be on file in order to complete a claim.

- (a) Review the actual yields certified by the insured for reasonableness.
- (b) Perform a cursory review to determine if the APH yield was calculated accurately.
- (c) Compare the approved APH yields to the acreage report. Verify that the correct APH yields have been entered on the acreage report (by unit, Practice/Type/Variety, map area, etc.).
- (d) Conduct additional reviews or/and make corrections, as appropriate, if:
 - 1 A current approved APH yield is not on file;
 - 2 Yields certified do not appear to be reasonable; or
 - 3 The approved APH yield appears to have been calculated incorrectly.

If a correct/current APH yield cannot be verified before an inspection must be made, and the insured has a *bona fide* contract and claim, the inspection may be made but the claim cannot be finalized (do not obtain the insured's signature).

23 OPTIONS AND ENDORSEMENTS

A High-Risk Land Exclusion Option

If an option is in effect, verify that:

- (1) none of the acreage designated as high risk is included with insured acreage on the acreage report. If such acreage is included as insured acreage on the acreage report, revise the acreage report to correctly reflect the insured and uninsured acreage. (NOTE: It is possible that the insured may have this high-risk land insured under a separate CAT policy - see the CIH for more information), and
- (2) harvested production from the acreage designated as high risk has been kept separate. If it has not, refer to the commingled production procedure in PAR. 150.

B Review of Other Option Forms or Endorsements

Review any other option form or endorsement that pertains to the crop and crop year being inspected. Make any appropriate verification as it pertains to the provisions of the option or endorsement. If there is insured and uninsured acreage, verify that harvested production has been kept separate. If it has not, refer to the commingled production procedure in PAR. 150.

24 ACREAGE REPORT

If it is after the final acreage reporting date, there must be an acreage report on file with the insurance provider before a claim can be filed.

A Late-Filed Acreage Reports or Tonnage Report-Raisins

When the insured DOES NOT report any acreage (or tonnage for raisins) for the insured crop by the established reporting date, the insurance provider may determine the acreage (tonnage for raisins) and establish premium and liability or the liability may be denied in accordance to procedure in PAR. 85.

B Verification of the Acreage Report Information at Loss Time

(1) General Information

Verify with the insured, the correctness of all acreage report information including whether all crop acreage (insured and uninsured) has been reported. See PAR.151 for detailed information on unreported units. For non-loss units, verifications other than with the insured do not have to be made. However, for loss units, verification with the insured as well as other field verification requirements must be made. Acreage must be "determined" for loss units but not non-loss units. Acreage determinations must be made in accordance with PAR. 95.

(2) Prior to a farm visit if an error is found in the acreage report information requiring a revised acreage report, complete an on-the-farm inspection and continue verification of information on the acreage report as follows: (See Part 2, Section 3 of this handbook for revised acreage report instructions.)

(a) Crop

Verify that the crop acreage was actually planted and that the crop is insurable in accordance with the crop insurance contract.

(b) Planting Dates

Verify the planting dates with the insured. Revise the acreage report if any acreage reported timely was planted after the final planting date or if any of the reported late planting dates are

incorrect, revise the acreage report accordingly. See the late-planted acreage procedures in Parts 5 and 6.

(c) Acres reported

- 1 Verify that all insured and uninsured acreage for crop has been reported. If any of the acreage reported as insurable is uninsurable, revise the acreage report to remove such acreage.
- 2 For annually planted crops: If it is past the final planting date, verify that all acreage planted has been reported for all fields. Unreported acreage is uninsured acreage.

(d) Practices

- 1 Verify the actual planting practices carried out by the insured. Verify that the actual practice is insurable, as shown in the actuarial documents or Written Agreement; if applicable.
- 2 If the practice is not insurable, revise the acreage report to remove the uninsured acreage and verify that the production from the uninsured acreage and insured acreage has been kept separate. Use the actual planting practice on the claim form except as explained in PAR. 53.

(e) Legal Descriptions and/or Farm Serial Numbers

Verify the physical location against the legal descriptions and/or Farm Serial Numbers on the acreage report by using FSA documents or other verifiable documents as references during inspection of the fields.

(f) Type, Class, or Variety

- 1 Verify that the type, class, or variety is insurable as defined in the crop policy/endorsement (or if applicable, by Written Agreement), and that it has not been excluded by the actuarial documents.
- 2 If the type, class, or variety is found to be uninsurable, revise the acreage report to remove all acreage with the uninsurable, type, class, or variety.

(g) Share

Verify with the insured and as instructed in PAR. 14 that the share reported is correct. Shares cannot be increased at loss time. However, if the share is lower at the time of the claim, the claim must reflect the correct lower share.

(h) Person's sharing in the crop

Verify with the insured and via lease-agreements or FSA records or other verifiable documents, the name of the person(s) sharing in the crop. See PAR. 14.

(i) Risk classification

The insurance provider must verify that the risk classification is correct by verifying: (1) the adjuster-verified physical location of the acreage, against the actuarial documents (or written agreements (if applicable)); (2) FSA documents if FSN's are applicable; (3) if a FCI-32 (Producer Classification) is applicable, the insurance provider must verify the classification listed on the acreage report against the what is listed on the FCI-32 for the insured; and (4) NCS listing.

(j) Special Purpose Information

This column is used for a variety of entries. It may contain contract prices for crops requiring them (e.g., green peas), etc. Verify the accuracy of this information using pertinent documents needed to verify this information.

(k) Unit Number

1 Insurance providers must verify that the legal description and FSA Farm Serial Number for each unit on the acreage report is the same as on the APH form.

2 Verify that the unit numbers reported are in accordance with the applicable individual crop policy or endorsement or, if applicable, the unit division guidelines in the actuarial documents or Unit Division Option.

(l) Remarks. Review any information recorded in the remarks section that may be pertinent to this inspection.

(3) Uninsured Acreage

Verify that any harvested production from the uninsured acreage was kept separate from the insured acreage. If it was not, refer to the commingled production procedure in PAR. 150.

C Revised Acreage Report. Acreage reports cannot be revised to add acreage at loss time except as outlined in PART 2, Section 3.

25 HAIL AND FIRE EXCLUSION

A Verifying Adequate Liability

- (1) The insurance provider must ascertain/verify that for the crop year of the claim, the amount of liability under the hail and fire policy equals or exceeds the liability amount that would have been provided by the MPCI policy for that crop year.
- (2) When ascertaining whether there is adequate liability, uninsurable acreage must be considered. If uninsurable acreage is involved, the total liability under the hail and fire policy may exceed the MPCI crop insurance liability due to the extra acreage (uninsured acreage), yet the insured still MAY NOT have adequate hail and fire liability to allow exclusion of hail and fire coverage from the MPCI policy.

Example:

MPCI coverage is -
 100 insured acres
 100 uninsured acres
 \$10,000 total liability
 \$100 per acre liability
 ($\$10,000 \div 100$ insured acres = \$100 per acre liability)

Hail & Fire coverage is -
 200 insured acres
 \$10,000 total liability
 \$50 per acre liability
 ($\$10,000 \div 200$ insured acres = \$50 per acre liability)

VERIFICATION - Based on the above, the insured's hail and fire liability of \$50 per acre does not equal or exceed the \$100 per acre liability that would have been provided by the MPCI policy; therefore, the insured does not have adequate liability to exclude hail and fire from MPCI coverage.

- B Damage Exceeds Deductible. If damage results from hail or fire and a hail and fire exclusion is in effect, the adjuster will make an appraisal for uninsured (excluded) causes of loss if the damage exceeds the deductible established in the policy. Use the following instructions for computing and entering the appraisal in the "Uninsured cause" column.

- (1) Original hail or fire liability has NOT been reduced.
 - (a) Make an entry in the "Uninsured Cause" column, as described below, ONLY if ALL the following conditions have been met:
 - 1 Hail or fire damage has occurred on the unit;

- 2 Hail and fire exclusion is in effect; and
- 3 The original amount of hail or fire liability has NOT been reduced.

(b) Enter the appraisal determined as follows:

- 1 Determine the weighted AVERAGE (based upon gross acres) percent of hail or fire damage (from the hail or fire claim) for the unit.

Weighted-average-damage example: Suppose a unit of wheat (270 acres) is covered by a MPCl policy (65% coverage level) with hail/fire excluded. Hail damages the unit as follows (percent of damage as shown on the private hail/fire carriers loss form):

| | | |
|-----------------|--------------------------|-------------|
| 80 acres @ 0% | 80 acres X .00 = | 0.0 |
| 55 acres @ 48% | 55 acres X .48 = | 26.4 |
| 75 acres @ 66% | 75 acres X .66 = | 49.5 |
| 60 acres @ 100% | <u>60 acres X 1.00 =</u> | <u>60.0</u> |
| | 270 acres | 135.9 |

$135.9 \div 270.0 = .503 = 50.3\%$ weighted average percent for unit.

- 2 Determine the “hail/fire exclusion appraisal factor” either by:
 - a calculating as instructed in steps (3) and (4) below, OR
 - b skip steps 3 and 4 and obtain the factor representing the insured’s coverage level percent and weighted average percent of hail/fire damage from the “Hail/fire Exclusion Appraisal Factor Chart” in Exhibit 6.

Example of “hail/fire exclusion appraisal factor” derived from the chart Exhibit 6, based on the example in (1) above (65% coverage level).

| | |
|-------------------------------|--------------|
| 50% hail/fire damage = | .2308 |
| <u>.3% hail/fire damage =</u> | <u>.0046</u> |
| 53% | .2354 |

- c **(Do not use this step if the “hail/fire exclusion appraisal factor” was obtained from the Hail/fire Exclusion Appraisal Factor chart; go to step 5.)** For each coverage level, the “deductible” is 100% minus the coverage level percent (e.g., 100% - 65% = 35%). Subtract the percent “deductible” from the weighted average percent of hail or fire damage (e.g., 50.3% weighted ave. hail damage - 35% “deductible” = 15.3%).

- d **(Do not use this step if the “hail/fire exclusion appraisal factor” was obtained from the Hail/fire Appraisal Factor chart; go to step 5.)** Multiply the result in step (3) times the applicable 2-decimal level factor to determine a 4-place factor (hail/fire exclusion appraisal factor). Determine the 2-place factor as follows: 100 divided by the coverage level percent in step 3 (e.g., $100 \div 65 = 1.54$ for the 65% coverage level). Determine hail/fire exclusion appraisal factor as follows: $.153 \times 1.54 = .2356$.
- e Multiply the factor determined in step (4) (or as derived from the “Hail/fire Exclusion Appraisal Factor Chart, Exhibit 6) times the per-acre guarantee for the acreage. Enter the result in the “Uninsured Cause” column of the claim form (e.g., $.2356 \times 4.6$ bu. guarantee (rounded to the nearest tenth) will equal a 1.1 bushel appraisal). Make no entry for “0” appraisals.

(2) Liability HAS BEEN reduced

- (a) Make an entry in the “Uninsured Cause” column, as described below, ONLY if all of the following conditions have been met:
 - 1 Hail or fire damage has occurred,
 - 2 A hail/fire exclusion is in effect, and
 - 3 The original amount of hail and fire LIABILITY HAS BEEN REDUCED.
- (b) Enter the appraised amount of UNINSURED hail or fire damage per acre calculated as follows: Divide the hail or fire insurance indemnity per acre by the original hail and fire insurance liability per acre. Multiply the result by the guarantee per acre divided by your coverage level percentage, and this result will be the appraisal for uninsured causes.

EXAMPLE:

Assume insured has the following:

| | |
|--------------------------------------|--|
| MPCI guarantee per acre | = 90.0 bu./acre |
| MPCI coverage level | = 75% (or .75) |
| MPCI liability | = \$180/acre |
| Original private hail/fire liability | = \$200/acre |
| Reduced private hail/fire liability | = \$150/acre |
| | (reduced due to an MPCI insured cause of loss) |

Since the private hail/fire liability has been reduced below the MPCl liability (\$150 an acre versus \$180 an acre), the "EXCEPT THAT" clause in the Hail and Fire Exclusion provisions applies.

Private hail/fire indemnity = 30% loss X \$150/acre = \$45/acre indemnity

\$45/acre private hail/fire indemnity ÷ \$200/acre original private hail/fire liability =

$\frac{.2250 \times 90.0 \text{ bu./acre MPCl guarantee}}{.75 \text{ coverage level}} = 27.0 \text{ bu./acre appraisal}$

NOTE: The Hail/Fire Exclusion Factor Chart is not applicable for this calculation.

26 ASSIGNMENT OF INDEMNITY

- A General Information. A prescribed form signed by the insured to assign the right to an indemnity to a third party. See the CIH for more detailed information.
- B When Submitted? Assignments of indemnity may be made after acceptance of the application, and prior to the transmittal of a claim.
- C Life of Assignment. An assignment is in effect only for the crop year of the assignment.
- D Replant Payment and Assignment. Issuance of a replant payment for any insured unit does not restrict the insured from assigning the right to an indemnity to another party.
- E Assignment of Indemnity and Transfer of Right to an Indemnity. If a timely signed, Assignment of Indemnity and a timely signed Transfer of Right to an Indemnity for the crop and crop year are on file, and no release for either document is found, the earliest processed document will take precedence.
- F Claim Instructions. Record whether an Assignment of Indemnity is in effect by completing the appropriate entry block (line) on the claim form; or in the absence of an entry block (line), recording the information on an attachment or in the narrative of the claim form.

27 TRANSFER OF RIGHT TO AN INDEMNITY

- A General Information. A prescribed form used when an insured wishes to request a transfer of the right to an indemnity for a crop year on any part of the share and/or acreage in a unit when the transfer of ownership or share in the crop occurs during the insurance period. Therefore, a transfer of part or all of

the ownership of the insurable share and/or acreage **must occur** before the earliest of the:

- (1) Date harvest was completed on the unit,
 - (2) Calendar date for the end of the insurance period, or
 - (3) Date the entire crop on the unit was destroyed, as determined by the insurance provider.
- B Approval. The transfer is subject to approval by the insurance provider and to any outstanding Assignment of Indemnity made by the transferor prior to the date of transfer.
- C Ownership Transfer. Ownership of the insured crop **MUST HAVE BEEN** transferred prior to the claim being submitted.
- D Release. The Transfer of Right to an Indemnity may be released by the transferee submitting a signed statement of release showing the insured's name, mailing address, contract number, crop(s), and unit(s). If it is discovered during the loss inspection that there is a release that has not been submitted or processed, document this on a **Special Report**, and attach it and the release statement to the claim form.
- E Life of Transfer. The transfer established by the Transfer of Right to An Indemnity is effective only for the crop year specified. For succeeding crop years, if the transferee does not have a crop insurance contract in force for the succeeding crop year but wishes to continue insurance, the transferee must apply for insurance by the sales closing date for the crop.
- F Claim Instructions
- (1) **Transfer in Effect?** Record whether a Transfer of Right to an Indemnity is in effect by completing the appropriate entry block (line) on the claim form; or in the absence of an entry block (line), by recording the information on an attachment or in the narrative of the claim form.
 - (2) **How Many Claims Are Prepared?** Prepare only one claim form for the loss on the unit. Account for all the acreage, production, and share. The transferor's name must appear on the claim form as listed on the latest policy confirmation.
 - (3) **Required Signatures on Claim Form**
 - (a) **Partial Transfer:** For a partial transfer, the insured and transferee(s) must sign claim (transferee should sign below the transferor's signature).
 - (b) **Complete Transfer:** For a complete transfer, the transferee must sign the claim.

28 NOTICE OF DAMAGE OR LOSS

The insured is responsible for giving notice of damage within the prescribed time stated in the policy/endorsement/crop provisions. An FCIC-approved form or card is used by the insured to file written notice to the insurance provider.

A Insurance Provider's Responsibilities

- (1) Prepare and distribute the notice of damage to the appropriate parties.

NOTE: It is suggested that agents (or representatives taking notices of damage) are provided with instructions to obtain information pertaining to **companion contracts** (insured's shareholder in the loss-affected unit has a multiple peril contract); i.e., name of the shareholder's insurance provider; and in the absence of this or if it not known whether the shareholder has a multi-peril contract; the name, address, and telephone number of the shareholder.

- (2) Remind insureds of their responsibilities, such as:
 - (a) continuing to care for the crop,
 - (b) leaving representative samples/strips as provided in the policy/endorsement/crop provisions when notice of damage has been given 15 days prior to or during harvest, and
 - (c) keeping production separate for each unit and for each practice having separate APH's, etc.
- (3) Assign notices of damage to adjusters as quickly as possible to assure timely service to the insured.
- (4) Assure that, if at all possible, **companion contracts** are adjusted at the same time, as follows:
 - (a) If the companion contract is serviced by the same insurance provider, the insurance provider will make arrangements to have both contracts adjusted by the same adjuster.
 - (b) If the companion contract involves a different insurance provider, the insurance provider will notify the other insurance provider immediately of the situation. It should be encouraged that adjusters from different insurance providers adjust the claim together; however, if either insurance provider is unable to adjust the claim, the other insurance provider will make the loss inspection and provide the necessary documentation to the insurance provider unable to be present on the loss inspection. It is expected that the number of times this situation occurs will be minimal.

- (c) When only one insurance provider completes a loss inspection, the other insurance provider will be provided legible copies of the appraisal worksheet (when applicable) and claim forms. At their discretion, both insurance providers may review the loss inspection at a later date for quality assurance purposes.
 - (d) In the event that a loss inspection is completed by one insurance provider and the other insurer disagrees with the original findings, representatives from both insurance providers involved will meet and resolve the discrepancies. If the discrepancies cannot be resolved, each representative will follow their respective insurance provider's instructions.
 - (e) If upon receipt of a companion contract, it is discovered that an inspection has already been made by the other insurance provider, the claim may be completed based on the other insurance provider's findings, **PROVIDED** the insurance provider agrees with the original findings of the other insurance provider. If there is reason to disagree with the findings of the other insurance provider, follow the same procedure outlined in PAR. 28. B (4) (d).
- (5) Use the instructions for delayed notice inspections in PAR. 80 if the insured failed to provide notice within the time prescribed in the policy/endorsement/provisions.

B Adjuster Responsibilities

- (1) **Accepting Notices.** Follow the insurance provider's instructions for accepting notices of loss.
- (2) When the insured has less than 100 percent share of a loss-affected unit and the claim form does not indicate or the insurance provider has not provided the information indicating whether the shareholder has a multi-peril contract, question the insured to determine whether the OTHER person sharing in the unit also has a multi-peril contract. Contact the insurance provider for further instructions if the other person sharing in the crop unit has a multi-peril contract.
- (3) Review all information from prior inspections for the crop(s) being inspected to determine if any information from these inspections (appraisal worksheets, maps, claim form, special reports, etc.) is pertinent to the inspection being performed.

29 POWER OF ATTORNEY

A Insurance Provider's Responsibility

The insurance provider will provide the adjuster with the name of the party who can act on behalf of the insured and assure that anyone other than the insured who has signed loss related forms or claims is authorized to do so.

B Adjuster Responsibility

If an individual other than the insured states they are acting in behalf of the insured, and the insurance provider has not provided information that this party has authority to act on behalf of the insured; do not allow signatures until it is verified with the insurance provider that a Power of Attorney is on file granting such authority to this individual.

30 (RESERVED)

31 (RESERVED)

(RESERVED)

SECTION 3 REVISED ACREAGE REPORTS**32 GENERAL INFORMATION****A Overview**

The acreage report (tonnage report for raisins) is the document used to determine the insurance provider's liability, the insured's premium, and amount of coverage. If incorrect, the acreage report may be revised if allowed under the parameters of this section.

B Possible Reasons for Revised Acreage Reports

The following circumstances may result in a revised acreage report being filed:

- (1) The insured may file a request for a revision on a unit basis.
- (2) The adjuster may file a revised acreage report to correct inaccuracy or incompleteness of an original acreage report or a Summary of Protection (or Schedule of Insurance) discovered during loss adjustment, provided the revision falls within the allowed parameters outlined in this section.
- (3) Acreage Report Reviews. During Acreage Report Reviews, acreage reports may be revised, provided liability is not increased on a unit that could not pass a crop inspection.
- (4) All acreage report revisions require:
 - (a) Documentation in the "Remarks" section of the acreage report (or other form specified by the insurance provider to revise acreage reports) or on a Special Report explaining why the revision took place and what changes were made (if a form was used to document, notate "See attached (Form Number)" in the "Remarks" section of the acreage report),
 - (b) Date, signature, and code number of the person preparing the revised acreage report (or other form designated by the insurance provider to revise acreage reports),
 - (c) Insured's signature and date, UNLESS circumstances warrant the absence of the insured's signature. If the insured's signature is not obtained, document why the signature was not obtained in the "Remarks" or on a Special Report. Based on the nature of the revision and the reasons the insured's signature was not obtained, the insurance provider will determine whether the revised acreage report should be approved without the insured's signature, and

- (d) For acreage reports revised after the final acreage reporting date, the insurance provider's authorized representative's approval.

33 REVISED ACREAGE REPORTS - BEFORE THE FINAL REPORTING DATE

Acreage reports may be revised BEFORE the final reporting date anytime information that affects the guarantee, premium, or liability was incorrectly reported. No crop inspection or approval is required when revisions are filed BEFORE the final reporting date.

34 REVISED ACREAGE REPORTS - AFTER THE FINAL REPORTING DATE

- A Insurance Provider Approval. Acreage reports may be revised AFTER the final reporting date ONLY with the insurance provider's authorized representative's approval.
- B If Revision Causes Increased Liability. If the revision causes the insurance provider's liability for the crop to increase, a crop inspection for the unit(s) being revised must be performed as outlined in PAR. 85, except when the revision is to correct errors found on the acreage report or summary as outlined in subparagraph D below. Revision of the unit will be approved or rejected in accordance with the procedure outlined in PAR. 85. Revisions to remove insurable acreage is allowed only as indicated in subparagraph E below.
- C CANNOT Increase Liability at Loss Time. Acreage report revisions that increase liability cannot be made during final inspections on a unit except to correct errors as outlined in subparagraph D and F below.
- D Crop Inspections - When Not Required
 - (1) Crop inspections are not required when existing evidence provides proof that errors were made in transferring information to the acreage report from source documents such as:
 - (a) Approved yield from the APH form.
 - (b) Written Agreement.
 - (c) County Actuarial Documents; e.g. the FCI-33 actuarial map was incorrectly read resulting in an incorrect classification, etc.
 - (d) A worksheet the insured completed to report his/her original acreage report information.
 - (2) It can be determined that the incorrect percent-planted factor was used to calculate acres for skip-row cotton, or that the incorrect yield-conversion factor was applied to the approved yield for non-irrigated skip-row cotton.

- (3) Keying errors of the acreage report caused an incorrect Summary to be issued.
- (4) Incorrect unit arrangement has been reported
 - (a) Two or more optional/guideline units must be combined anytime separate records of production and acreage are not maintained. (See Commingled Production, PAR. 150.)
 - (b) Part of a unit or an entire unit may be deleted.
 - (c) Additional units may not be created after the final acreage reporting date, except for basic/policy units as in the case of share-rent on a unit. Basic/policy units must be separated even if damage has occurred on the unit.
- (5) Acreage has been overreported
 - (a) When an insured requests a decrease in reported acreage of a unit and no claim will be filed, advise the insured that all units on the crop must have existing acceptable determined acres, as defined in PAR. 95, to support such a revision.
 - (b) If any of the acreage does not meet the definition of acceptable determined acres as defined in PAR. 95, the insured must at his/her expense have such acreage measured. (FSA County Offices provide measurement services for a fee.)
 - (c) Document the acceptable determined acreage on a form used for documentation purposes or aerial photo map.
- (6) **(FOR CAT ONLY):** Measurement Service has been requested by the insured by the final acreage reporting date for the crop and county. Also, see PAR. 34 F.
- (7) **Inadvertent Errors.** When it is obvious that the acreage was inadvertently switched between lines at the time the acreage report was completed resulting in incorrect acres between crops or practices, FSN's, types, etc., insurance providers may approve a revised acreage report to correct the error. In all cases, the reason for the revision must be documented in the "Remarks Section" of the acreage report or on a Special Report. If a Special Report is used, attach it to the acreage report. The insured must sign the revised acreage report.
 - (a) Insurance providers are to use this type of correction prudently. Revisions of this type are to be approved ONLY when it is obvious that acreage reported on one line was inadvertently switched with acreage on another line, and the insurance provider believes that the insured did not intentionally report this way in order to benefit from doing so; i.e., lower premium because of lower premium

rates, etc. The insurance provider should try to establish whether there is a pattern of misreporting every year. If so, the insurance provider should not consider the misreported acres as an inadvertent error.

- (b) This procedure is not to be used to correct overall variances between acres reported and determined. For example: if the irrigated practice was reported as 100.0 acres and the non-irrigated practice is reported as 150.0 acres, and it is determined that there are 95.0 irrigated acres and 155.0 non-irrigated acres, this is a variance in reporting (underreporting and overreporting) and is not considered an inadvertent error.
- (c) When the acreage report is revised to correct an inadvertent error, the revised acreage report must be processed prior to the claim. The acreage on the revised acreage report will be used as the reported acres and cannot be used as the determined acres also. The determined acres must remain a separate determination.

For example: 100 acres was initially reported as irrigated and 50 as non-irrigated; however, the acres for the two practices were inadvertently switched. The determined acres for the irrigated acreage is 51.5 acres; the revised reported acres are 50.0 acres, so there is 1.5 acres underreported for this practice. The determined acres for the non-irrigated acres are 98.0 and the revised reported acres are 100.0, so there is 2.0 acres overreported for this practice.

- (d) The following can be considered inadvertent errors if the insurance provider believes that the insured did not switch the acreages to benefit from lower premiums, etc.:
- Acreage for practices were inadvertently switched. For example: 100 acres were reported as irrigated and 50 as non-irrigated, however, the acres for the two practices were inadvertently switched when reported.

NOTE: The inadvertent switch of acreages may occur within the same unit, or for limited or additional coverage, it may occur between different units when there are optional units for irrigated and non-irrigated acreage.

- Acreage for different types were inadvertently switched. For example: 150 acres were reported as oil type (048) sunflowers and 100 acres were reported as non-oil type (049) sunflowers; however, the acres for the types were inadvertently switched when reported.

NOTE: The inadvertent switch may occur within the same unit, or when optional units are allowed by type for the

coverage selected, the inadvertent switch may involve different units.)

- Acreage between legal descriptions was inadvertently switched. For example: Unit 0102 has 100.0 acres reported with legal description Section 2, Township 5, Range 3. Unit 0101 has 150.0 acres reported with legal description Section 1, Township 5, Range 3. The legal descriptions are correct for the unit structures shown on the APH form. However, the acreage for the legal descriptions were inadvertently switched.

NOTE: The inadvertent switch may occur within the same unit; or may involve different units (for additional and limited coverage) when optional units are allowed by sections (or other legals described in the policy).

- When unit structure for the crop is by FSN and the acreage between two FSN's were inadvertently switched. For example, 200 acres for FSN 1234 was reported, and 300 acres for FSN 2345 was reported; however, the acreage for the FSN's were inadvertently switched.
- Acreage between two crops were inadvertently switched. For example: one line showed 120.5 acres of corn and one line showed 155.6 acres of soybeans; however, there was actually 155.6 acres of corn and 120.5 acres of soybeans.

- (8) An APH review is done, and there are APH errors great enough for the crop to require corrections for the current crop year as described in the CIH.

E Revisions to Remove Insurable Acreage

Acreage reports CANNOT be revised after the final acreage report date to remove insurable acreage, except when the actuarial documents for the county and crop (such as, fall-seeded wheat) allow acreage to be revised (for any reason) by the date specified in the actuarial documents.

- (1) If the County Actuarial Documents provide a reduced premium rate for acreage destroyed by a date designated in the Special Provisions, the insured may report all planted acreage as insurable. Premium will be due on all the acreage for limited and additional coverage. The premium amount will be reduced by the amount shown on the County Actuarial Documents for any acreage that is destroyed prior to the date designated in the Special Provisions (this includes CAT coverage also) **if the insured:**

- (a) does not claim an indemnity on such acreage, and
- (b) obtains consent from the insurance provider to destroy such acreage and gives the insurance provider notice after the acreage is destroyed. Thereafter, the insurance provider will revise the acreage report and reduce the premium accordingly.

If the insured destroys or puts the acreage to another use without consent, an appraisal of not less than the guarantee will be assessed on such acreage.

NOTE: If a notice of damage is filed and the insured desires a claim for indemnity on the acreage, the acreage must be appraised. See PAR. 102 and 104. If the insured wishes to destroy the acreage to comply with other USDA programs, the acreage must be released when an adequate appraisal is made; or if applicable, the insured has agreed to leave representative samples so that adequate appraisals can be made at a later date.

- (2) Adding acreage that was initially reported that it would be destroyed.

If, after the final acreage reporting date, the insured decides to take to harvest acreage that was previously designated to be destroyed (uninsurable) and it meets all insurability requirements in the policy, it can be added if a crop inspection is made and the crop passes the crop inspection in accordance with the requirements in PAR. 85.

- (a) If the crop passes the inspection and is accepted, the acreage would be re-designated as insurable and the acreage report revised to add such acreage. If the acreage is accepted, premium will be applicable to the entire crop year.
- (b) If the crop fails to pass the crop inspection or is not accepted, the acreage is to remain designated as uninsurable in the "Remarks" section of the acreage report.

F Revisions Due to FSA Measurement Service (FOR CAT ONLY)

If the insured requested FSA Measurement Service by the acreage reporting date for the crop and county, the reported acreage can be increased or decreased respective to the measured acres. This adjustment is allowed even at loss adjustment time. The revised acreage report showing these adjustments still requires the insurance provider's approval.

NOTE: If at all possible, final claims should not be finalized until the measurement service has been completed; otherwise, it could result in a corrected claim. If the measurement service has not been completed at the time of the final inspection, the insurance provider should notify the FSA that a final claim is pending so that the measurement service can be expedited.

G Preparation, Documentation, and Submission

Prepare a revised acreage report and Special Report explaining errors or omissions on the previous acreage report or summary and what corrections were made. Submit the revised acreage report and Special Report to the insurance provider's approving official. If a crop inspection was required, see PAR. 85 for additional requirements.

H Misreported Practices/Types Within the Same Unit

There may be times when a type or practice has been misreported (such as summerfallow and continuous cropping practices) within the same unit. When one or more practice/types were reported, and it is determined that the existing practice/type was misreported as one of the reported practices, the acreage report must be revised in order to process the unreported practice information (APH yield, guarantee, etc.), UNLESS the insurance provider has evidence of the insured misrepresenting the practice/type for the purpose of obtaining lower premium or a higher guarantee. If there is supporting evidence of misrepresentation, the policy should be voided in accordance with the policy provisions. In cases where liability is not increased and misrepresentation is not applicable, the acreage report may be revised to the acres/practice(s) that actually existed. In cases where liability would be increased and misrepresentation is not applicable, and the acreage report is revised, the acres must be adjusted (reduced) to an amount that would result in the corrected liability being as close as possible to the reported liability without exceeding it.

35 REVISED ACREAGE REPORTS - ACREAGE REPORT REVIEWS

Revised acreage reports resulting from an acreage report review (based on acreage determinations only) will not be prepared if the difference in premium does not exceed the FCIC approved tolerance (\$250) UNLESS the insurance provider has given written authorization to allow revisions at a lower tolerance level. See PAR. 84, "Acreage Report Review Inspection" for information in regards to the inspection.

36 REVISED ACREAGE REPORTS - EXAMPLES

Following are some examples of acreage report revisions that may be needed during an inspection. Always document the reason for the revision on the form used to revise acreage reports or document on an attachment to the form.

A Examples

- (1) Insured reported units 0101 and 0102 of grain sorghum as insurable. Upon inspection unit 0102 was found to be planted to an uninsurable practice.

ACTION: Delete 0102 from the acreage report noting in the remarks that the acreage is planted to an uninsurable practice.

- (2) During an inspection, it was found unit 0200 of soybeans was left off of the original acreage report. The crop inspection indicated a normal crop would be produced.

ACTION: Unit 0200 may be added provided no notice of loss has been filed for soybeans by the insured.

- (3) Based on the APH yield, an incorrect risk classification for unit 0100 was entered on the original acreage report.

ACTION: Revise the acreage report to show correct risk classification and notate the reason of the revision in the "Remarks Section" or on an Special Report.

- (4) The original acreage report shows 25.0 acres for unit 0100 and the inspection reveals 50.0 acres were planted. The crop inspection indicated a normal crop would be produced.

ACTION: The acreage report may be revised to add the additional acreage provided no notice of loss has been filed by the insured on unit 0100.

- (5) The original acreage report shows all of unit 0100 (108.0 acres) was planted by the final planting date, but it was determined 20.0 acres of unit 0100 were planted after the final planting date. This is a crop that the policy provisions require a LPA is signed in order to insure late-planted acreage. No claim will be filed on unit 0100.

ACTION: Revise the acreage report to reduce the 108.0 acres of insured acreage to 88.0 insured acres. Notate in the remarks sections of the acreage report that unit 0100 was revised to remove the 20 acres planted after the final planting date (complete specified area of the acreage report for uninsured acres if the acreage report has such area). Advise insured to keep harvested production from insured acreage (108.0) acres separate from harvested production from the uninsured acreage (20.0) acres..

- (6) The original acreage report shows all of unit 0100 (200 acres) was planted by the final planting date, but it was determined that 50 acres was planted 5 days after the final planting period. This is a crop that the policy provisions provide for automatic late-planted acreage coverage.

ACTION: Revise the acreage report to show 150 acres as timely planted and make a separate line entry showing the 50 acres with the correct planting date.

- (7) The original acreage report shows 50 percent share for unit 0100. It is determined that the share at the time of planting was 100 percent and is still 100 percent. (No additional acreage is being added.)

ACTION: Provided a notice of loss has not been filed by the insured on this unit and a crop inspection reveals the potential for a normal crop on all acreage in unit 0100, revise the acreage report to reflect 100 percent share.

- (8) The original acreage report shows 100 percent share for unit 0101 soybeans. The inspection revealed the share at the time of planting was 50 percent. No claim will be filed on the unit.

ACTION: Revise the acreage report to reflect the appropriate share at the time of planting.

- (9) An incorrect practice was inadvertently entered on the original acreage report for unit 0100. There is no claim for indemnity on the unit. The revision is needed because it may change the insured's premium and or APH records.

ACTION: Revise the acreage to reflect the correct premium.

- (10) The original acreage report showed unit 0100 of wheat with 100 percent share. The inspection revealed there were two units, one with 100 percent share and one with 50 percent share. Additional units must be "broken out" because they are basic/policy units.

ACTION: Revise the acreage report to show the correct unit structure.

- (11) The original acreage report showed two optional units of soybeans. The inspection determined that no separate records of production or acreage were maintained to support the production report filed.

ACTION: Revise the acreage report to combine the two optional units. Delete the unit not kept.

- (12) The original acreage showed Unit 0102 soybeans with .333 share. The verification of the share revealed that the insured had no interest in this unit.

ACTION: Revise the acreage report to remove unit 0102 soybeans.

- (13) The original acreage report for peanuts showed unit 0100 with risk classification of P18, but the FCI-32 listing showed the correct classification for the insured as P28.

ACTION: Revise the acreage report to show the risk classification as P28 for unit 0100 peanuts.

B Reminder

Follow the insurance provider instructions for document distribution and for unit numbers to be retained when deleting a unit.

37 (RESERVED)

38 (RESERVED)

SECTION 4 UNREPORTED ACREAGE

39 UNREPORTED ACREAGE DISCOVERED AFTER ACREAGE REPORT FILED FOR THE CROP

If the insured timely filed an acreage report for a crop but did not report ALL the acreage for the crop that could have been insured, and the unreported acreage is discovered prior to harvest of the crop or prior to when harvest for the crop is general in the county, follow the procedures below: (When the insured has never filed an acreage report for the crop, refer to PAR. 24 A, Late-filed Acreage Reports.)

A Insured's Responsibilities. Inform the insured of his/her responsibilities of reporting ALL insured and uninsured crop acreage in the county, and that the insurance provider will handle the unreported acreage in accordance with the procedure in subparagraph B and C below.

B For Acreage that Would be Insured as a Separate Unit

If such acreage AND ALL other reported unit(s) for the crop meet the requirements for accepting acreage as outlined in PAR. 85, revise the acreage report to add the unreported unit acreage that could have been insured if it had been reported timely. If such acreage OR ANY OTHER reported unit(s) for the crop DOES NOT meet the requirements for accepting acreage, the acreage report will not be revised and the harvested or appraised production from the unreported unit acreage will be prorated to all other insured units if an indemnity is claimed on any unit (see PAR. 151).

NOTE: Even though there may be damage on other reported units and the unreported unit will not be added for this reason, APPRAISE the unreported unit acreage (that could have been insured) if it has not been harvested, and it appears that it will not be harvested. This appraisal will be used if a claim is filed on any insured unit as outlined in PAR. 151.

C For Acreage that Would be Part of an Insured Unit (Underreported Acreage in a Reported Unit)

If such acreage (INCLUDING the reported acreage for that unit) meets the requirements for accepting acreage as outlined in PAR. 85, revise the acreage report to add the underreported acreage to the reported unit. If such acreage (including the reported acreage for the unit) IS NOT acceptable as outlined in PAR. 85, the guarantee will be computed on the information reported, but the production from the unreported acreage will count against the guarantee.

40 UNREPORTED ACREAGE WHICH MAY BE LATE PLANTED

Acreage which the insured did not report or designate (even as uninsured acreage), and which the insured asserts was planted after the final planting date will be CONSIDERED:

A Unreported INSURABLE (but NOT INSURED) Acreage If:

- (1) The acreage is insurable under the County Actuarial Documents or by written agreement ; i.e., rates and coverage are available for this particular acreage (the acreage itself, or crop type, class, variety, or practice carried out.), and
- (2) The adjuster CANNOT verify to his/her satisfaction that such acreage was planted after:
 - (a) the final planting date for the crop shown on the Special Provisions for the applicable county, or
 - (b) the latest allowable date under:
 - 1 the late-planting provisions found in the applicable crop provisions, if applicable to the crop, or
 - 2 the Late Planting Agreement , if it is in effect for the acreage.

When it is determined that there is **unreported insurable** acreage as part of a reported unit structure (i.e., underreported acreage for a unit), all production from the insurable/unreported acreage will be counted against the production guarantee for that unit. (If production is commingled with another unit, the procedures for commingled production must be applied; see PAR. 150.) On the other hand, if the entire unreported insurable acreage could qualify as a separate unit, the production from the unreported unit acreage will be prorated to all other reported units as outlined in the procedure for unreported units (PAR. 151).

B Unreported UNINSURABLE Acreage If:

- (1) The acreage is NOT insurable under the County Actuarial Documents or by written agreement; i.e., rates and coverage are not available for this particular acreage (the acreage itself or the crop practices, type, class, or variety or practice carried out.), or
- (2) The adjuster CAN verify to his/her satisfaction that the unreported acreage has been planted after the:
 - (a) final planting date for the crop shown on the Special Provisions for the applicable county, or

(b) latest allowable date under the:

- 1 Late planting provisions found in the applicable crop provisions, or
- 2 Late Planting Agreement, if it is in effect for the acreage.

When it is determined that there is **unreported uninsurable** acreage, the production from the unreported uninsurable acreage will NOT be counted against the production guarantee for the unit or any other unit; provided, the production is kept separate from the insurable acreage production. If the production from the uninsurable acreage is commingled with production from insurable acreage, the procedures for commingled production must be applied.

41 (RESERVED)

42 (RESERVED)

(RESERVED)

SECTION 5 ACTUARIAL DOCUMENTS AND VERIFICATION

43 USAGE

A General Information

The actuarial documents provide the information necessary to establish the protection available for state and county programs. There are actuarial documents for each approved county program in each state. The actuarial documents list crops alphabetically except for nursery which lists **insurable plants** (rather than crops) alphabetically.

NOTE: The Special Provisions are also considered an actuarial document.

B Actuarial Documents Information. The actuarial documents are the resource for the following information on a county and state basis by crop and crop year:

- ! Crop price elections.
- ! Insurance program dates for initial and final planting, and acreage reporting.
- ! Guidelines for unit division (division of basic units) for crops with crop policies that provide for unit division.
- ! Actuarial classification of farm land, or when applicable, actuarial classification will be by individual.
- ! Premium rates for insurance protection.
- ! Types, classes, or varieties and farming practices insured.
- ! Exceptions to insured causes of damage, types, classes, varieties, or farming practices.
- ! Requirements for levels of coverage.
- ! Applicability of APH.
- ! Definition of County.
- ! Crop rotational requirements, if any.

44 ACTUARIAL CLASSIFICATION - DOCUMENT PRECEDENCE

Remember the order of precedence of actuarial document material. The most important document is listed first, the order of precedence being listed from top to bottom.

- A Written Agreement.
- B FCI-32: Supplement (to Classification Listing).
- C FCI-32: Classification List.
- D FCI-33: Map Supplement.
- E FCI-33: Actuarial Map.
- F FCI-35: Supplement (used for Non-Standard-Classification System (NCS) and coverage adjustments).

45 USING ACTUARIAL DOCUMENTS FOR VERIFICATION

- A Information from the actuarial documents must be used during loss adjustment process to verify:
 - (1) That the actuarial classification recorded on the acreage report and/or Summary of Coverage is correct. Verify the insured's correct classification utilizing the actuarial classification sequence shown in PAR. 44 above.
 - (2) The insurability of the actual farming practices performed and types, classes, or varieties planted.
 - (3) That crop rotational requirements or any other special requirements set forth in the actuarial documents have been followed.
 - (4) That the cause of loss is not excluded for this crop or county.
 - (5) If there are any special statements regarding insurable varieties, types, or classes; limitations of options; practices; etc., that would pertain to the crop and county being inspected.

46 (RESERVED)

47 (RESERVED)

48 GENERAL INFORMATION

- A Listed Where? The County Actuarial Documents, list rates and coverages for specific farming practices, by crop. When permitted by the policy, coverage by Written Agreement for unrated farming practices may be requested from the RSO. The numerical code for the practice and the type, class and/or variety of each crop (when applicable) is shown on the County Actuarial Documents. These codes are used on such documents as the acreage report and/or claim form, as appropriate.
- B Special farming practices, singly or in combination, determine the guarantee
- (1) Verify that the insured has met all the requirements to qualify for the reported practice.
 - (2) If two or more requirements apply, failure to meet one requirement will disqualify the acreage.
 - (3) Make determinations in accordance with requirements provided in the applicable crop policy, crop endorsement, and/or County Actuarial Documents and in the following paragraphs.

49 CONTINUOUS CROPPING PRACTICE

Definition. This distinguishes land that is continuously cropped from land that lies fallow (idle) in the prior crop year.

50 SUMMERFALLOW PRACTICE

- A Definition. The tillage or chemical control of vegetation on the uncropped land, generally during the summer, to control weeds and store moisture in the soil for the growth of a later crop.
- B General Qualification. The land must not have been planted to a crop in the preceding crop year and must lie fallow for a full crop year, except if the crop was planted on acreage:
- (1) In the fall of 1995 or spring of 1996 that qualified for the summerfallow practice for the previous (1997) crop year, the crop failed and/or was destroyed before the date specified in C (1) below. If all other requirements were carried out, a crop planted on such acreage for the 1998 crop year (fall of 1997 or spring of 1998) qualifies for the summerfallow practice.

- (2) In the fall that qualified for the summerfallow practice. It failed and the insured was given consent to put the acreage to another use. If the first crop was destroyed before the date specified in C (1) below, and the insured plants to a different (second) crop, the second crop also qualifies for the summerfallow practice.

NOTE: If the first crop is harvested (see crop provisions for definition of harvest), the second crop will not qualify as summerfallow.

C Requirements

- (1) Summerfallow practice requires the termination of all plant growth prior to the date designated for the area (May 1 in California, June 15 in South Dakota, July 1 in North Dakota, and June 1 in all other states) followed by a continuous chemical and/or mechanical weed control program.
- (2) Summerfallow practices carried out must be consistent with NRCS soil erosion control measures and good summerfallow practice(s) for the area with regard to method(s), frequency, and adequacy of tillage and/or chemical control.

D Destruction of First Crop. When destruction of the first crop occurred so late that the beginning of summerfallow operations was past the optimum time:

- (1) The second crop acreage would not qualify for summerfallow, and
- (2) If summerfallow is the only practice on which coverage is offered, there would be no insurance for that crop year, unless a written agreement for another practice is approved.

51 IRRIGATED PRACTICE

The crop insurance contract provides that insureds are to report as irrigated, and insurers will insure as irrigated, only the acreage for which the insured has adequate facilities and water, at the time insurance attaches, to carry out a good irrigation practice for the insured crop. In general, insurance attaches at planting for annual crops (except for first year applications received after planting) and on a specified date for perennial crops. It is the insured's responsibility to provide documentation, upon the insurance provider's request, of the information used to determine the adequacy of irrigation water and facilities for the acreage reported for insurance under the irrigated practice.

NOTE: This procedure does not change other contract provisions such as the requirement that flood-irrigated soybean acreage will be considered as non-irrigated for insurance purposes in certain areas unless we agree in writing, prior to the acreage reporting date, to provide coverage at premium rates and yields applicable to the irrigated practice.

A General Information

Use the "Irrigated Practice Guidelines" in PAR. B below to administer the following standards. It is important to understand the meaning of various terms such as irrigation equipment and facilities (failure or breakdown of which is NOT insured), irrigation water supply, and water source that are found in PAR. B and should be reviewed before proceeding with the standards in subparagraphs C through O.

B Irrigated Practice Guidelines(1) **Purpose**

The following guidelines are provided to enable insureds to properly report acreage to be insured under the irrigated practice in order to receive maximum protection under their crop insurance contract. It is very important that these guidelines be utilized to document whether, at the time insurance attaches, there is REASONABLE PROBABILITY of receiving adequate water to carry out a good irrigation practice for the acreage reported under the irrigated practice.

(2) **Definitions**

The following definitions are provided to facilitate a uniform understanding of the standards and guidelines for the irrigated practice.

- (a) **Acreage Insurable under the Irrigated Practice** - Insurable acreage for which the insured can demonstrate, to the insurer's satisfaction, that adequate facilities and water existed, at the time insurance attached*, to carry out a good irrigation practice for the insured crop.

*The insured is responsible for demonstrating that, at the time insurance attached, there was a REASONABLE PROBABILITY of receiving adequate water to carry out a good irrigation practice on acreage insured under the irrigated practice.

- (b) **Reasonable Probability of Receiving Adequate Water to Carry Out a Good Irrigation Practice** - A determination that it is fair, proper, and suitable to conclude that there is more evidence for than against receiving adequate water to carry out a good irrigation practice.

- (c) **Adequacy of Water** - The determination of the adequacy of water will be based upon:

- 1 the water available (at the time insurance attaches) from the irrigation water supply, soil moisture levels, and snowpack storage levels; AND

- 2 supplementary precipitation which would normally be received, after insurance attaches, during the period that a good irrigation practice is normally carried out. Consideration will also be given to the factors identified in section 8 below, including the legal entitlement or rights to water.
- (d) **Good Irrigation Practice** - Application of adequate water in an acceptable manner, at the proper times necessary to allow production of a normal crop (the yield which is multiplied by the coverage level to calculate the per-acre guarantee). Normal crop is often identified as the approved Actual Production History (APH) yield for crops under APH.
- (e) **Irrigation Water Supply** - The water source and means for supplying irrigation water, without regard to the equipment or facilities. This includes the water source AND dams, canals, ditches, pipelines, etc., which contain the water for movement from the source to the acreage and (1) are not under the control of the insured or (2) routinely deliver water to acreage in addition to that which is owned or operated by the insured. It DOES NOT INCLUDE any irrigation equipment or facilities.
- (f) **Irrigation Equipment and Facilities** - The physical resources, other than water, used to regulate the flow of water from a water source to the acreage. This includes pumps, valves, sprinkler heads, and other control devices. It also includes pipes or pipelines which (1) are under the control of the insured or (2) routinely deliver water only to acreage which is owned or operated by the insured. A center pivot system is considered irrigation equipment and facilities.
- (g) **Adequacy of Irrigation Facilities** - Irrigation facilities are considered adequate if it is determined that, at the time insurance attaches, they will be available and usable at the times needed and have the capacity to timely deliver water in sufficient quantities to carry out a good irrigation practice for the acreage insured under the irrigated practice.
- (h) **Water Source** - The source from which water is made available. This includes wells, lakes, reservoirs, streams, aquifers, etc.
- (3) Failure of acreage to qualify for insurance under the irrigated practice will result in such acreage being insured under a practice other than irrigated. If no other appropriate practice is available for the acreage, insurance will not be considered to have attached on the acreage.

- (4) Failure to carry out a GOOD IRRIGATION PRACTICE on acreage properly insured under the irrigated practice will result in an appraisal for uninsured causes against such acreage, unless the failure was caused by unavoidable failure of the irrigation water supply after insurance attached.
- (5) Insureds are expected to give irrigation priority to acreage properly insured under the irrigated practice in a manner which will result in the least indemnification of the crops involved, and to advise the insurer of any anticipated diversion of water from acreage insured under the irrigated practice.
- (6) Insureds are to keep their production separate for acreage insured under the irrigated practice, acreage insured under a practice other than irrigated (or with no practice applicable), and uninsured acreage.
- (7) Insureds are expected to be prepared to provide documentation of the factors which were considered in reporting acreage to be insured under the irrigated practice.
- (8) **FACTORS TO CONSIDER IN DETERMINING ACREAGE TO BE REPORTED AND INSURED UNDER AN IRRIGATED PRACTICE INCLUDE, BUT ARE NOT LIMITED TO:**
 - (a) Water source history, trends, and forecasting reliability;
 - (b) Supplemental water supply availability and usage (including return flow);
 - (c) Pumping plant efficiency and capacity;
 - (d) Water distribution uniformity; and flexibility of the system or district;
 - (e) Water requirements (amount and timing) of all crops to be irrigated;
 - (f) Water rights (primary, secondary, urban versus agricultural use, etc.);
 - (g) Contingency plans available to handle water shortages;
 - (h) Acres to be irrigated, amount of water to be applied, and expected yield;
 - (i) Ownership of water (state or federal versus landowner);
 - (j) Use of meters and other measuring devices or methods;
 - (k) Soil types, soil moisture levels, and pre-plant irrigation needs;

- (l) Water conserving methods, devices, and plans utilized;
- (m) Past crop planting history, trends, and recommended local practices;
- (n) Prudent activities and practices utilized by non-insured producers;
- (o) Irrigation water supply (both quantity and quality) and facilities;
- (p) Recommendations from local CES, NRCS, and other recognized expert sources regarding irrigation and crop production; and
- (q) Information the insured knew (or should have known), and when the insured knew (or should have known) such information.

The insurance provider will use the above, and any other appropriate factors necessary to verify whether acreage was properly reported under the irrigated practice. Insureds who need assistance in determining the proper acreage to report for insurance under an irrigated practice should contact their crop insurance agent or insurance provider representative for information and assistance.

C Identify Irrigated Acres

The number of acres for which a good irrigation practice can be carried out must be identified and properly reported by the insured as early in the insurance period as possible, but no later than the published acreage reporting date.

D Provide Irrigated Practice Guidelines

Insurance providers are to provide a copy of the "**Irrigated Practice Guidelines**" found in subparagraph B above to all insureds for whom the irrigated practice may apply. The "Irrigated Practice Guidelines" identify factors to be considered in determining the proper acreage to be reported and insured under an irrigated practice. Upon the insurance provider's request, insureds must document the factors they considered in reporting acreage to be insured under the irrigated practice. Insurance providers must verify this documentation whenever a claim for indemnity is made due to failure of the irrigation water supply, as well as anytime the accuracy of the irrigated practice reporting is suspect.

E Regional Irrigation Assessments

The RSO's will assist in a clearinghouse capacity for information concerning regional irrigation assessments in order to identify areas, water districts, aquifers, reservoirs, and other water sources where inadequate irrigation water is suspected. The RSO Director will share the information with insurance providers operating in the region, NCIS, and other MPCl service organizations requesting the assessment. However, each insurance provider is responsible for assuring compliance with these standards.

F Areas Suspected to Have Inadequate Irrigation Water

- (1) All insurance providers are to notify the appropriate RSO immediately of any areas they suspect to have inadequate irrigation water quality or quantities, in order for the RSO to develop, update, and distribute the information.
- (2) Areas are to be identified by county, and if only a specific irrigation area or district is applicable, the identification should specify accordingly; e.g., Grant County (Nemaha Irrigation District only). The RSO may initiate a regional assessment on its own if warranted.

G National Assessment of Irrigation Supply

The RSO Directors will provide a copy of the regional assessment to the Deputy Administrator for Insurance Services, who will coordinate a national assessment and issue further guidance as necessary.

H Random Reviews

- (1) All insurance providers are to conduct random reviews of policies with acreage reported for insurance under an irrigated practice in areas identified in the regional assessment as having suspected irrigation water inadequacies.
- (2) The minimum number of policies to review (by county) is to be the greater of, one policy or 5 percent of the policies reporting an irrigated practice in accordance with FCIC-14010.
 - (a) If the area identified as having suspected irrigation water inadequacies constitutes only a specific portion of the county, document the determination that the reviews are to be conducted only in that area.
 - (b) The reviews are to be conducted at the earliest possible time after insurance attaches. Findings of any review are to be maintained in the insured's file.
- (3) In addition to the random reviews specified in H (1) and (2) above, insurance providers are to review the adequacy of the irrigation water supply and facilities on all policies for which they are able to determine that:
 - (a) an indemnity for failure of the irrigation water supply was paid or denied the previous crop year, or
 - (b) the insured failed to carry out a good irrigation practice on acreage indemnified the previous crop year regardless of the identified cause of damage. These reviews are to be made on a case-by-case basis not later than 45 days after the acreage report is received by

the agent. Insurance providers are to establish a system to identify such policies in subsequent crop years.

I General Irrigation Data Specific For An Area

The RSO Directors will compile data on water needs by crop in their region, normal precipitation figures, and other data considered appropriate to ensure uniform application of these irrigated practice standards. This task will be initiated first in those areas where irrigation problems are anticipated in the near future and/or have existed in the past.

J Adequate Irrigation Water and Facilities

Insurance providers are to determine the adequacy of the irrigation water and facilities.

- (1) The QUANTITY of irrigation water will be considered to be adequate ONLY if the insured can demonstrate to the insurance provider's satisfaction that, at the time insurance attached, there was a REASONABLE PROBABILITY of receiving an adequate quantity of water at the times necessary to carry out a good irrigation practice on the acreage insured under the irrigated practice. The determination of the adequacy of water will be based upon:
 - (a) the water available (at the time insurance attaches) from the irrigation water supply, soil moisture levels, and (as applicable) snowpack storage levels;
AND
 - (b) supplementary precipitation which would normally be received, after insurance attaches, during the period that a good irrigation practice is normally carried out.
- (2) For the water quantity to be considered adequate, it also must be of sufficient QUALITY to be acceptable for irrigation purposes (e.g., water with high salt content or other yield-limiting properties may not be acceptable for irrigation or may be acceptable only if the amount used will not restrict the ability of the irrigated acreage to produce a normal crop). The local CES or NRCS should be utilized in making any necessary water quality determinations.
- (3) Water quality is a characteristic of the water supply. Thus, failure of the water quality to be suitable for irrigation would be considered as failure of the water supply. However, to be insurable, such failure must be unavoidable and must occur during the insurance period. If the insured was or should have been aware of a water quality problem prior to the insurance period, the adequacy of the irrigation water at insurance attachment is suspect and must be determined in order for the irrigated practice to apply.

- K Determination and Administration Instructions. The following instructions are to be applied in determining the adequacy of the irrigation water supply and facilities, properly classifying acreage, and administering the standards.
- (1) Insurance Providers are responsible for:
 - (a) Advising insureds regarding irrigated practice requirements, and determining whether the requirements have been met.
 - (b) Assisting insureds in determining whether, at the time of insurance attachment, there was REASONABLE PROBABILITY of receiving adequate water to carry out a good irrigation practice for the insured crop(s) for the crop year. The "Irrigated Practice Guidelines" found in subparagraph B above are to be used to facilitate this determination.
 - (2) Acreage which is properly insured under an irrigated practice is expected to receive irrigation priority over uninsured crops, uninsured acreage, and acreage which is not eligible for the irrigated practice. Appraisals for uninsured causes are to be charged if acreage properly insured under the irrigated practice is not given priority. See (6) below.
 - (3) Acreage properly insured under an irrigated practice, which suffers a water shortage during the insurance period, must be managed consistent with good farming practices to produce the best possible yield under the circumstances. Insureds must take appropriate actions to seek the best possible yields by utilizing farming practices which mitigate, as much as possible, the adverse impacts of insufficient irrigation.
 - (4) Deny irrigated practice coverage on any acreage reported under the irrigated practice which is not eligible for that practice.
 - (a) Insure such acreage at appropriate practice other than irrigated if such a practice is available and the acreage qualifies for that practice. Otherwise, the acreage is not insurable.
 - (b) INSUREDS ARE TO BE INSTRUCTED to keep production separate for acreage insured under the irrigated practice, acreage insured under a practice other than irrigated (or with no practice applicable), and uninsured acreage.
 - (5) If the acreage reported for insurance under the irrigated practice exceeds the capacity of the irrigation facilities and/or water supply, limit (reduce) the number of acres insured under the irrigated practice to an amount which could have been adequately irrigated.

Example: An insured reports 100 acres under the irrigated practice. It is later determined that, at the time insurance attached, the facilities or

water supplies were adequate for only 75 acres but were used on the 100 acres.) Proceed as follows:

- (a) Document the number of acres that are insurable as irrigated (75 acres, in this case).
 - (b) Determine, to the extent practical, the highest yielding 75 acres to be the irrigated acres, appraise any reduction in production on the 75 acres caused by applying the available water to the 100 acres, and enter the appraisal on the claim as an uninsured-cause appraisal.
 - (c) If only irrigated acreage is insurable in the county for the crop, prepare a revised acreage report showing 75 acres under the irrigated practice. Enter the 25 acres in the "Remarks" as uninsurable acreage due to inadequate facilities and/or water supplies.
 - (d) If both irrigated and non-irrigated acreage are insurable in the county for the crop, prepare any claim and/or revised acreage report in accordance with approved procedures.
 - (e) If facts support misrepresentation of the reported practice by the insured, document the facts and handle the case under misrepresentation procedures.
- (6) Diversion of Water from Insured Crops

Although it is preferred that the insured notify the insurance provider in advance of any diversion, failure to do so will not, in itself, result in appraisals for failure to carry out a good irrigation practice. However, advance notification allows the provider the opportunity to verify the appropriateness of such diversion at the same time that the insured makes the decision to divert the water.

This subsection is intended primarily to address the insured's actions intended or taken to divert water. There may be situations, however, in which the insurance provider determines that the insured should have, but did not, divert water to acreage insured under the irrigated practice to achieve the least indemnification. In such cases, it may be appropriate to assess an appraisal for uninsured causes, unless it can be documented that justifiable circumstances prevented such diversion (e.g., multiple water sources or great distances between acreage, making diversion impractical or impossible).

- (a) Water Diversion within a Crop, When ALL Involved Acreage is Eligible for the Irrigated Practice:
- 1 Verify that a water shortage exists and whether local CES, NRCS, or other recognized expert sources' recommendations agree with the insured's intentions or actions taken.
 - 2 Determine that such diversion is likely to result in the least indemnification for the crop. A recognized expert source's recommendations should be used to document this determination.
 - 3 Document (on an appropriate form) the insured's intention or action taken to divert water on the affected acreage. Include the circumstances affecting your determinations required by 1 and 2 above.
 - 4 IF the requirement in 2 above is not met, consider this as failure to carry out a good irrigation practice for the insured crop, and assess any appropriate appraisal(s) representing the additional indemnification anticipated as a result of the diversion.

Use appraised and/or harvested production figures, APH yields, etc., of the acreage or units involved as a guide to establish any appropriate uninsured-cause appraisals that may be necessary to assess against the acreage or unit from which the water was diverted if the diversion is not likely to result in the least indemnification.
 - 5 Inspect any acreage involved in the diversion and appraise any insured acreage that is not to be harvested.
 - 6 Defer final settlement of claims of this type until total production on all involved acreage can be verified or determined.
- (b) Water Diversion from One Crop Properly Insured Under the Irrigated Practice to Another Crop(s) Properly Insured Under the Irrigated Practice:
- Document the circumstances as in (a) 3 above. As a general rule, the insured will be expected to apply water in a manner which will result in the least indemnification of the insured crops involved.
- (c) Water diversion from acreage properly insured under the irrigated practice to uninsured acreage or acreage which is not eligible for the irrigated practice will be treated as failure to carry out a good irrigation practice for the insured crop. (See (8) below.)

- (7) Termination or reduction of production on perennial crops due to failure of the irrigation water supply after insurance attached: There is controversy over whether it is a recommended practice to terminate or reduce a developing perennial crop to enhance tree/vine survival. However, if an insured chooses to do so:
- (a) Verify that a water shortage exists and that the local CES or other recognized expert source has recommended that the insured terminate (remove) or reduce the crop on the affected acreage.
 - (b) Establish a zero per-acre appraisal on acreage for which the crop was completely removed as a recommended practice. If the crop is reduced, but not completely removed, the remaining production is counted in accordance with current procedures for the crop. That portion of the crop removed in accordance with the local CES or other recognized expert source's recommendations will not be production to count in determining any indemnity or for APH purposes.
 - (c) Verify crop termination or reduction at final inspection.
- (8) If the insured fails to carry out a good irrigation practice on acreage properly insured at the irrigated practice, assess an appraisal for uninsured causes representing:
- (a) the loss of production due to failure to carry out a good irrigation practice, or
 - (b) not less than the guarantee for the acreage if the loss is due solely to uninsured causes.
- (9) When the insured has reported an irrigated practice but has not in any way carried out an irrigated practice even though there are adequate facilities and water.
- (a) Possible revision of acreage report.

In this situation, the insurance provider may, if the circumstances justify it, revise the acreage report to report a non-irrigated practice if a non irrigated practice is available for the crop and county. Otherwise, procedure in (8) above must be followed. However, if the acreage is revised to a non-irrigated practice, determine if the seeding rate, fertilization, and row spacing are appropriate only to an irrigated practice. If seeding rate, fertilization, or row spacing are appropriate only to an irrigated practice and any loss of production has occurred because of the non-irrigation, make an appraisal of the production lost because of this.

- (b) Caution in revising acreage reports to a non-irrigated practice.

Insured's should not routinely be allowed to report an irrigated practice in order to receive a lower premium, then have it revised to a non-irrigated practice if there is a loss. This also leads to other questions regarding the accuracy of the APH records. However, there may be circumstances, such as illness, that altered the insured's decision to carry out an irrigation practice. In circumstances such as these, the insurance provider may decide that it is justifiable to allow the acreage to be revised back to a non-irrigated practice.

L When Insureds Are Aware of Water Restrictions, Reductions, Etc.

Instructions regarding insureds who are advised of (or should otherwise have been aware of) water restrictions, reductions, or diversions by water districts, municipalities, or other water regulatory agencies:

(1) Annual Crops

If announcement or knowledge of such restriction, reduction or diversion occurs PRIOR to insurance attachment, the insured will be expected to reduce planting accordingly, to plant other less-water-demanding crops, or to take other prudent actions necessary. However, if announcement or knowledge first occurs AFTER insurance attachment, the acreage will be considered as insurable under the irrigated practice, UNLESS information on the situation was such that the majority of producers took prudent actions necessary. In such cases, all insureds under similar circumstances will be expected to do likewise.

(2) Perennial Crops

Perennial crop producers seldom have the option to respond to such announcements or knowledge by reducing plantings, other than refraining from planting additional acreage and removing less productive or less desirable plantings. However, the standards herein are to be followed to safeguard against adverse selection and other unacceptable risk exposure.

M Pre-Acceptance Inspections

Apply these irrigated practice standards to determine the adequacy of irrigation water and facilities when conducting pre-acceptance inspections that are required by current procedures. (Pre-acceptance inspections primarily affect perennial crop first-year policies and acreage increases exceeding 35 percent for a unit.)

N Properly Identifying Cause of Loss

Insurance providers are responsible for ensuring that damage and losses due to failure of the irrigation supply are properly identified as such, and are not mis-identified as drought, excessive heat, hot winds, etc. The insurance provider **MUST NOT** pay drought losses on acreage insured under the irrigated practice. While heat, hot winds, poor pollination, etc., may be appropriate causes of loss on acreage insured under the irrigated practice, the likelihood of such is less than for non-irrigated acreage.

O Notification and/or Reminder of Irrigation Policy Provisions and These Guidelines

Agents, insureds, and adjusters are to be advised of the significance of this issue. It is recommended that documentation of any notification to insureds be placed in each insured's file, particularly in irrigation water shortage areas identified by the RSO.

52 NON-IRRIGATED PRACTICE

Explanation. Usually used in combination with irrigation practice (where insurance is offered on both practices) and distinguishes dry-land acreage from irrigated acreage.

53 INITIAL PLANTING PRACTICE (IBR, NIBR, etc.)

A General Information. If the insured replants the acreage to a different planting practice, the crop will continue to be insured under the practice initially planted and reported even when the crop is replanted by a practice that was uninsurable as an initial planting. This is not applicable to practices such as irrigated, non-irrigated, staked tomatoes, ground tomatoes, etc.; these practices are considered to be production practices rather than planting practices. **This procedure is not applicable to skip-row planting patterns for cotton.**

B Claim Instructions. If the insured files a claim for indemnity, the **planting practice** initially reported will be entered in the "practice column" on the claim form and the replanted practice will be documented in the narrative.

54 IRRIGATION PIVOT

Reference. For information regarding irrigation pivots and the corners of the irrigation pivot, see PAR. 58 (Unit Structure).

55 (RESERVED)

56 (RESERVED)

SECTION 7 UNIT DETERMINATION**57 UNIT VERIFICATION**

Unit verification will be made by the adjuster during an on-the-farm inspection; however, no further DIVISION of optional/guideline units (hereafter called optional units) will be made at loss time. Basic/policy unit(s) (hereafter called basic units) will be corrected when found to be in error.

A Verifying Unit Structure

- (1) Be knowledgeable with (and as needed refer to) unit provisions in the applicable policy/endorsement (or if applicable unit division guidelines in the actuarial documents).
- (2) Use the procedure in PAR. 58 (Unit Structures) below.
- (3) More than one basic unit

Verify with the insured that the reported shareholders have an interest in the crop. If you suspect or question whether there is an interest or that there are separate insurable interests (such as spouse, children or other household members), contact the insurance provider.

- (4) Optional units

Determine that all field requirements are met for qualification (other insurance provider personnel will verify record requirements unless delegated to you):

- (a) Optional units by section, section equivalent, FSN -
 - Locate fields and verify that there is acreage planted in separate legally identifiable sections or other applicable optional unit separators allowed by the crop policy.
 - Visit fields and determine whether planting patterns have crossed optional unit boundaries; e.g., section lines, FSN lines, or other section equivalent boundary lines.
- (b) Optional units by irrigated and non-irrigated practice.

Visit the fields and determine if planting patterns and other requirements outlined in this procedure qualify the unit as separate optional units by irrigated and non-irrigated practices.

(c) Optional Units by Unit Division Option

If a Unit Division Option is in effect, the section for the optional unit will be identified by the legal identification of the parcels of land that has been aggregated to form such "section." To verify that such "section" qualifies for an optional unit, verify it in the same manner that you would other optional units divided out by section; e.g., planting pattern does not cross section lines, production is kept separate, etc.

B Incorrect Unit structure

Basic units will be corrected at loss time; however, no further DIVISION of optional units will be made at such time. See PAR. 34 C (4).

58 UNIT STRUCTURES

A Guidelines. Each insured crop has its own unit structure defined in the policy and/or respective endorsement. However, the CAT Endorsement limits the units available for each insured crop to BASIC units determined ONLY by the crop share arrangement on the date coverage begins for the crop year. Further unit division (examples: type, noncontiguous land FSA FSN, etc.) as defined in the applicable crop endorsement, crop provisions, or actuarial document are not allowed under the CAT Endorsement. See the CAT Endorsement for the unit definition. All insurable acreage of each insured crop within the unit is the basis for determining coverage, premium, and indemnities.

B Peanuts and Quota Tobacco. For peanuts and quota tobacco policies with limited and additional coverage, the unit consists of all insurable acreage of the crop covered by single FSA FSN without regard to state or county lines.

C CAT Coverage/Basic Units for Dry Beans, Peanuts, and Quota Tobacco

The CAT Endorsement changes the basic unit structure for dry beans, peanuts, and quota tobacco to units by crop share arrangement. However, producers of tobacco for which a marketing card is issued by FSA and who agree to insure 100 percent of the tobacco acreage covered by the marketing card under one policy, are limited to one basic unit for all of the acreage covered by the marketing card. A policy covering all landowners with an undivided interest in the land upon which an insured crop is planted is limited to one basic unit. GRP CAT policies are limited to one unit per crop per county.

D Units Structures for Most Crops. For most other crops, the unit structures in the policies are as follows, except the CAT Endorsement limits to basic units. See subparagraph E for dry beans: (See applicable policy and crop provisions.)

(1) **Basic/Policy Units** (hereafter referred to as basic units)

A basic unit is all of the insurable acreage of a crop in the county on the date coverage begins for the crop year in which the insured has:

- (a) **100 percent share in the crop.** This is one basic unit. See PAR. 14 B (1) and C for examples of 100 percent share arrangements.
- (b) **Less than 100 percent share in the crop** (acreage is owned by one entity and operated by another entity on a share basis). A crop shared with each different landlord, tenant, or sharecropper is a separate basic unit. Reversed roles do qualify for separate basic units. See PAR. 14 B (2) and C for various examples of crop share arrangements.

Example: The insured is a landlord on part of the farming operation and a tenant on another part of the farming operation.

NOTE: Varying percentages of shares within a basic unit do not qualify for separate basic units. However, for loss adjustment purposes production commingled from two or more basic units will be allocated in proportion to our liability for the harvested acreage from the commingled units; see PAR. 150.

(2) **Optional/guideline Units** (hereafter referred to as optional units)

When the policy allows, land that would otherwise be one basic unit may be divided into optional units according to the optional unit definition contained in the Basic Crop Provisions, Crop Provisions/Endorsements, and or Special Provisions. Optional units may be available when the acreage of the insured crop is located in separate, legally identifiable sections, section equivalents, or FSA FSN's, whichever applies. Some perennial crops allow optional units for acreage or the crop grown on non-contiguous land and/or for different type/varieties. Most crops allow optional units for irrigated and non-irrigated practices. See subparagraph 58 E below for dry beans.

- (a) **Qualification Requirements.** To qualify for optional units, all of the following must be met:
 - 1 For crops requiring production reports (APH crops), the insured must file acceptable production reports for planted insurable acreage for at least the most recent APH crop year in the base period for the optional units that will be submitted by the insured on the acreage report. (See 3 below for exceptions.) The insured must have supporting records which can be independently verified, of planted acreage and production used to determine the insured's production guarantee for each optional unit.

NOTE: "Files acceptable production reports," as used above, refers to the most recent APH crop year in the base period. When assigned yields are used for the most recent crop year of the base period, optional unit provisions DO NOT apply. Optional units will be combined at the time of loss adjustment if the insured failed to meet any provision required to qualify for optional units. Basic units cannot be further divided into optional units at the time of loss adjustment nor can further division of optional units occur at loss time.

- 2 The crop rows and/or planting pattern CANNOT continue into an adjacent optional unit (for the current crop year). A clear and discernable break in the planting pattern must occur at the boundary of each optional unit unless a written agreement is provided for this purpose by the RSO. Planting pattern means the original planting, including any reseeding or replanting. (Cultivating, discing, mowing, etc., between sections, section equivalents, FSA FSN's, irrigated and non-irrigated practices, etc., after planting or harvesting does not qualify the acreage for optional units.) In addition, if irrigated and non-irrigated practices are carried out within a single section, section equivalent, or FSA FSN:
- a Proper planting and fertilization practices must be carried out for each respective practice; and
 - b Records of harvested production must also be maintained separately for each practice.

3 **EXCEPTIONS FOR CROPS REQUIRING PRODUCTION REPORTS (APH RECORDS):**

EXCEPTIONS: Insureds's who do not provide production reports for the most recent crop year in the base period may qualify for optional units if either of the following apply:

- a The insured is a new producer who has not produced the crop and is not providing records from another person sharing in the crop intends to keep separate acreage and production records by practice, type, or variety according to the optional unit division requirements; or
- b New land or a new practice (irrigated or non-irrigated), type or variety is added to the operation for the current crop year which meets all optional unit requirements, and the insured:
 - i has not produced the crop,

- ii is not providing records from another person sharing in the crop, and
- iii intends to keep separate acreage and production records according to optional provisions.

NOTE: RSO/insurance provider verifiers have the option of considering a bona fide zero acreage report for a unit as a production report for that unit.

(b) **Separate Optional Units Determined By:**

- 1 **Section**, for most crops, when the Rectangular Survey System is applicable. For the purpose of the unit structure, a section is defined as a unit of measure under the rectangular survey system describing a tract of land usually one mile square and containing approximately 640 acres.
- 2 **Section equivalents**, such as Spanish land grants, railroad surveys, leagues, labors, and Virginia Military Lands in the absence of section descriptions. Each section equivalent must contain 640 acres or more.
- 3 **Separate FSA FSN's:**
 - a in the absence of sections, section equivalents, or other unit division arrangements approved by FCIC;
 - b in areas where survey boundaries are not readily discernable;
 - c in Alabama, Arkansas, Florida, Louisiana, Mississippi, and South Carolina for barley, corn, cotton, grain sorghum, oats, rice, rye, soybeans, and wheat.

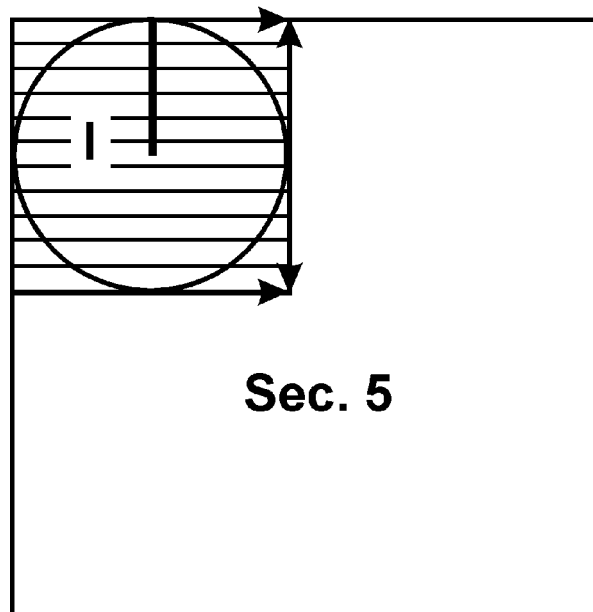
NOTE: See Exhibits 2, 3, and 4 in the CIH for further explanation and illustrations. The boundaries of the section, section equivalent, or FSA FSN must be easily identifiable by the insurance provider without using survey instruments or locating survey markers.

- 4 **Irrigated and non-irrigated practices** within a single section (section equivalent, or FSA FSN) may qualify for separate optional units, provided such division is allowed by the crop policy and all requirements in subparagraph D (2) (a) above are met. For annual crops, this includes the non-irrigated corners of a field in which a center pivot irrigation system is used to irrigate the insured crop. **See additional information pertaining to center pivot irrigation systems below.**

(c) **Center pivot irrigation systems for all annual crops for which the crop policy permits unit division for irrigated and non-irrigated practices.**

- 1 If the crop's planting pattern/rows continue between the non-irrigated corners portion(s) of the field and the portion of the field irrigated by a center pivot irrigation system (circle), the acreage within intersecting lines drawn at right angles to the radius of the center pivot is NOT eligible for a separate optional non-irrigated unit.

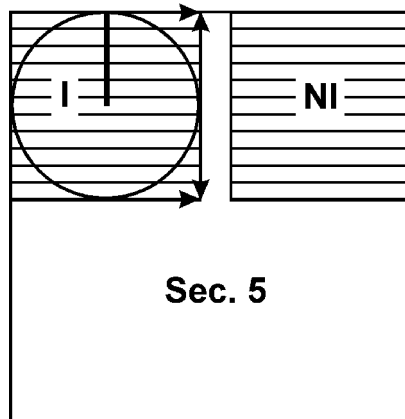
(One unit)



NOTE: The acres and production from the non-irrigated corners of a field planted to the insured crop must be included in the irrigated acreage. A separate line entry for a non-irrigated practice is not required on the acreage report for the corners of the field when they are considered to be irrigated.

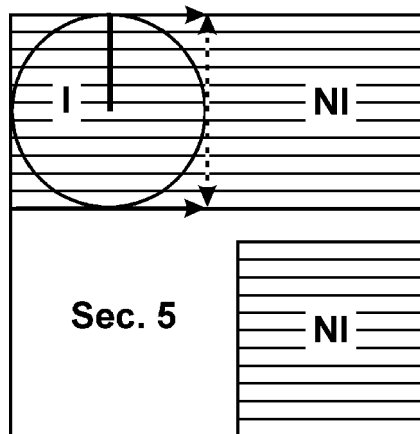
- 2 If the crop's planting pattern/rows continue between the non-irrigated corners of the field and the portion of the field irrigated by a center pivot irrigation system (circle), but do NOT extend into other non-irrigated acreage in the same section, section equivalent, or FSN; other non-irrigated acreage can qualify as a separate non-irrigated optional unit if the requirements in PAR. subparagraph D (2) (a) above are met.

(May qualify for two units.)



- 3 If the crop's planting pattern/rows extend beyond intersecting lines drawn at right angles to the radius of a center pivot into other non-irrigated acreage of the crop in the same section, section equivalent, FSN; the insured is not eligible for a non-irrigated optional unit.

(One Unit)



NOTE: The non-irrigated acreage beyond the intersecting lines will require a separate line entry on the acreage report (will be the same unit number as the irrigated acreage). Any other non-irrigated acreage from other fields in the section (or section equivalent) will also be included in the line entry for non-irrigated acreage. The irrigated acreage is limited to the acreage contained in the center pivot irrigation system.

(e) When Optional Units Are Established

- 1 For crops that require production reports and that are eligible for optional units, insureds must qualify for optional units at the time the APH form is completed and signed by the insured. However, insureds may make the final determination of whether optional units or basic units will apply at the time the acreage report is submitted.
- 2 For all other crops that do not require production reports but are eligible for optional units, optional units are established at the time the acreage report is submitted.

(3) Tobacco (Guaranteed Production)

Tobacco acreage of an insurable type that would otherwise be one basic unit, as defined in subparagraph D (1) above (basic units) may be divided into more than one unit for acreage planted to insurable Tobacco located on land identified by separate FSA FSN's if the requirements in subparagraph 58 D (2) (a) above have been met.

(4) Cranberries

For cranberries, further division of a basic unit is permissible, provided that the requirements in subparagraph D (2) (a) above are met, and that each unit's insured acreage is located in separate tracts of noncontiguous land. "Contiguous Land" may be defined as "any separate tracts of land owned and/or operated by the insured, whose boundaries touch at any point." Land that is separated by a public or private roadway, waterway, or irrigation ditch is considered as contiguous.

E Unit Structures for Dry and Contract Seed Beans

- (1) **BASIC UNITS.** Acreage planted to dry beans and contract seed beans are separate basic units. For dry beans and contract seed beans a basic unit is all insurable acreage of dry beans in the county in which the insured has a:
 - (a) 100 percent share, or
 - (b) is owned by one entity and operated by another specific entity on a share basis.
- (2) **OPTIONAL UNITS.** Basic units determined in A above may be further divided into optional units by:
 - (a) Bean Type Shown on the Special Provisions (Dry Beans ONLY). For more information see the CIH.

- (b) Section, Section Equivalent, or FSA FSN (Dry Beans or Contract Seed Beans IF the contract specifies the number of acres under contract).
- (c) Irrigated and Non-irrigated Practices (Dry Beans or Contract Seed Beans IF the contract specifies the number of acres under contract).
- (d) Written Unit Agreement (Dry Beans or Contract Seed Beans IF the contract specifies the number of acres under contract).

Note: Optional units are not available for contract seed beans grown under a seed bean processor contract that specifies ONLY an amount of production.

F Optional Units by Written Agreement (Approved by RSO)

If basic and optional unit requirements are not consistent with good farming practices for the acreage involved, special optional units, on a limited basis, may be requested from the RSO in the form of a written agreement. The CIH contains specific requirements for written unit agreements.

G Unit Division Option

- (1) For certain areas of Indiana, Ohio, and Texas that have not been surveyed under the U.S. Rectangular Survey System or a similar system allowing for "sections" (640 or more acres), insureds may request this option to aggregate two or more (any shape) legally identifiable parcels of land into "sections." By doing this, such land will be eligible for optional units, if allowed by the policy/endorsement. However, the insured must have complied with the production reporting, record, and planting pattern guidelines specified in the applicable crop policy/endorsement or actuarial documents. Even though such land will be eligible for optional units under this option, the insured still has the choice each crop year of insuring each crop(s) under basic unit(s) or optional units.

59 (RESERVED)

60 (RESERVED)

(RESERVED)

SECTION 8 USDA FARM PROGRAM COMPLIANCE**61 CONTROLLED SUBSTANCE VIOLATION**

Under the Food Security Act of 1985, any person who is convicted under Federal or state law of planting, cultivating, growing, producing, harvesting, or storing a controlled substance in any crop year will be ineligible for USDA benefits, including crop insurance, for 5 years from the date of conviction.

62 (RESERVED)**63 (RESERVED)**

(RESERVED)

SECTION 9 HAZARDS CONNECTED WITH PESTICIDES OR OTHER CHEMICAL SUBSTANCES**64 PESTICIDE OR OTHER CHEMICAL SUBSTANCE HAZARDS**

- A General Information. Most all pesticides have a period of time that must lapse after they have been applied before it is safe to enter the treated field without wearing protective clothing and equipment. Normally, this is at least the time necessary for sprays to dry and dusts to settle (8-48 hours). Material Safety Data Sheets (MSDS) contain pertinent detailed information about specific chemicals including health hazards, emergency and first-aid, and the safe re-entry period after a chemical has been applied. Some USDA field offices such as FSA and NRCS house MSDS's. Other local agencies may have these data sheets for possible use. In addition, each state has a poison control center which normally carries a toll-free number and maintains a 24-hour consultant service in the diagnosis and treatment of human illnesses resulting from toxic substances. Check with NRCS or FSA for MSDS's or other literature pertaining to pesticide or chemical hazards.
- B Prior to Inspection. At the time the appointment is set up, ask the insured or the insured's representative if the field, orchard, or vineyard to be entered has been treated with pesticides or other chemicals. If the field, orchard, or vineyard is to be treated or has been treated within this time period, reschedule the appointment(s) and document the visit accordingly.

65 (RESERVED)

66 (RESERVED)

(RESERVED)

SECTION 10 FSA OFFICE**67 FSA INFORMATION****A Background**

- (1) It may be necessary to use certain information or documents from the FSA office to verify and/or determine data for loss adjustment inspections if it has not already been done by a previous inspection for the crop year.
- (2) FSA offices are required to ensure that anyone requesting information on another person is authorized. Identify yourself, the Company you are representing, and provide some kind of evidence that shows that the insurance provider you represent has a policy in effect for the insured.
- (3) The FSA County Office will provide, without charge to FCIC employees or insurance provider representatives, the following, when requested for MPC I insureds: FSA-424, or -425; (reproduced copies of FSA-476, FSA-578 when the FSA-423 and -424 are not available), aerial photocopies, and copies of other forms available to the public. See Exhibit 7.
- (4) FSA offices have been instructed to strikeout (black out) any personal information that does not apply to the specific producer identified on the FSA-426.
- (5) To avoid delays in obtaining copies, work with FSA county office personnel during busy periods, program sign-up, etc., to determine the best times to come into the office to obtain the forms and maps.

68 INFORMATION REQUESTS**A Requesting Forms, Maps, Documents, Etc.**

FSA offices require that requests are made on an FSA-426, MPC I/FCIC Information Request Worksheet (Exhibit 7). The FSA-426 is a self-explanatory form that was designed to provide uniformity for processing crop insurance information, and as a measurement tool to record the number of requests.

B How requests are submitted

The FSA-426 may be mailed, faxed, or submitted in person.

C When the FSA-426 should be submitted

Most FSA offices will require that the FSA-426 be submitted in advance of filling the request. Because of this, it is best to submit the request as soon as possible after receiving the notice of damage.

D Who submits the FSA-426

There is no set procedure on who submits the FSA-426. It can be submitted by the agent, adjuster, supervisor, etc. Each insurance provider should implement a plan that will work best for them.

E Untimely filled requests

FSA offices should have the requests filled within 24-48 hours of the receipt of the request. If an FSA office continually takes longer than this, notify the insurance provider. The insurance provider will notify Insurance Services of the situation. Insurance Services will contact the applicable FSA State Office to try to resolve the problem.

69 FSA-424 and FSA-425

A General Information. The following forms are computer generated forms that FSA created for use by FCIC and the insurance providers. See Exhibit 7 for examples.

- (1) The FSA-424 is used in place of the FSA-578.
- (2) The FSA-425 is a form which contains quota information for quota tobacco and peanuts.

B Abbreviations/codes

Exhibit 8 contains some of the codes that may be found on aerial maps. If you are unsure of the codes or abbreviations that appear on the FSA-424, -425, -476, and -578, a listing will be available on the Internet that will define them.

70 VERIFICATION MATERIALS/INFORMATION

A Materials/Information. The following FSA office material and information can be used to verify data and to make determinations.

- (1) Aerial photo maps and other required forms or data.
- (2) Existing acreage figures.
 - (a) Identification of permanent fields.
 - (b) FSA measurements which the insured obtained through FSA-measurement service. (Measurements may be used as "Determined Acres" for loss adjustment purposes as outlined in PAR. 95.)
 - (c) Identification and measurements obtained from large-scale aerial photo maps. See PAR. 95 regarding "Determined Acres."

- (d) Cropland acres from the FSA-424 (or -578 when the FSA-424 is unavailable) to use in calculating eligible prevented planted acreage. See PARTS 5 and 6 for prevented-planting procedures.
- (3) Insured's entity recorded with FSA to compare against entity recorded with the insurance provider for crop insurance purposes. (The entities should agree; if they do not, further research is needed to establish the correct entity.) Also see PAR. 15.
- (4) Insured's share reported on FSA-424 (or -578 when the FSA-424 is not available) (used to compare with share reported to the insurance provider for insurance purposes). See PAR. 14.
- (5) The FSN and/or legal description of land (used to compare FSN and legal descriptions recorded on the insured's acreage report and any other crop insurance document where it is pertinent, such as APH forms, etc.
- (6) Information from FSA-425 (peanut or tobacco marketing cards if information cannot be obtained from FSA-425) is needed to complete claims. See crop handbooks for information needed.
- (7) Information from the FSA-1007, Inspection Certificate and Sales Memorandum (needed to complete peanut claims). See crop handbook for information needed.
- (8) Any other information that may be helpful or is needed or required in procedures for determinations or verification purposes.

71 (RESERVED)

72 (RESERVED)

(RESERVED)

PART 3 ON-THE-FARM INSPECTION

SECTION 1 TYPES OF INSPECTIONS

73 GENERAL INFORMATION

There are only two types of inspections: indemnity inspections and special contract services inspections, such as Crop Inspections, Growing Season Inspections, etc.

74 INDEMNITY INSPECTION - PRELIMINARY

A When Required. Preliminary inspections are required when insureds give notice of damage before the time of harvest, to replant, or to obtain consent to put acreage to another use. **Be aware that:**

- (1) Written consent must not be given until you are satisfied:
 - (a) It is too late to replant to the same crop when consent is being given to go to another crop and to finalize the claim. Winter and spring types are considered the same crop - see exception for spring crop planted in counties having only winter types in PAR. 76 A (3). See PAR. 76 A (2) or definition for "Practical to Replant" and for crop policy/provisions requiring processor contracts.
 - (b) It is possible to make an accurate appraisal of potential production. Certain types of damage or conditions require delays in appraisals; e.g. frost, freeze, hail, crop is still in dormancy, etc. See PAR.'s 102 and 104 for details. Appraisals must represent the maximum potential production that could be expected with normal weather conditions and proper crop care from the time of the appraisal through the completion of harvest.
- (2) Written consent to put acreage to other use is considered given by the insurance provider when acreage has been appraised and when the insured and adjuster sign the claim with such appraisal. HOWEVER:
 - (a) If the acreage HAS NOT been put to other use and the acreage is harvested, the insurance provider reserves the right to make a determination based on harvested production rather than the appraised potential production.
 - (b) The acreage can be re-appraised if harvest becomes general in the county (area) or additional damage occurs.

- B During the preliminary inspection inform the insured that:
- (1) If acreage is put to another use without written consent, an appraisal will be assigned for such acreage of no less than the amount of the production guarantee. This may result in no indemnities being paid, but premium will be charged.
 - (2) When prior written consent is given and the acreage is not put to another use before harvest, or the acreage is harvested, the indemnity will be determined without regard to the written consent or appraisal made. **(Replanting to the same crop under any practice is not putting the acreage to another use. See PAR. 76 A(3) for exception.)**
- C Claim Completion Instructions. Refer to individual crop handbooks for completion instructions for a preliminary claim for indemnity.
- D Prevented Planting or Late Planting Instructions. For specific instructions regarding preliminary inspections involving prevented planting or late planted acreage see PARTS 5 and 6.

75 REPLANT PAYMENT INSPECTION AND CERTIFICATION

- A General Information
- (1) There are two types of replant inspections, on-the-farm replant inspections and self-certification replant inspections. At the discretion of the insurance provider, the self-certification replant inspection may be used for certain crops with 50 gross acres (before share) per unit or less to be replanted. The self-certification replant program allows an insured consent to replant and receive replanting payments without a crop inspection. If there is any reason to suspect that the insured will misrepresent information regarding the replanting claim, an on-the-farm replant inspection should be conducted.
 - (2) For specific replanting questions general to replanting requirements (also includes crops to which a replanting payment is not applicable) refer to PAR. 76.
- B On-the-Farm Replant Inspection
- (1) The insurance provider, upon receiving the notice of damage, will assign the claim as a Preliminary Inspection. The adjuster will determine at the time of inspection if it is a final inspection.
 - (2) The adjuster upon field inspection will determine if the unit qualifies for a replanting payment based on the provisions of the individual crop policy or endorsement.

- (3) See individual crop handbooks for completion instructions for preliminary and final replant claims.
- (4) Decisions regarding whether or not the unit qualifies for a replant payment will be made on the basis of:
 - (a) The Date of the Initial Planting

Crop acreage planted earlier than the initial planting date specified in the Special Provisions for the applicable crop and county is not eligible for a replanting payment. However, if acreage is replanted after the earliest planting date, and then this acreage is replanted a second time, the acreage replanted a second time may be eligible for a replant payment.
 - (b) The Acreage Damaged
 - 1 The acreage to be replanted must be at least the lesser of 20 acres or 20 percent of the insured planted acreage for the unit as determined on the final planting date or within the late planting period if a late planting period is applicable (10 acres or 10 percent for peanuts). (This is not applicable to forage seeding.)
 - 2 If this determination cannot be made because additional insured acreage on the unit is to be planted and the minimum may not be met, consent to replant may be given, but the replant claim is to be handled as a preliminary replant inspection as instructed in the appropriate crop handbook and below.
 - (c) An appraisal of potential production cannot exceed the amount stated in the crop policy. See the individual crop provisions for specific amount.
 - (d) A previous replanting payment must not have been made on the same acreage for the same crop year.
- (5) If the unit qualifies for a replant payment, the notice will be changed from a preliminary notice to a FINAL notice (Final replant claim) utilizing a Certification Form (Exhibit 11).
- (6) An acreage report must be submitted with the final replant claim, if not previously submitted. If the acreage report is revised for the replant units after submission of a replanting payment (final) claim, a corrected claim must be submitted with the revised acreage report.

- (7) A Certification Form cannot be accepted until the ENTIRE unit has been INITIALLY PLANTED. The adjuster must have the completed Certification Form (by personal contact or otherwise) prior to signing the claim form.
- (8) Certification Form spot-checks should be conducted regularly by the adjuster. The insurance provider will determine the number of reviews to be conducted. Any questionable Certification Form should always be reviewed.
- (9) If the unit did not qualify for a replant payment but later has a routine final claim filed, the original preliminary inspection entries should be reviewed and corrected as necessary.
- (10) Replant payments, as determined by individual crop policy, endorsements, or crop provisions, will be based on the insured's actual cost per acre not to exceed the amount specified by individual crop policy, endorsement, or crop provisions.
- (a) Some crop provisions allow that if more than one person insures the same crop on a share basis, a replanting payment based on the total shares insured by the insurance provider may be made to the insured person who incurs the total cost of replanting. Payment will be made in this manner only if an agreement exists between the insured person(s) which requires one person to incur the entire cost of replanting or gives the right to all replanting payments to one person. Refer to applicable crop handbooks and specific Crop Provisions for more information. The amount of the replant payment paid cannot exceed the total sum that each is entitled to receive under the respective replant policy provisions.

Example: There are three parties sharing in the crop. Each insured has one-third share in the crop. There has been 80 acres replanted. Insured A and B have additional coverage with insured A having a \$5 price election and insured B having a \$3.75 price election. Insured C has CAT coverage. Insured A incurs the total replant costs and there is an agreement between all parties for insured A to receive a replanting payment based on the total shares. If, in accordance with the replant provisions for the crop, the maximum amount that each individual can receive is as follows:

Insured A: 8 bu. X \$5 price election X 80 acres X .333 share = \$1065.60
(rounded to \$1066.00)

Insured B: 8 bu. X \$3.75 price election X 80 acres X .333 share =
\$799.20 (rounded to \$799.00)

Insured C: \$0.00. No payment is allowed on insured C's share since replant payments are excluded from CAT coverage.

The maximum replant payment that insured A is entitled to receive is \$1865.00 (\$1066.00 + \$799.00 + \$0.00).

- (11) If the insured replants the acreage to a different planting practice, the crop will continue to be insured under the practice originally planted and reported even when the crop is replanted by a practice that was uninsurable as an original planting. (This is not applicable to such practices as irrigated, non-irrigated, staked tomatoes, ground tomatoes, etc.; they are considered **production** practices rather than **planting** practices. This is also not applicable to skip-row planting patterns for cotton.) If the insured files a claim for indemnity, the practice originally reported will be entered in the appropriate column for practice on the claim form, and the replanted practice will be documented in the narrative.
- (12) Some crop provisions have a liability limitation when the crop is replanted by a practice that was uninsurable as an original planting. Specific claim preparation instructions will be found in the applicable crop handbooks.

C Self-Certification Replant Inspections

(1) General Information

- (a) If authorized by the insurance provider, the self-certification inspection can be used on the following crops provided replanted acreage will be 50 gross acres (before share) or less on a unit and the unit acreage qualifies for a replanting payment in accordance with policy/endorsement replanting provisions.

| | | |
|----------|---------------|-------------|
| Corn | Dry Beans | Popcorn |
| Soybeans | Grain Sorghum | Sugar Beets |
| Peanuts | Sunflowers | |

- (b) No provisions of the contract are waived. As outlined below, the Self-Certification Replant Worksheet (Exhibit 12) will be used in lieu of the on-the-farm-visit and in place of the Certification Form. The APPROVED Self-Certification Replant Worksheet constitutes the insurance provider's determination that all replanting payment requirements are considered to have been met.
- (c) To claim a replanting payment, the insured must give notice of damage to his/her insurance provider prior to obtaining consent to replant without an inspection. (The agent CANNOT give consent to replant without an inspection.) The insurance provider upon receiving the notice of damage will prepare the claim form as a Preliminary Notice.

- (d) A Self-Certification Replant Worksheet is mailed to the insured when insurance provider consent is given to replant. A form letter provided by the insurance provider which highlights the insured's requirements will be attached to the worksheet.
- (2) Prior to mailing the Self-Certification Replant Worksheet to the insured, the adjuster will:
- (a) Contact the insured to determine if the insured's damaged acreage to be replanted is 50 gross acres or less per unit and if the unit acreage will qualify for a replanting payment.
 - 1 Unit replanting acreage qualifications are based on the same qualifications as in subparagraph B (4) (a)-(d) above.
 - 2 If this determination cannot be made because additional insured acreage on the unit is to be planted and the minimum may not be met, consent to replant may be given, but handle as a preliminary replant inspection with an on-the-farm visit.
 - 3 Refer to subparagraph B (9) above if the unit does not qualify for a replanting payment at this time.
 - 4 Damaged acreage appraisals will be based on the insured's judgment that the potential production from the damaged acreage will not exceed the amount stated in the applicable policy. Obtain the insured's estimated yield per acre to determine this, and enter in item 18 of the worksheet. The insured must certify to this information by completing and signing the worksheet.
 - (b) Complete as many items as possible from information obtained from the insured's file folder information and/or from the insured. Circle the uncompleted items that are to be completed by the insured. (Completion instructions are included in Exhibit 12.)
- (3) The insured is to be advised:
- (a) To review the Self-Certification Replant Worksheet items completed by the adjuster, line through any incorrect information, insert the correct information, and initial any changes;
 - (b) To complete the circled uncompleted items on the worksheet (upon replanting the acreage), sign and date, and immediately return the completed worksheet to the person/office instructed by the insurance provider;
 - (c) To submit a copy of receipts to support his/her actual replanting cost;

- (d) That further notification is required if additional acreage will need to be replanted;
 - (e) That a crop inspection is required at any time the total (cumulative) replanting payment acreage will exceed 50 gross acres for a unit;
 - (f) That the acreage replanted in EXCESS of 50 gross acres for a unit WITHOUT a farm visit and a crop inspection by us, WILL NOT be eligible for a replanting payment;
 - (g) That a random review will be conducted on self-certification replants;
 - (h) That the replant payment cannot be processed until ALL acreage for the unit has been planted, and the insured reports the unit acreage to his/her agent; and
 - (i) That it's the insured's responsibility to report ALL other acreage planted for all insured crops to his/her agent prior to the acreage reporting date for the crop and county.
- (4) A Self-Certification Replant Worksheet cannot be approved until the entire unit has been initially planted.
- (5) The adjuster (or other authorized employee) will review the insured's completed worksheet and attached receipts to verify eligibility for a replanting payment in accordance with policy/endorsement provisions (see subparagraph B(4) above and B(9)-(10) and any procedural restrictions for self-certification before signing and dating the completed worksheet.
- (6) For the applicable replant unit(s), compare the reported acres, practice, etc., shown on the acreage report against the acres, practice, etc., shown on the replant worksheet.
- (a) If there is a discrepancy in acres and/or practice which would result in a lower premium when the replant claim is processed, contact the insured to clear up the discrepancy or make an on-the-farm visit to determine the acres and/or practice. If an on-the-farm-visit is not made, the insured must be in agreement with the reduction in premium as a result of the reduced acres or different practice.
 - (b) The insured should understand that if the liability is reduced as a result of the information on the replant worksheet and the acres/practice determined at final loss time results in a greater liability than the unit liability established by the insured on the replant worksheet, the unit liability at time of final loss will be held to the unit liability reported for the replant claim. Also, any production from any underreported and/or unreported acreage will count against the adjusted guarantee.

- (7) If an initial acreage report has not been previously submitted and processed by the insurance provider, it must be submitted and processed before the replant claim can be processed.
- (8) If the acreage report HAS NOT been received by the agent by the acreage reporting date, but the Self Certification Replant Worksheet was received prior to that date; the acreage on the replant worksheet will be considered the timely reported acres for the crop. Contact the insured and do a field inspection.
 - (a) Determine all insured and uninsured acreage for the unit(s) for which a replant payment has been claimed, and prepare an acreage report accordingly.
 - (b) Any insurable acreage not reported on the replant worksheet at this time is considered late filed and will require a crop inspection to determine if such acreage will be accepted or rejected, as outlined in PAR. 85.

NOTE: If crops other than the crop reported on the worksheet has not been reported by the final acreage reporting date, the insurance provider will determine whether the inspection will include determinations for a late-filed acreage report for the unreported crop(s). For example, the acreage reported on the Self-Certification Replant Worksheet was for soybeans; however, the insured has a policy for corn and grain sorghum but failed to timely report the acres for these two crops.

- (9) If the acreage report is revised after submission of a replanting payment (final) claim, a corrected claim must be submitted with the revised acreage report if it affects the replant unit.
- (10) After confirming that the insured acreage for the unit is eligible for a replanting payment, and any discrepancy on the acreage report and replant worksheet have been resolved:
 - (a) Change the notice from a Preliminary to a Final Replant Claim.
 - (b) Transfer the information from the worksheet to the claim form in accordance with completion instructions in the crop handbook for replanting payments, with the exception of obtaining the insured's signature. Enter "See attached" on the line for the insured's signature, and enter the same date the insured signed the worksheet.
 - (c) Attach the worksheet original and receipts to the insurance provider's copy of the claim form.
 - (d) Attach a copy of the worksheet to the insured's copy of the claim form.

- (11) Self-Certification Random Reviews
 - (a) Insurance providers are to establish a system to monitor the disposition of self-certification replant worksheets, and implement a random review of not less than 10 percent of the replanted policies based on the self-certification inspections in accordance with FCIC-14010.
 - (b) Random reviews are to be assigned and completed prior to processing the Replant Claim for payment. These reviews must have priority above all other reviews.
- (12) If there is any reason to suspect misrepresentation by the insured this type of inspection do not allow the insured to self-certify a replant claim. An actual field inspection must be completed in this type of situation.

76 REPLANTING PROVISION ISSUES

This section applies to crop provisions that have replanting provisions regardless of whether the crop provisions also include replanting payment provisions.

A When an Insured Must Replant (Annual Crops)

- (1) In accordance with the insurance contract, the insurance provider will not insure acreage which the insurance provider determines is:
 - (a) For some policies: destroyed prior to the final planting date, and the insurance provider determines it is practical to replant to the insured crop but it is not replanted.
 - (b) For canola/rapeseed, corn, cotton, ELS cotton, grain sorghum, soybeans, and sunflower seed: damaged, to the extent that the remaining stand will not produce 90% of the production guarantee or amount of insurance, and the insurance provider determines it is practical to replant to the insured crop but it is not replanted.
 - (c) For some crop provisions (sugar beets): is damaged before the final planting date (or 30 days of initial planting for those counties without a final planting date) to the extent that growers in the area would normally not further care for the crop, and the insurance provider determines it is **practical to replant** to the insured crop but it is not replanted.

If the insured has given notice of damage when it is still practical to replant, advise the insured of these provisions and if applicable, replanting payment provisions provided in the crop policy or endorsement. Do not release such acreage for other use until it is no longer practical to replant. (See PAR. 75 for Replanting Payment Inspections if replant payments are applicable.)

(2) PRACTICAL TO REPLANT

The determination of whether it is practical to replant is made by the applicable insurance provider after loss or damage to the insured crop. These determinations must be based on all factors including, but not limited to moisture availability, marketing window, condition of the field, and whether the replanted crop can attain maturity prior to the calendar date for the end of the insurance period. It will not be considered practical to replant after the end of the late planting period (or final planting date if no late planting period is applicable) UNLESS replanting is generally occurring in the area. Unavailability of seed or plants will not be considered a valid reason for failure to replant.

NOTE 1: Some crop provisions may provide additional requirements/factors in order for it to be considered practical to replant, such as, the additional item stated in NOTE 2 below for sugar beets. Refer to the specific crop provisions for this information. See subparagraph 76 I below for practicality to replant for crop policy/provisions requiring processor contracts.

Note 2: In accordance to the Sugar Beet Crop Provisions it will not be considered practical to replant 30 days after the initial planting date for all counties where a late planting period is not applicable unless replanting is generally occurring in the area.

(3) Spring Wheat Replanted In Counties Having Only Fall Planting Dates:

If the insured's planted winter wheat is damaged to the point there is a loss situation and the insured wishes to plant the winter wheat acreage to a spring variety, the claim will be finalized based on the insurance provider's appraisal of the winter wheat crop. The spring-planted variety would not be considered replanted to wheat since spring wheat is not insurable in these counties. HOWEVER, if the insured inter-seeds the spring variety into the existing winter variety, DO NOT finalize the claim. The winter wheat will continue to be insured. See subparagraph G below.

B When It Is Practical to Replant

If the insurance provider determines it is practical to replant any acreage (subparagraph A(2)above), it cannot be released to go to another crop. If the insured does not replant or is going to plant to another crop; the insurance provider:

- (1) WILL NOT pay an indemnity on such acreage; and
- (2) WILL revise the acreage report to remove such acreage and the acreage must be designated as uninsurable in the "remarks" section of the acreage report.

C When It Is Determined That It Is (Was) IMPRACTICAL to Replant

(1) **Insured notifies insurance provider of intent to replant, but the insurance provider determines that it is TOO LATE TO REPLANT.**

- (a) During the farm visit, appraise the acreage. Inform the insured that the insurance provider no longer considers it practical to replant the crop (subparagraph A(2)above), but the insurance provider will release the acreage for ANOTHER USE. **(Replanting to the same crop (even to a different practice) IS NOT putting the ACREAGE to another use. See exception in subparagraph A (3) above.)** If the entire unit acreage is damaged, the claim can be finalized AFTER the insured certifies that the entire unit acreage was put to another use. (If the entire unit is released to go to another use, a Certification Form must be left with the insured, see PAR. 77.)
- (b) If the insured replants rather than putting the acreage to another use, inform the insured of the following:
- 1 IF it is a crop which has a replant-payment provision, no replant payment will be made on such acreage,
 - 2 The claim cannot be finalized at this time,
 - 3 The greater of, harvested and/or appraised production (from appraisal before replanting) from the replanted acreage will be counted against the guarantee, and
 - 4 If an indemnity is later claimed on the unit, any loss of production (reappraised and/or harvested) below the initial appraisal will be assessed against the guarantee as an uninsured-cause appraisal. HOWEVER, if comparisons of surrounding acreages reveal that the replanted acreage would have suffered all or part of the additional damage even if the acreage had not been replanted, adjust the uninsured-cause appraisal accordingly.

NOTE: Document all facts. Anytime the replanted-acreage production is less than the initial appraisal and you have determined that the additional loss of production should not be assessed against the production guarantee as described in (1)(b)4 above, indicate why and how you arrived at your figures.

(2) **Insured Does Not Notify Insurance Provider of Intent to Replant**

If the insured replants without giving proper notification of damage and the insurance provider determines that the replanting was done later than was practical to do so (subparagraph A (2) above), any potential production lost as a result of this will be assessed against

the production guarantee as an uninsured-cause appraisal. If the potential production lost can be solely attributed to the late replanting, an uninsured-cause appraisal of NOT LESS than the PRODUCTION GUARANTEE will be assessed against the acreage.

D Replant Provision/Herbicide Usage

- (1) When a herbicide has been properly applied as a recommended farming practice, and the label restrictions prohibit replanting the crop by the final planting date, replanting the acreage will generally be considered impractical. The individual circumstances should be documented using label restrictions and local CES information to make individual determinations.
- (2) Advise the insureds that to protect their interest in determining the impracticality to replant they should notify the insurance provider of the circumstances in order to provide timely documentation of the facts.
- (3) No standard response can be given as to the practicality to replant in this situation. Every case may have varied conditions that will affect the decision. Included in these conditions are the following:
 - (a) Label restrictions for herbicide used;
 - (b) Crop variety;
 - (c) Planting date;
 - (d) Soil, moisture, and temperature conditions; and
 - (e) Stage of plant growth;

E Availability or Cost of Seed/Plant

Availability or cost of seed/plant IS NOT a consideration in determining if it is practical to replant. The insured must pursue normal options to obtain necessary seed to replant (if necessary) in the same manner that a noninsured producer would make prudent management decisions.

F Planting Other Acreage in Lieu of Replanting the Acreage Initially Planted

- (1) Susceptibility to plant disease, susceptibility to damage due to soilborne insects or herbicides, blowing ground, or other soil conditions may make it impractical to replant on the initially-planted acreage. The insured IS NOT allowed to receive a replanting payment on other acreage planted to replace the initially-planted and subsequently destroyed acreage. Any such "replacement" acreage is treated as any other initially-planted acreage.

- (2) If it is not practical to replant the crop on the initially planted acreage, the insured must elect whether to carry the crop to harvest or receive consent for other use. Follow all instructions for the appropriate preliminary or final inspections as outlined in the crop handbook.

G Replanting on Interplanted Acreage

- (1) There is no specification in the endorsement/policy as to how a crop is to be replanted. However, if a replanting method contributes to any subsequent loss of production, such loss should be reflected in an appraisal for production lost due to uninsured causes.
- (2) An existing stand does not have to be destroyed prior to replanting in order to qualify for a replanting payment as long as the acreage being replanted meets the minimum requirements in the policy/endorsement. If the insured chooses to interplant a spring variety with a winter variety, for example, the insured's inability to market or loss of value of the production because of the mixed classes is not insured against. If subsequent damage occurs which lowers the quality of the crop due to insurable causes, a determination of the value of the grain WITHOUT consideration of its mixed status must be made to determine the extent of any quality adjustment.
- (3) In all replant claims, the actual cost of replanting must be considered when making the replant payment. The policy/endorsement specifies that the replant payment cannot exceed the actual cost of replanting. In cases of interplanting, it is even more important to ascertain the actual cost of the replant operation to assure that the replant payment claimed does not exceed this cost.

H Inability of Insured to Replant

No potential production will be assessed to acreage the insured has destroyed with consent to replant if, due to weather and/or soil conditions, the insured is unable to replant. However, if it is determined that the insured could have replanted within the time frame that it was still practical, prepare a revised acreage report designating the acreage as uninsurable (see PAR.'s 33-34 for revised acreage report instructions).

I Determining the Practicality of Replanting Damaged Crops for Which a Processor Contract is Required

It will not be considered practical to replant if production from the replanted acreage cannot be delivered under the terms of the processor contract.

J Inspection to Release Acreage to be Replanted

Even though a crop or crop coverage may not be eligible for replanting payments, a majority of the crops still have replanting requirements, and the insured must provide notice of damage as described in preceding paragraphs.

- (1) In all cases, the insurance provider representative, or other party responsible for recording notices, will record the notice of damage or loss and forward the notice to the person or office designated by the insurance provider to assign losses to adjusters.
- (2) The adjuster will contact the insured to determine the insured's intent for handling the damaged crop and to determine whether a field inspection is required. The insured will be informed that if a field inspection is not performed, the insured should be prepared to show original seed receipts/tickets and other supporting receipts/tickets to support that the crop was initially planted and replanted in case of an audit or final loss to this unit.
- (3) Determinations that field inspections are not required, must be fully supported by information documented in the insured's loss claim file, based on contact with the insured or the insured's authorized representative.

NOTE: Notices of damage MAY NOT require a field inspection when the crop provisions do not provide for replanting payments (or replant payments are not applicable because the policy has CAT coverage) for the crop and crop damage is consistent with other producers' crop damage in the area, and the other producers are replanting. See (5) below.

- (4) When the notice of damage is cleared without a field inspection, consent to replant will be considered given to the insured when the adjuster:
 - (a) documents why the insured's claim file does not require a field inspection, and
 - (b) closes the notice of damage.
- (5) A field inspection MUST be completed WHEN:
 - (a) Policy provisions provide for replant payments (except self-certification replant inspections and policies with CAT coverage);
 - (b) An insured requests consent to put insured acreage to another use;
 - (c) There is reason to suspect poor farming practices or uninsured causes of loss;
 - (d) Damage is inconsistent with other crops in the insured's area;
 - (e) There is any need to document actual field crop conditions; or
 - (f) It becomes evident (from contact with the insured or general crop conditions) that these insured crops have been damaged to the extent that replanting would be required, but the insured does not

intend to replant the insured acreage. An inspection is required in order to determine practicability to replant and therefore insurability of the damaged acreage.

- (6) No potential production will be assessed to acreage the insured has destroyed with consent to replant (with or without a field inspection if, due to weather and/or soil conditions, the insured is unable to replant. However, if the insured could have replanted within the time frame that it was still practical, the acreage must be considered uninsured and the acreage report revised accordingly.

77 PURPOSE OF THE CERTIFICATION FORM

A Uses of the Certification Form

Prepare the Certification Form upon completing:

- (1) A replant inspection (for a replant payment) or;
- (2) The "final" inspection when any of the following apply:
 - (a) ALL the acreage on a unit has been appraised to be put to another use, and it is expected that the insured's intentions for such other use will not change.
 - (b) Mature appraised or harvested production with applicable quality adjustment is declared zero value (due to insured causes). See PAR. 112 G for zero value harvested production.
 - (c) Production records are not readily available, for certain crops. See PAR. 80.
 - (d) The crop can never be mechanically harvested. The insured must sign a certification statement on this form as instructed in PAR. 102.
 - (e) The requirement to destroy the crop before indemnification is waived due to wind and soil conditions as indicated in PAR. 158, the insured must sign a certification statement on this form.
- (3) See Exhibit 11 for Certification Form completion instructions.

B When Insured is to Return Certification Form. The insured returns the Certification Form to the person or office designated by the insurance provider when, as applicable:

- (1) The acreage has been replanted,
- (2) Put to another use,

- (3) The production with zero value, as described in A (3) above, (due to an insurable cause) is destroyed, or
 - (4) The production records have been received as indicated in A(4) above.
- C Adjuster Review of Returned Certification Form. When the insured signs and returns the Certification Form with a proper indication of "Replanted" or "Other Use" of the acreage, review all data on the Certification Form and claim.
- (1) If all data on the Certification Form and the claim agree, the adjuster signs the claim form. (The claim will have been prepared as a "Final" during the appraisal inspection, and signed by the insured.) After receiving the certification form, the adjuster must have the certification reviewed and the claim signed and returned to the insurance provider within the time frame designated by the insurance provider.
 - (2) If any data on the Certification Form and the claim do not agree, the adjuster **MUST NOT** sign the claim form. The adjuster will make another farm visit. If, during the subsequent farm visit, the adjuster still does not agree with the information on the claim, the claim will be voided and a new claim prepared based upon the facts found on the farm visit.
- NOTE: In the case of mycotoxin-infected production that the insured is required to destroy under Federal or State laws, another farm inspection is required to verify that the production has been destroyed. (The affected production should be destroyed in accordance with any applicable Environmental Protection Agency regulations.) See PAR. 118 for information pertaining to mycotoxins.
- D Claim Form Completion Instructions. Refer to the individual crop handbooks.

78 INDEMNITY INSPECTION - FINAL (INCLUDING NO INDEMNITY DUE CLAIMS)

A final inspections must be made in order to document production, acreage, insured and uninsured causes of loss, and all other pertinent entries to determine the amount of indemnity, unless the notice has been withdrawn or cleared.

- A Field visit. To make adequate determination, actual visits to the field(s) where the crop is/was grown must be made.
- B Information to Consider. Consider information from preliminary inspections, and review the determinations of any previous inspection(s), if any.
- C Additional Determinations. Make additional determinations as required to establish the amount of production and loss, if any.

D Procedures. Refer to specific areas of this handbook for more information regarding determinations of total production, acreage, appraisals, insured/uninsured causes, shares, etc. Refer to PARTS 5 and 6 for claims involving late or prevented planting acreage.

E Comparison of Representative Strip Production to Harvested Production

Use representative strips that are left to determine whether harvested production is comparable to production in the strips.

- (1) If there is a large discrepancy between harvested production and production within the strips, obtain all pertinent information needed; however, DO NOT sign the claim(s) at this time. Contact the insurance provider for assistance in completing these cases. If necessary, controversial claims will be prepared (some insurance providers use Non-Waiver Agreements rather than controversial claims). See PAR. 140.
- (2) In the event representative strips are comparable to harvested production and the representative strips do not represent a significant portion of the insured acreage, the acreage strips will be considered as harvested; however, no production from the strips will be counted. The insurance provider has the authority to develop guidelines for determining the portion of the insured acreage involved for representative strips which would be considered "significant." IF the strips represent a "significant" amount of the acreage, the production from the amount of acreage that is excessive will be included in the production to count.
- (3) If the representative strips have not been left or have been destroyed prior to the inspection, determine if production is reflective of crop residue and conditions in the area. If you are satisfied the production to count is reasonable, prepare the claim accordingly. If production to count is not reflective of crop residue and area conditions, refer the case to the insurance provider for assistance in handling. (In some cases, this may be grounds for rejection of the claim by the insurance provider in accordance with the applicable individual crop policy or General Crop Insurance Policy (or Basic Provisions) and crop endorsement or crop provisions.)

F Review Prior Determinations. Review the determinations of any inspection giving written consent for other use of a part of the total acreage in a unit. If the earlier inspection was incomplete or the information is incorrect, explain in narrative of the claim form or submit documentation on a Special Report.

G Claims of Persons Affiliated With MPCCI Program

If the claim is filed by any FSA, FCIC, or insurance provider employee; or loss adjustment contractor, agent, or anyone directly affiliated with FSA, FCIC or an insurance provider; the claim must be reviewed by the insurance provider (or other disinterested party assigned by the insurance provider) prior to payment

of the claim. Generally, the insurance provider will accompany the adjuster on the initial loss adjustment inspection and will conduct the review at the same time. If it is not known prior to the loss adjustment inspection that the claim is for an employee or any other person described herein, the adjuster is to notify the insurance provider immediately so that an insurance provider representative has the opportunity to accompany the adjuster during the inspection.

H DO NOT finalize claims until:

- (1) You are satisfied with all determinations, including but not limited to:
 - Total disposition of the crop;
 - Value (or reduction in value (RIV), if applicable) of the crop needed for quality adjustment purposes. Special care must be given when there are zero value (1.000 RIV) offers (or non-marketability) in a local area or extremely low market price (or extremely high RIV, if applicable) for the crop in the local marketing area (See PAR. 112 G.); and
 - The insured's Certification Form, if applicable, has been received and verified. See PAR. 77.

I Indemnity Due. If an indemnity is due, refer to the individual crop handbooks for procedure in completing the claim.

J "No Indemnity Due Claims"

- (1) "No Indemnity Due" claims must be verified by an APPRAISAL or NOTIFICATION from the insured that the production exceeded the production guarantee.
- (2) If it is determined that NO INDEMNITY IS DUE during an inspection:
 - (a) Complete the inspection;
 - (b) Record all pertinent information on either of the following:
 - 1 the claim as instructed in the crop handbook, OR
 - 2 if directed by the insurance provider, complete and have the insured sign a "Withdrawal of Claim NCIA-M920 or other FCI approved "Withdrawal of Claim" form" rather than prepare a "No Indemnity Due;" and
 - (c) If inspection determinations indicate a reduction in premium is applicable, follow the insurance provider's instructions.

79 INDEMNITY INSPECTION (FINAL) - END OF THE INSURANCE PERIOD

A When the end of the insurance period has been reached, a final inspection is required as soon as possible unless FCIC's Product Development Division and Insurance Services authorizes insurance providers to allow additional time for harvest because of insurable perils (listed in the policy) delaying or preventing harvest of the crop. When such authorization has been provided, follow the instructions below:

- (1) If harvest completion was delayed due to an insurable cause occurring within the insurance period, any subsequent damage to the crop, due to the insurable causes specified in the contract, is covered provided that it is determined on a case-by-case basis that the insured has:
 - (a) complied with the notice of damage or loss requirements identified in the policies and administered in accordance with the loss adjustment procedures, and
 - (b) made every reasonable attempt to harvest the crop timely and properly.

NOTE: This does not include a mature crop that could have been harvested by the calendar date for the end of the insurance period but was not because the insured was waiting for the moisture to decrease to avoid drying costs. In such cases, appraise the crop and finalize the claim as soon as possible after the calendar date for the end of the insurance period.

- (2) The calendar date for the end of the insurance period is NOT extended. Rather, the insured is given additional time to attempt to harvest the crop in order to settle any loss on the basis of harvested production.
- (3) In the above circumstances, any subsequent and unavoidable loss of production caused by insurable causes is to be considered as an unavoidable loss resulting from the original insurable cause which prevented the timely harvest of the crop. Any avoidable loss of production is to be charged as an appraisal against the guarantee.
- (4) The insured is expected to harvest the crop if a window of harvest opportunity arises. If the insured had the opportunity to harvest and failed to do so, insurance providers are to appraise the acreage and finalize the claim based on the appraisal. Damage occurring after the producer had an opportunity to harvest is uninsurable.

- (5) Verify and document that damage resulted from insured causes occurring during the insurance period (as clarified in A (3) above). Items to include (but not limited to) are the following:
 - (a) Specific variety planted.
 - (b) Planting date.
 - (c) Length of normal growing season needed for the insured crop variety.
 - (d) Insurable causes preventing timely harvest and dates of occurrence.
 - (e) Area conditions, surrounding producers' situations, percent of harvest completion in the area, the adequacy of the insured's harvest equipment and efforts to harvest, and windows of harvest opportunity.
 - (f) The rationale for establishing the portion of the loss resulting from causes which occurred during the insurance period and any appraisals for uninsured causes.
 - (g) The following is to be used if the insurance provider wishes to further document that the insured was informed of the above. Copy of notice sent to the insured outlining the insured's responsibility to mitigate the damage by harvesting at first opportunity, and informing the insured that if a window of harvest opportunity occurs and harvest does not occur, appraisals will be assessed for failure to follow recognized good farming practices.
 - (h) Photographs, video, etc., if they will conclusively verify the reasons that the crop could not be harvested by the end of the insurance period.
- (6) If a loss is anticipated and acreage remains unharvested, perform an inspection on the unharvested acreage in the unit as soon as possible after the calendar date for the end of the insurance period. Although it is preferred to provide the insured reasonable opportunity to harvest the crop and to settle losses on the basis of harvested production, very few claims should remain to be finalized beyond 60 days after the calendar date for the end of the insurance period. Such cases will require extensive documentation to support proper payment of the affected claims.
- (7) All applicable instructions in PAR. 78 also apply.

**80 INDEMNITY INSPECTION (FINAL) - DELAYED NOTICE OF DAMAGE OR LOSS
AND/OR DELAYED CLAIM****A Delayed Notice Definition**

A DELAYED NOTICE is a notice which is filed after the time required in the policy.

NOTE: If the notice is filed LATER than the time required in the policy for the insured to submit (sign) a claim (generally 60 days after the end of the insurance period), any resulting claim for which the notice was given is a DELAYED CLAIM. See C below.

B Acceptance of a Delayed Notice

The insurance provider may accept the notice; however, the acceptance of the notice does not constitute approval of the claim. When the notice is accepted, the insurance provider will perform any necessary inspections. When the insured submits a delayed notice, remind the insured of:

- (1) The requirement for filing timely notice of damage.
- (2) The right of the insurance provider to reject any claim if failure to give timely notice affects the insurance provider's ability to SATISFACTORILY establish ALL data needed to properly adjust the claim.

C Delayed Claims

- (1) When the insured signs a claim later than the time specified in the policy or endorsement for submitting claims, it is a DELAYED CLAIM. The time specified in most policies (or endorsements) is the earlier of, 60 days after:
 - (a) the total destruction of the insured crop on the unit;
 - (b) harvest of the unit; or
 - (c) the calendar date for the end of the insurance period.
- (2) When the insured signs a claim later than the time specified in the policy or endorsement for submitting claims, **and subparagraph (3) is not applicable**, remind the insured of the following:
 - (a) The policy provision for submitting a claim within the time specified in the applicable policy or endorsement.
 - (b) The right of the insurance provider to reject any claim if the delayed claim affects the insurance provider's ability to satisfactorily establish all data needed to properly adjust the claim.

(3) Delayed Claims Due to Unavailability of Production Records

For such crops as almonds, cotton, citrus, hybrid seed, peaches, prunes, walnuts, and occasionally others; production records are not always available at loss adjustment time. This may result in insureds having to sign the claim later than the time specified in the policy. A Certification Form may be used when through no fault of the insured, the production records are not available from the processor, gin, or seed company at the time of loss adjustment. **When authorized by the insurance provider, the following instructions will apply:**

- (a) Make all determinations possible and complete the claim form without the production records.
- (b) Enter "Certification Form" in the heading of the claim form or note in the narrative that a Certification Form was used.
- (c) Obtain the insured's signature and date. Do not sign or date the claim form during the initial inspection.
- (d) Complete a Certification Form. (See Exhibit 11.)
- (e) Instruct the insured to do the following when the production records are available:
 - 1 Enter "Production Records Available" in the "remarks" section of the Certification Form;
 - 2 Sign and date the Certification Form; and
 - 3 Return it to the person/location indicated on the Certification Form or as instructed by the insurance provider.
- (g) Upon receipt of the completed Certification Form; sign, date, and mark the Certification Form indicating a farm visit is required to obtain the production records and for completion of the claim.
- (h) For this type of delayed claim, the Certification Form will be all the documentation required; the instructions in the following subparagraphs will not apply unless the claim is also a delayed notice.

D Delayed Claims or Delayed Notices Which Have Companion Contracts That Have Been Finalized

- (1) Unless you disagree with the findings, use the information from the companion contract to make your determinations. Do not make your determinations until you have reviewed the companion contract and all respective documentation. Enter date and code number on the claim form, but DO NOT sign the claim.

- (2) Submit a **Special Report** with the following information and any other information relevant to the case: Do not include the items in **subparagraph G** below, except as stated in **subparagraph D** (4) below.)
- (3) State whether you agree with the companion-contract findings. If you disagree, identify any findings that you do not agree with and why.
- (4) If the companion contract was a delayed notice or a delayed claim, were all the items listed in **subparagraph G** addressed in the report for the companion contract? Document your findings on any pertinent items omitted. Include a copy of the report initially prepared for the finalized companion contract as part of the documentation.

NOTE: If a companion contract has not been finalized, follow the procedures pertaining to companion contracts found in the crop handbooks; and **if applicable**, **subparagraphs B, C, E, F, and G**.

- E In an inspection involving a delayed notice or a delayed claim, the adjuster DOES NOT have the authority to bind the insurance provider to any particular course of action, UNLESS authorized as outlined in C (3) above. If this inspection IS NOT authorized under C (3) above, do not make statements to the insured which could be construed as admitting or denying liability. Inform the insured of the following:
- (1) The adjuster's responsibility is limited to establishing the facts and assisting in the preparation of the delayed claim for consideration by the insurance provider.
 - (2) The insurance provider will inform the insured in writing of the approval or rejection of the claim.
- F Delayed Notice and/or Delayed Claim Inspection

These instructions do not apply to delayed notices and/or delayed claims involving companion contracts that have been finalized (see **subparagraph D** above), or for delayed claims involving unavailability of production records (see **subparagraph C** (3) above).

- (1) Follow the loss adjustment procedures for making appraisals, acreage determinations, acreage report information verifications, uninsured causes, etc.
- (2) Complete all claim form entries for which the determination CAN satisfactorily be made, but DO NOT SIGN the claim. If there is any determination that cannot be satisfactorily determined, do not make an entry on the claim form for that information. Document it as indicated in **subparagraph G** below.

G Delayed Notice and/or Delayed Claim Report

Document on a **Special Report** whether or not information necessary to accurately determine the amount of loss is available by addressing the items listed below, and any other pertinent information. Attach the completed **Special Report** to the claim form and forward to your insurance provider.

- (1) The number of acres of the insured crop, by unit, practice, and type which had been plowed, pastured, or otherwise used after the time the insured was required to give notice of loss under policy provisions.
- (2) Whether all acreage could be accurately identified and whether such acreage was measured or estimated.
- (3) How the actual production was determined, including information as to whether the records of anyone buying production from the insured were examined.
- (4) The cause of loss and how it was possible to establish that all of the loss occurred within the insurance period.
- (5) How appraisals of unharvested, mature production were determined.
- (6) Whether any uninsured causes contributed to the loss, and if so, the methods used in making per-acre appraisals for such causes. (See PAR. 143.)
- (7) How production on the unit compared with that of other farms in the community; include a statement as to whether other insureds or producers on nearby farms incurred similar losses.
- (8) If the insured's reason for delay was inability to harvest timely because of unfavorable weather during the normal harvest period, include the following information:
 - (a) The date when the insured started harvesting this crop, and the date harvest was started on this unit.
 - (b) To what extent neighboring farmers (both insured and uninsured) were able to complete harvest by the calendar date for the end of the insurance period specified in the crop policy or endorsement.
 - (c) Whether the insured owns harvesting equipment and if it was adequate to complete harvest timely under normal conditions. Whether the insured performed custom work in lieu of timely harvesting his/her insured crop.

- (d) If the insured does not own adequate equipment, document whether:
 - 1 There were firm, advance custom arrangements, assuring prompt harvest of the crop upon maturity,
 - 2 The insured deferred making arrangements until harvest time, or
 - 3 The insured depended upon equipment which would not be available until the custom operator completed his/her own harvest or that of other farmers.
- (e) With readily available equipment and other necessary facilities, the earliest date harvest could have been completed under the weather and soil conditions which existed.

H Approval or Rejection

- (1) The insurance provider's approving official will:
 - (a) Approve claims for which the amount of loss CAN be accurately determined; and
 - (b) Reject claims for which the amount of loss CANNOT be accurately determined.
- (2) Provide written notification to the insured of approval or rejection of the claim.

I Approval/Rejection Guidelines

Generally, the amount of loss CANNOT be accurately determined if the insured failed to give the insurance provider the opportunity to examine the unharvested crop potential or the harvested crop residue. Therefore, usually a claim will be rejected if the crop and crop residue have been removed from the fields prior to loss adjustment inspection. However, if such a claim is approved, it will require extensive documentation to support satisfactory determinations of planting practices, production, etc.

81 PRODUCTION PRE-MEASUREMENT SERVICE INSPECTION

- A General Information. In order to keep production separate by unit when there is a probable loss situation for a crop, ADJUSTERS, not insureds (unless the insurance providers's authorization is given - see PAR. 123), are to measure existing production in a single storage structure when an insured is going to add production from another unit, crop year, or production harvested from acreage which has been identified as uninsurable.

- B Insured's Notification. Prior to adding such production, the insured will notify his/her insurance provider that measurements are needed for this reason. The insurance provider will immediately forward this information on to the appropriate personnel who sets up the adjuster assignments so that the insured can be contacted for an appointment or as otherwise described in PAR. 123.
- C Recording Production Pre-Measurement. The Pre-Measurement Service will be recorded on a claim form or other FCI-approved form used for this purpose. At least the following information must be recorded when performing a Pre-Measurement Service Inspection:
- (1) Insured's Name (as shown on the most recent Policy Confirmation).
 - (2) Policy Number from the Policy Confirmation.
 - (3) County and State if it cannot be identified within the policy number.
 - (4) Unit Number.
 - (5) Crop Year (crop year in which the production pre-measurement service is conducted).
 - (6) Location of the storage structures being measured.
 - (7) Date the insured requested the production pre-measurement service. (This date can be considered as a notice of loss for follow-up purposes.)
 - (8) Measurement of each structure being measured and depth of production in each structure. Identify, space displaced by chutes, vents, etc. Use separate line entries to identify each structure and varying share(s).
 - (9) If measurement is for corn, indicate whether the corn is shelled, ear, silage, etc.
 - (10) Indicate, by structure, from what crop year the production was harvested.
 - (11) Sketch map showing structure design of the storage facility(ies) and its relative location to the farmstead home. (Identify each structure with a numeric or alpha designation. Correlate the numeric/alpha identification of each structure with the line entry for the measurement or calculation of each structure.)

Distribute the documents containing this information, as follows:

- (1) Copy to insured, and
- (2) Original to office that the insurance provider has designated to maintain insureds' files of original documents.

82 GROWING SEASON INSPECTIONS

Growing Season Inspections (GSI's) are done as a part of quality assurance and are normally done in conjunction with Pre-Harvest Inspection (see PAR. 83). The minimum policy selection criteria is provided in the FCIC-14010.

A Recording Inspection

Record the GSI on the following:

- (1) GSI Report; (See C below.)
- (2) Aerial photo copy. (See D below),
- (3) Appraisal Worksheet for the crop being inspected; and
- (4) One of the following:
 - (a) A claim form completed like a preliminary inspection, but identify on the claim form that it is a Growing Season Inspection (GSI);
 - (b) A FCIC-approved Growing Season Inspection form; or
 - (c) A Special Report recording all the required information.

B Appraisals

Appraisals must be performed during the inspection, and recorded on the appropriate appraisal worksheet. See the appropriate crop handbook for appraisal instructions.

C GSI Report

Determine and document the answers to the following questions on a Special Report. Label the beginning of the report as "GSI Report."

NOTE: Companies may develop a "GSI Report" form with the following questions rather than using a Special Report form.

- (1) What kind of tillage methods has the insured carried out?
- (2) What kind of weed control practices are being carried out?
- (3) Has a current soil test(s) been taken on any of the insured acreage?
- (4) How does the crop inspected compare with those in the general area?
- (5) What type of fertilizer program is being followed?

- (6) Briefly explain the weather in the past 4 to 6 weeks, the current conditions, and the expected weather conditions.
- (7) Should the producer's farming operation be reviewed at a later date?
- (8) Briefly enter any pertinent remarks.

D Documentation on Aerial Photo Copy

On the aerial photo copy, clearly identify the following:

- (1) Insured's name and contract number,
- (2) Insured's farm and the field(s) inspected,
- (3) Area in the field where the appraisals were taken,
- (4) Any problem areas within the field(s), and
- (5) Any field(s) of the same crop that border (a neighbor's field and the condition of that neighbor's field).

E GSI Report Package and Distribution

Attach together completed aerial-photo documentation, GSI Report, appraisal worksheet, and claim form prepared as a GSI Inspection if the claim form is used to record GSI information. Distribute originals to office designated by the insurance provider to maintain insureds' files of original documents and as otherwise instructed by the insurance provider.

83 PREHARVEST INSPECTION

Pre-harvest Inspections are done as a quality assurance/control function to deter insureds from shifting or hiding production in order to create losses or create larger losses. It also serves to discover producers who are attempting to do this. By appraising all fields prior to harvest, the appraised production can be compared against the harvested production. If there are large discrepancies, it may be possible to use the appraisals to establish misrepresentation or as a key that further investigation is needed to establish the misrepresentation. The minimum policy selection criteria is provided in the FCIC-14010.

A How to Complete the Pre-harvest Inspection

- (1) Do appraisals on all units of the crop.
- (2) Record the inspection on a claim form and appropriate appraisal worksheets using the same instructions as for a preliminary inspection. Final claims can also be prepared during this inspection, if appropriate,

by using the instructions for final claims in this handbook and appropriate crop handbook. Prepare one claim form for each unit.

- (3) Identify somewhere in the heading of the claim form that this is a Pre-harvest Inspection, unless the unit is going to be finalized on this visit. Document any pertinent information in the narrative of the claim or on a Special Report.

- (4) Post-Audit of Inspections

Any loss units submitted for payment that have harvested acreage, will be compared against the pre-harvest appraisals. When there are significant discrepancies, the insurance provider will try to resolve these discrepancies with the insured. If these discrepancies cannot be resolved, insurance providers may forward such cases to the appropriate FCIC Compliance Office for further review, action, or assistance.

84 ACREAGE REPORT REVIEW INSPECTION

Acreage Report Reviews are done as a part of quality assurance. In accordance with FCIC-14010, insurance providers must conduct field inspections for a percentage of its crop insurance contracts to verify the accuracy of the information certified on the acreage reports.

A During the inspection, verify the following:

- (1) Insurable and not insurable acreage planted,
- (2) Legal Descriptions,
- (3) Shares (and shareholder's name),
- (4) Practices,
- (5) Types, classes, or varieties,
- (6) Planting dates,
- (7) Risk classifications,
- (8) APH yields as listed on the appropriate forms,
- (9) Unit arrangements, and
- (10) Any other information contained on the acreage report pertaining to the reported crop or/and acreage; e.g., contract prices for peas, information provided in the remarks or attachment pertinent to the report, etc.

- B Revised Acreage Reports. Revised acreage reports will be prepared when appropriate. (See PAR. 34.)
- C Recording the inspection. Record the results of the inspection on a Special Report or other form provided by the insurance provider.

85 CROP INSPECTION TO DETERMINE ACCEPTANCE OF ACREAGE FOR INSURANCE

- A This inspection can be initiated by:
 - (1) The insured when the insured files a late-filed application and/or acreage report or wishes to add acreage that was initially not reported on the timely filed acreage report for the crop(s), or
 - (2) The insurance provider when it is discovered that acreage was underreported, a unit(s) was not reported, or no acreage was reported by the insured for the crop.
- B Crop Inspection. The crop inspection will consist of an on-the-farm visit to determine the number of acres and to perform crop appraisals and make observations of the current general crop, soil, and weather conditions to determine if the crop will produce at least 90% of the yield upon which the per-acre guarantee or per-acre amount of insurance is based.
- C Approval/Rejection. The approving official may accept (with the exception of subparagraph D below) or reject, by UNIT, at his/her discretion (based upon crop, soil, weather conditions, etc.) the unreported acreage when appraisals indicate that the unit acreage would produce at least 90% of the yield upon which the per-acre guarantee or per-acre amount of insurance is based. Unit acreage appraising below 90% of the yield will be rejected. **See exception in subparagraph D below.**
- D Unreported Units. Unreported units CANNOT be added IF ANY reported insured unit for the crop at this time WILL NOT produce at least 90% of the yield upon which the per-acre guarantee or per-acre amount of insurance is based. When unreported units are rejected, the unreported unit procedure in PAR. 151 must be followed.
- E Recording the Appraisal. Record the appraisal performed during the crop inspection on the appropriate appraisal worksheet.
- F Inspection Report/Documents Submitted to Insurance Provider. Submit to the insurance provider, the original or revised acreage report prepared during the inspection, the appraisal worksheet, and a Special Report with the following information:
 - (1) Whether any significant damage has occurred on the unit, and

- (2) Whether at least 90% of the yield upon which the per-acre guarantee or per-acre amount of insurance is based can be expected under the current crop, moisture, and weather conditions.

G Notification of Approval/Rejection. Inform the insured that he/she will be notified in writing by the insurance provider of approval or rejection of the acreage.

86 INTEREST PAYMENT ON CLAIMS

A Policy Provisions

Unless otherwise specified, the Basic Provisions (or as applicable, crop policy) state that simple interest will be paid from the 61st day on the net indemnity after the insured signs, dates, and submits the properly completed claim, if the reason for failure to pay within 60 days is not due to the insured's failure to provide information.

B Interest Determined From Adjuster's or Approving Official's Signature

FCIC has identified the following types of claim situations on which interest should be paid from the 61st day of the adjuster or approving officer's signature date rather than the insured's signature date. The claim situations are as follows:

- (1) Certification Form has been used on the unit.
- (2) The insured is an absentee insured (adjuster will enter the date when the claim form was mailed to insured for signature in the narrative).
- (3) Controversial or other unusual type of claim.

87 (RESERVED)

88 (RESERVED)

(RESERVED)

SECTION 2 VERIFYING THE CAUSE OF LOSS**89 GENERAL INFORMATION**

The causes of loss insured against are clearly identified in each individual crop policy or endorsement.

A The insured must establish the cause of loss; the adjuster will:

- (1) Verify the cause of loss during the on-the-farm inspection.
- (2) Be satisfied that the damage or loss is due to one or more insured causes(s) of loss; e.g., drought CANNOT be an insured cause of loss for acreage with an irrigated practice; however, failure of the irrigation water supply due to drought would be an insured cause of loss under an irrigated practice. Each inspection must be an individual determination. If the cause of loss appears to be different from what the insured has stated, document the facts on a Special Report. For more information see Unusual/Controversial Cases in Part 4.

90 HAIL AND FIRE EXCLUSION

When hail and fire have been excluded as insurable causes of loss and hail or fire is determined to be the sole cause of loss, there generally will be no indemnity. Refer to the individual crop handbooks for instructions. See verification requirements in PAR. 25.

91 UNINSURED CAUSES

It may be determined during the on-the-farm inspection that the cause of loss was not insurable. Refer to PAR. 143 for details.

92 ABANDON VERSUS NOT FOLLOWING A GOOD FARMING PRACTICE

There is a definite distinction between “not following a good farming practice” and “abandon.”

A Abandon

- (1) Basic Provision Definition of Abandon. “Failure to continue to care for the crop, providing care so insignificant as to provide no benefit to the crop, or failure to harvest in a timely manner, unless an insured cause of loss prevents the insured from properly caring for or harvesting the crop or causes damage to it to the extent that most producers of the crop on acreage with similar characteristics in the area would not normally further care for or harvest it.”

- (2) Acreage where the producer has stopped caring for the crop, at whatever stage, is considered to have been abandoned, regardless of whether the crop was otherwise damaged by an insurable cause of loss. There does not need to be an express intent to abandon the crop. The producer must simply have stopped all care for the crop, or the care provided must be so insignificant as to provide no benefit to the crop. An appraisal as stated in PAR. 102 (B) (9) below must be assessed when the crop is abandoned.

NOTE: Although rare, the insured may decide to harvest the abandoned acreage if there is production that can be harvested. If this happens, and the harvested production from the abandoned acreage is commingled with the harvested production from the acreage not abandoned, all of the harvested production from the abandoned acreage will be included in the production to count.

- (3) A crop damaged to the extent that harvest is not practicable will not be considered as abandoned because the producer fails to harvest the crop. In these cases, the producer should provide a notice of loss and the acreage should be appraised. For "failure to timely harvest" to be considered as abandonment, the crop must be in a condition where harvest would be considered as a good farming practice and no condition exists which would make it physically impossible to harvest the crop, such as the ground is too wet.

- (4) The insured turns in a notice of damage or loss after the act of abandonment.

It must be considered abandonment if the insured stops caring for the crop PRIOR to providing notice of damage or loss and the time elapsed is such that the insurance provider cannot satisfactorily distinguish whether damage is solely from the insured cause or a combination of the insured cause and the abandonment.

- (5) The insured abandons crop for a length of time and then begins caring for the crop. If enough time has elapsed that the care is untimely and will not benefit the crop or the care is so insignificant that it does not benefit the crop, it is still considered abandonment as stated in (2) above.

B Not Following A Good Farming Practice

Acreage where the producer continues to care for the crop by performing all the practices needed to produce a mature crop, but does so inadequately, such as the application of an insufficient amount of fertilizer or herbicides, topping only a portion of the tobacco acreage, etc., will be considered not following a good farming practice. The amount of loss attributed to not following a good farming practice will be included as the production to count; i.e., an uninsured cause of loss appraisal. These determinations must be on a case-by-case basis. The insurance provider must first determine whether the necessary farming and

cultural practices have been carried out by the producer and, if they have, whether they were adequate.

93 (RESERVED)

94 (RESERVED)

(RESERVED)

SECTION 3 ACREAGE DETERMINATION**95 GENERAL INFORMATION AND METHODS**

Determined acres are required on some preliminary claims and all final claims as specified in the crop handbooks. Use the following procedure for determining acreage:

A FSA Measured Acres

If acres have been measured through FSA Measurement Service requested by the insured or during FSA spot check of the insured's certified acres for the current crop year, use these measured acres as the determined acres. If for some reason it is felt that the measured acres are incorrect, re-measure the acres.

NOTE: For CAT Policies: If the insured has requested FSA measurement service prior to the crop insurance acreage report date, the determined acres from the measurement service must be used on the claim. See PAR. 34 E.

B Previously measured Acreage

If the subparagraph A above does not apply:

- (1) Use acres which have been previously measured for the current crop year by another reinsured company (measurement of companion contract) unless it is felt that the measurement is incorrect.
- (2) Prior year(s) measurements of a field that was measured by an insurance provider, local FSA office, or firm engaged in land measurement services, will be used provided the:
 - (a) entire field is planted to a single crop (same practices or types if there are separate guarantees), and
 - (b) field boundaries have not changed.

NOTE: If there is reason to suspect that the measurements are not accurate, the acres must be re-measured as described in D below.

C Acres Not Measured

If measured acres as described in subparagraphs A or B are not available:

- (1) The acres reported on the Crop Insurance Acreage Report may be considered "determined acres" for claim purposes, IF the:
 - (a) insured has signed the acreage report indicating certification of the reported information; AND

- (b) adjuster can determine through visual inspection of the acreage, the use of FSA certified acreage reports or aerial photo copies (obtained from the local FSA office or other acceptable sources), landmarks, etc., that the acreage would measure within 5 percent of the acreage reported on the acreage report.
- (2) When a determination is made that differs from the reported (certified) acreage, even within the 5 percent tolerance, the determined acreage must be used on the claim.

NOTE: The following is an example of a situation where the reported acreage is within the 5 percent tolerance, but cannot be used as the determined acreage:

- Previous measurement = 80 acres (field boundaries have not changed).
- Crop insurance acreage report = 80 acres of corn
- Entire field planted to boundaries, but about 2 acres are oats.

In this instance, the reported acres cannot be used as the determined acres. Either an actual measurement must be made (e.g., wheeled) OR because the reported acreage is within the 5 percent tolerance, the acreage can be determined as follows: estimate the oat acreage and deduct from the reported corn acreage. Determined corn acres = 78 acres (80 – 2 = 78).

D When Insurance Provider Must Measure Acreage

Acreage must be measured (or re-measured, as applicable IF it fails to meet the criteria described in A, B, or C above OR if any of the following apply:

- (1) Part of a unit is released and that part released will lose its field identity (i.e., there will be no way to establish the amount of acres at the time of a final loss inspection because of the loss of field identity);
- (2) The insurance provider or the insured has reason to question the accuracy of the measurement or does not agree with the previously measured acres;
- (3) Field boundaries have changed;
- (4) Only a portion of a field is planted and measurements for determining the planted portion are unavailable; or

- (5) Acreages of varying practices, types, appraisals, etc. (as appropriate to separate on the claim) are not separated.

E Measurement Methods

Acreage measurement for loss adjustment purposes must be performed by using:

- (1) the wheel measure, or
- (2) FSA-accepted measuring methods or devices used with aerial photos that are to scale (such as planimeter, digitizer, picket rule, or dot scale).

NOTE: Surveying devices, global positioning systems (GPS), remote sensing devices used in conjunction with aerial photos or satellite imagery, etc., may be used if accuracy is comparable to the measurement methods listed above.

F When Measurement Estimates Are Allowed

Acreage breakdowns WITHIN a unit or field may be estimated if a determination is impractical. An example would be where irregular areas of a field (low area, along a draw, etc.) are being harvested. Such acreages may be estimated (use width of combine or swather, length of cut, etc., to assist). Explain any estimated acreages in the Narrative of the claim or on a Special Report. Total acreage for the field or unit, however, must be determined in accordance with this procedure.

- G Documentation. Document, in the narrative of the claim or on a Special Report, the method of acreage determination and any calculations used to arrive at the determined acres; e.g., "Acreage wheel measured - Field A - 215.0 W X 180.0 W = 38.7 acres; Field C - 220.0 W X 185.0 W = 40.7 acres; Total unit acreage - 38.7 + 40.7 = 79.4 acres , or in the case of determined acres via the acreage the insured certified to on his/her MPCI acreage report; "Determined acres using MPCI acreage report-would measure within 5 percent."

96 WHEEL MEASURING METHOD AND FORMULAS

A When measuring with a wheel:

- (1) Determine the basic lines of linear measurements needed to calculate the acreage. See subparagraph D below for examples of basic measurements (and Combinations) required.
- (2) Begin each linear measurement with the revolution counter turned to indicate all "0's." If the wheel has a white spoke, start with the white spoke on the ground and the counter at "0."

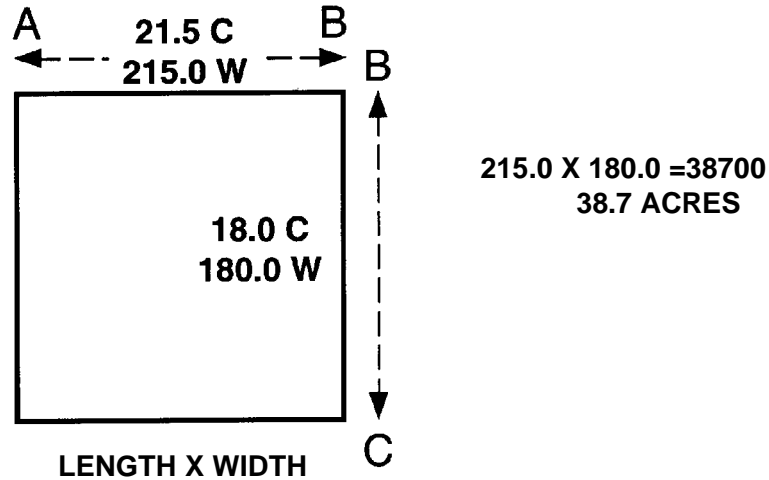
- (3) Walk in a straight and direct line. Do not lift the wheel off the ground or allow the wheel to skip or bounce. If an obstacle (to the wheel) is encountered directly in the path, grasp the wheel with the handle shaft (so that the wheel will not turn in relationship to the handle), and move at a right angle to clear the obstacle. Place the wheel on the ground and wheel forward enough to clear the obstacle. Again, grasp the wheel and the handle shaft to immobilize the rotation, walk at a right angle again in order to be directly in line with the original path of measurement, and continue making the measurement.
- (4) Note the position of the handle. It must be in the same position when being set to zero, as it is when it is read, at the end of the linear measurement. Additionally, at the end of the linear measurement, if the wheel has a white spoke, count the number of spokes past the last whole revolution of the white spoke, and add to the counter reading. Each spoke past the white spoke, is one-tenth of a wheel. Round according to procedure for the crop being measured.
- C Converting Square Wheels to Acres. When converting square wheels to acres, move the decimal three places to the left; i.e., 38700 square wheels = 38.7 acres. (1000 square wheels equals one acre.)

NOTE: 1.0 chain = 10.0 wheels = 66.0 feet
1.0 wheel = 6.6 feet

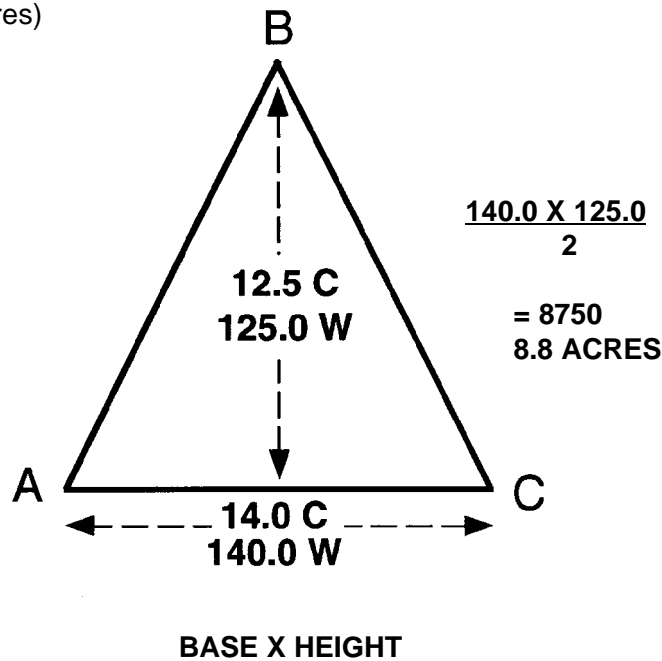
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D Wheel Measuring Formulas

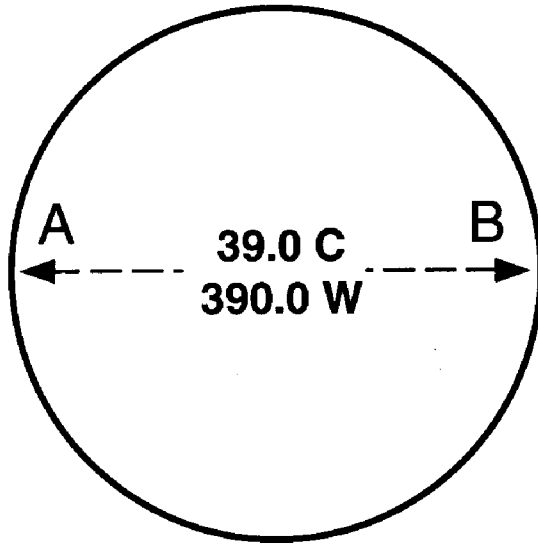
- (1) **Square or Rectangular Field Formula:** Length (wheels) x Width (wheels) = Square wheels. (Move the decimal point three (3) places to the left to determine the acres).



- (2) **Triangular Field Formula:** Base (Wheels) x Height (Wheels) ÷ by 2 = Square Wheels. (Move the decimal point three places (3) to the left to determine the acres)



- (3) **Circular Field Formula:** Diameter (Wheels) x Diameter (Wheels) x .7854 = Square Wheels (Move the decimal point three (3) places to the left to determine the acres).



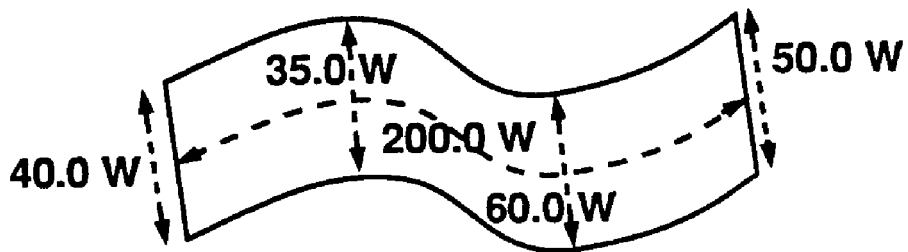
DIAMETER

$$390.0 \times 390.0 = 152100$$

$$152100 \times .7854 = 119459.34$$

$$119.5 \text{ ACRES}$$

- (4) **Irregular Field Formula:** Length (Wheels) x Average Width (Wheels) = Square Wheels (Move the decimal point three (3) places to the left to determine the acres).



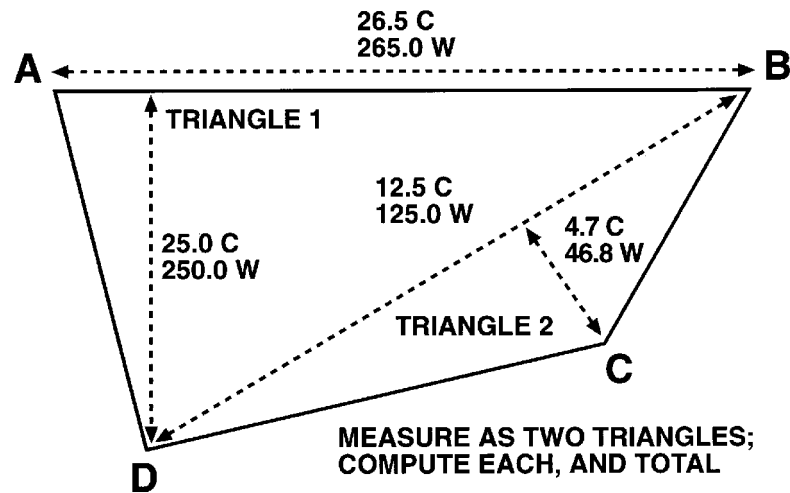
$$\text{AVERAGE WIDTHS X LENGTH } 40.0 + 35.0 + 60.0 + 50.0 =$$

$$185.0 \div 4 = 46.25$$

$$46.3 \times 200.0 = 9260$$

$$9.3 \text{ ACRES}$$

- (5) **Combination Field Formula:** When a field will not conform to any regular formula, measure the field into regular pieces to determine the acreage.

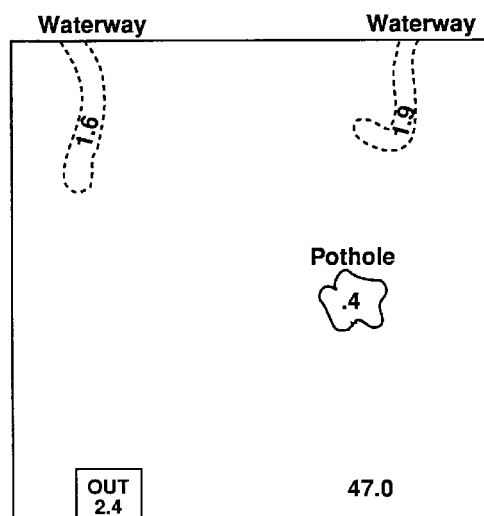


TRIANGLE 1
 $\frac{265.0 \times 250.0}{2} = 33125 = 33.1 \text{ ACRES}$

TRIANGLE 2
 $\frac{125.0 \times 46.8}{2} = 2925 = 2.9 \text{ ACRES}$

TOTAL ACREAGE = 33.1 + 2.9 = 36.0 ACRES

- (6) **Deductions From Acreage:** Anytime a significant amount of acreage in a field is not planted to the crop it must be deducted from the total acreage in the field. The insurance provider will determine what to consider a significant amount of acreage, by crop.



Field 47.0 acres MINUS deduction of 6.3 acres = 40.7 insurable acres.

97 SKIP-ROW PLANTING PATTERNS (Cotton)

- A Acreage Report and Claim Entries. When the cultural practice of skip-row planting patterns are followed, NET acres are entered on the acreage report and the claim.
- B Determining Net Acres. Follow established procedures outlined in the Cotton Handbook (for Upland Cotton) or ELS Cotton Handbook (for ELS Cotton) to determine NET acreage for cotton.

98 (RESERVED)**99 (RESERVED)**

SECTION 4 ESTABLISHING PRODUCTION**100 GENERAL INFORMATION**

A Insured's Requirements. The insured is required, by the policy, to keep records of the harvesting, storage, shipment, sale, or other disposition of all the insured crop produced on each unit, and separate records including the same information for production of the crop from any uninsured acreage. The insured must make these records available to the insurance provider for any purpose related to the contract.

B Establishing Total Production on Damaged Units

Establish the total production for each damaged unit by appraising the potential production and/or by measuring and/or recording harvested production. The total production for the entire damaged unit will be established by the insured and the adjuster working together. The TOTAL production for the entire damaged unit is the insured's production share plus the production share of each person sharing in the unit.

C Establishing Total Production from Non-Loss Units

Obtain an estimate of production per acre for each undamaged unit of the indemnified crop from the insured or the insured's authorized representative and record as instructed in the crop handbook.

D Insured's Request of Measurement of Stored Production When Crop Damaged

The insured is responsible for providing separate records of production for each unit and for notifying the insurance provider for measurement of production when production from another unit, crop year, or uninsured acreage is to be added to existing production in a single storage structure. (See PAR. 81.) If the inspection indicates that separate records have not been kept for each unit, see PAR. 150 for commingled production. Also, see PAR. 150 if production from more than one practice/type which have separate APH yields has been commingled.

E Determining and Recording Production

Accurately determine and enter in the appropriate column(s) of the claim the amount of established production for the entire damaged unit including production from unreported unit(s) if applicable (see subparagraph F below). Enter the unit number and estimated production for each undamaged unit on the claim (See the individual crop handbook for specific instructions).

F Accounting for Production from Unreported Units

Production from unreported units discovered at loss time will be counted. See PAR. 151 for specific instructions.

101 VERIFYING TOTAL PRODUCTION - APPRAISED OR HARVESTED**A In determining if total production is correct, check:**

- (1) Representative sample of unharvested production left under the terms of the policy.
- (2) For available evidence of yield such as stand, number of bolls or burrs, stage of maturity, amount of straw stubble, size of stalk, etc., from acreage harvested.
- (3) Other farming operations of the insured.
- (4) The productive capacity of the land.
- (5) To see if the presence of livestock or poultry is a possible cause for inquiry as to how much production has been fed. Also, see PAR. 107 for more information pertaining to fed production.
- (6) For the location and quantity of a crop retained for seed, or which has been sold for seed.
- (7) Production from comparable acreage when there is reason to question harvested production reported. If the insured has comparable acreage, use it; however, when comparable acreage is not available on the insured's farming operation, use comparable acreage from other neighboring farms. Comparable acreage is acreage that is planted to the same crop, following the same farming practices, management practices, similar planting dates, etc. If production is still questionable, document the circumstances on a Special Report and notify the insurance provider before signing the claim form.

B Another Person Sharing in the Crop

When another person is sharing in the crop, you must verify that all of the actual production for the entire unit(s) has been reported, not just the INSURED share. Verify and make production determinations of the other person's production share as you would the insured's production share; i.e. if the other person's production is farm stored and the production had not been weighed prior to storage, storage measurements would need to be made, etc. Do not establish the total production by dividing the insured's production by his/her share unless you are unable to establish it by any other means. If this should happen, document the circumstances preventing the measurement of the other entity's share of the production. Generally, the fact that the other share of the production is located in another storage structure at some other location is not a justifiable reason for determining the total unit production by dividing the insured's portion by his/her percent share. **NOTE: If the other person(s) share is insured through another insurance provider, refer to the procedure for companion contracts in PAR. 28.**

C Amount of Production Reported for Unit(s) is Questionable

Anytime the actual production reported is in question and you are going to meet with the insured about the questionable reported production follow the individual insurance provider's instructions.

D Documentation. Prepare a Special Report if there:

- (1) is unreported production, or
- (2) are unjustified differences in production between different shares or different units.

E Adjuster's Signature. DO NOT sign a claim if there is any evidence of additional production that has not been accounted for.

102 APPRAISALS

A General Information

Appraisals must not be made until an accurate appraisal of potential production can be made.

- (1) If during an inspection any crop acreage is not going to be carried to harvest and an accurate appraisal of potential production CANNOT be made, do not release acreage to another use or to replant when replant payment is applicable until an accurate appraisal can be made OR representative sample areas are left for later appraisals as described in subparagraph C below and PAR. 104.
- (2) If the inspection is performed at a time when production can be determined accurately by appraisal and the crop is not being carried to harvest (except when pre-harvest appraisals are required), appraise the production by unit, and grant written consent to put insured acreage to another use. Record this production on an appraisal worksheet and a Special Report, if needed. See applicable crop handbook for appraisal methods.

B Appraisals are made when:

- (1) The insured requests consent to put acreage to another use or to replant to the same crop originally planted if a replant payment will be claimed.
- (2) The insured chooses not to harvest all of the acreage.
- (3) The insured plans to use a crop in such a way that it will not be possible to determine production after harvest; e.g., cut for silage.

- (4) The insurance period ends for a crop. The appraisal will establish the potential production of the unharvested acreage at the time the insurance period ceases.
- (5) Late-filed acreage is requested or unreported acreage is discovered (to determine acceptance or rejection of such acreage).
- (6) An unreported unit (not reported on the acreage report) is discovered, and it is suspected or known that it will not be harvested or harvested and stored in such a manner that production cannot be accounted for. See PAR 151 for more information on unreported units.
- (7) The insured insists on replanting, but it is determined it is too late to replant. See PAR. 76 for more information.
- (8) The crop will be stored in such a manner that production cannot be measured; e.g., high-moisture corn, silage stored in an air-tight structure, etc.
- (9) Uninsured causes of loss are determined, acreage is destroyed without consent, abandoned, or if the insured has failed to provide production records that are acceptable. Acreage damaged solely from uninsured causes or if any of the other aforementioned reasons exist in this item, not less than the per-acre production guarantee for the acreage involved will be assessed.

NOTE: The definition for abandon in the Basic Provisions indicate that when the crop is not timely harvested, it is abandoned; however, exercise good judgment in establishing that a crop that has not been **timely harvested** is truly abandoned. See PAR. 92.

- (10) An unharvested portion of the field remains after harvest or harvested production that could have been removed from the field was not removed due to improperly functioning harvesting equipment, windrows of crop not all picked up; etc.

NOTE: This does not include unharvested representative samples areas the insured has left in accordance with policy requirements, unless the areas represent a significant portion of the acreage. See PAR. 78 E (2).

- (11) If the policy provisions, Special Provisions, or a Written Agreement authorizes direct marketing, conduct an appraisal that will be used to determine production to count for production that will be sold by direct marketing.

C Deferred Appraisals

Deferred appraisals are appraisals which are deferred to a later date in order to assess crop recovery and obtain more accurate appraisals.

- (1) Appraisals must be deferred when:
 - (a) Hail damage has occurred on immature crops. Defer appraisals 7-10 days from the date damage occurred.
 - (b) Spring frost/freeze damage has occurred on immature crop. Defer appraisals at least 7-10 days from the date of frost/freeze. If at the end of the 7-10 day period, it is questionable that an accurate determination can be made, utilize local Cooperative Extension Service or other like source's recommendations for the length of time the appraisal should be deferred.
 - (c) A crop is in dormancy. Defer appraisal until the time the crop is out of dormancy. See (3) below.
- (2) Defer appraisals anytime a more accurate appraisal can be made at a later date due to type of damage or circumstances; e.g., recovery of crop after flooding, pollination problems, etc. See (3) below.
- (3) Utilize local Cooperative Extension Service or other like source's recommendation for the length of time appraisals should be deferred for the particular crop and situation. Include a copy of these recommendations with the paperwork pertaining to the inspection to support the insurance provider's actions.
- (4) If the insured wants immediate release of crop acreage in order to put it to another use or to replant it, the insured must agree to leave representative sample areas as described in PAR. 102. The representative sample areas will be used to perform the deferred appraisal.
- (5) In widespread deferral situations, all insurance providers should maintain coordination through Insurance Services so that uniform guidance can be provided to all insurance providers regarding the length of deferral time necessary to allow accurate appraisals to be made for the circumstances.

D When appraisals are made, inform the insured of the following:

- (1) The method used to determine potential production and how the appraisal will be used if an indemnity is claimed. If at all possible, the insured or an authorized representative of the insured should accompany you on the entire appraisal. Encourage the insured or authorized representative to participate in determining the appraisal.

- (2) Appraisals on acreage for which the insurance provider has given consent to be put to another use are final when the claim is signed by the insured or insured's authorized representative and the adjuster, unless such acreage is:
- (a) not put to another use before harvest becomes general in the county and is reappraised by the insurance provider,
 - (b) further damaged by an insured cause and is reappraised by the insurance provider, or
 - (c) harvested.

For this reason, DO NOT finalize a claim until you are satisfied with all determinations. See PAR. 78 H.

- (3) The appraisal determination. (Never advise the insured whether or not to harvest the crop; this must be the insured's decision.)

E Approved Methods. The appraisal methods for the crop are identified in the individual crop handbooks.

F Harvested Representative Sample Appraisals

Appraise mature production by arranging with the insured to harvest representative sample areas, if possible. See PAR. 104 for representative sample area instructions. Use this production to determine the yield per acre.

G New Appraisals for Additional Damage

If an insured notifies the insurance provider of additional damage after consent to put acreage to other use and requests reinspection, a new appraisal may be made provided the additional damage was due to an insured cause of loss and the acreage has NOT been put to another use.

H Unable to Mechanically Harvest

When crop acreage which is routinely mechanically harvested is damaged by INSURED cause(s) to the extent that it can NEVER be mechanically harvested with normal harvest equipment, no production will be counted for such acreage. If mechanical harvest is feasible with normal harvest equipment on any portion of the unharvested acreage, appraise and count only the production that you determine could have been mechanically harvested. **However, if the insured elects to hand harvest, such as handpick corn, or use specialized harvesting equipment, the harvested production will be counted.**

NOTE: Wet field conditions or snow covered fields that prevent harvest of the crop by the end of the insurance period does not mean it can NEVER be mechanically harvested with normal harvest equipment. This is only a temporary condition.

Examples: Hurricane, tropical depression, or tornado damage has rendered the the crop unharvestable with normal harvesting equipment or small grain that has been drought-stressed may be so short that it cannot be mechanically harvested with the normal harvest equipment in the area. During the appraisal the adjuster must establish the individual cutting height based on the terrain (rocky soil, level field, terraces, slopes, etc.) and the insured's farming practices (type of harvesting equipment, swathed grain, etc.). Remember, insureds employing good farming practices will lower the combine headers or swather bars to recover a short crop to the maximum extent possible.

- (1) Determine (on an individual basis) whether any portion of the acreage can ever be mechanically harvested with normal harvest equipment. Consider what other insured and noninsured growers in the area are doing with the same crop, similar soil and terrain, or equipment (whether owned or otherwise available to the insured).
- (2) Determine whether the insured did or could have made every reasonable effort to harvest such acreage, and whether the insured plans to hand harvest or use specialized harvesting equipment.
- (3) If it is difficult to determine what potential is machine harvestable, arrange with the insured to harvest representative areas of the crop. Use this production to determine the production to count.
- (4) Document your determinations thoroughly on a **Special Report** when zero appraisals have been made under these circumstances. Photographs to show the condition of the crop, terrain, etc., may be a necessary part of the documentation to support determinations of "0" appraisals which are made under these procedures.
- (5) If it is determined that the crop cannot be harvested with normal harvesting equipment and the insured does not elect to hand pick or use specialized harvesting equipment, a Certification Form must be signed by the insured with the following statement in the body of the Certification Form: "As indicated by the insured's signature below, the insured certifies that the damaged acreage that cannot be mechanically harvested with normal harvest equipment will not be harvested. If the crop is harvested after this certification, the insured understands he/she may be subject to the misrepresentation provisions in the crop insurance policy." Attach the Certification Form to the claim.

103 APPRAISAL METHOD VARIATIONS

A Appraisal Modifications

The insurance provider's authorizing official may authorize the use of appraisal modifications **without prior approval from FCIC**, as provided in the respective crop handbooks. A copy of the written authorization stating the modification, effective crop year, area affected, and effective beginning and ending dates is

to be provided to Insurance Services so that other insurance providers and the FCIC Product Development Division may be advised.

B Appraisal Deviations

- (1) Appraisal deviations **require** the FCIC's written authorization after receiving approval from Research and Development and/or Insurance Services, and consist of deviations which:
 - (a) ARE identified in the specific crop handbook (such as drought deviation); or
 - (b) ARE NOT identified in the specific crop handbook, but are necessary to apply to the standard appraisal method in order to provide an accurate determination of crop potential under the circumstances.
- (2) The insurance provider will immediately notify Research and Development and/or Insurance Services of the situation with a recommendation and justification, before proceeding. The recommendation will include the deviation recommended, the effective crop year, area affected, and beginning and ending dates for which the deviation is to be applied.
- (3) FCIC will:
 - (a) Immediately advise the affected RSO's of the situation;
 - (b) Coordinate the recommendation with the appropriate insurance providers;
 - (c) Assess the need for and impact of the deviation.
- (4) Upon receiving written authorization from FCIC, the insurance provider will issue written authorization to use the approved deviation, and ensure the proper implementation and monitoring of the deviation.

104 REPRESENTATIVE SAMPLE AREA APPRAISALS

- A When Used. Appraisals from representative sample areas of unharvested crop acreage are used to determine the per-acre appraisal for the entire unharvested acreage when any of the following applies:
- (1) Heavy workload situations exist and timing is critical to give consent to put acreage to other use or replant.
 - (2) Deferred appraisals are required, as stated in PAR. 102, and the insured desires immediate release of the acreage in order to put acreage to another use or to replant acreage.

- (3) The insured does not plan to harvest the acreage, and agrees to harvest the representative areas for appraisal purposes.
- (4) The insured does not agree with the initial appraisal of the acreage to be released, and the insurance provider agrees to allow the insured to leave representative sample area, as described herein.
- (5) Such sample areas are otherwise required by the policy (e.g., for grain deficient corn silage).

NOTE: This is not referring to the policy provision that requires the insured to leave representative areas if the insured initially discovers damage to the insured crop within 15 days of, or during harvest.

B Insured's Agreement. When representative sample areas of immature production are established for appraisal purposes, the insured MUST agree:

- (1) to leave the representative sample areas intact until they have been appraised or harvested;
- (2) to care for the sample areas in the same manner as if they were to be harvested; and
- (3) that production will be determined from appraisals from the sample areas.

NOTE: Insurance providers may choose to leave representative sample areas due to disagreement with prior appraisals. When this is done, the crop provisions for canola, coarse grains, cotton, dry beans, ELS cotton, small grains, and sugar beets, provide that the representative areas must be left and properly cared for until the crop has matured.

C Instructions for First On-the-Farm Inspection

Do the following while on the first on-the-farm inspection (see exception to on-the-farm inspection in (2) below):

- (1) Select representative areas that:
 - (a) are sufficient enough in size to provide accurate appraisals of the crop in accordance with the minimum recommendations for representative samples in the crop handbook,
 - (b) include buffer areas to ensure that the actual appraised samples will not be exposed to damage in excess of what would be experienced had the crop around the sample areas remained intact (e.g.; excessive drying, insect or weed infestation, grazing, etc.);
 - (c) are not located at the edge of the field or in other areas that fail to be representative of the acreage to be appraised; and

- (d) will enable, at least, the minimum recommended number of samples to be selected on a proportional basis to the acreage represented.

EXAMPLE: The minimum recommended number of samples are five for the acreage being appraised; the adjuster has determined that splitting the field into subfields is inappropriate because although one-third of the field is in uniformly satisfactory condition and two-thirds of the field is in uniformly poor condition, the respective portions are randomly scattered across the field. To maintain the proper proportionate sampling, six samples are to be utilized, two in the satisfactory areas and four in the poor areas. The six samples may be taken from less than six sample areas if any of the sample areas are large enough (e.g., strips 10 feet wide the length of the field, large non-strip areas, etc.) to select one or more separately distinct representative samples.

- (2) When there is a heavy workload and the adjuster cannot make a timely farm visit to select and identify representative sample areas, and release acreage that the insured wishes to put to an alternative or another use, the insurance provider may on a case-by-case basis permit insureds to leave representative sample areas; provided, the following guidelines are adhered to.

NOTE: It is not intended that this authorization be utilized on a routine basis to avoid advance selection and identification of acceptable sample areas for appraisal purposes.

- (a) The insured must agree to leave intact, two or more representative strips of the crop (per field) at least 10 feet wide and the entire length of the field for appraisal purposes. For some situations such as contour farming or row crop plantings with the rows planted in a direction other than the length of the field, it may be more practical that the strips not actually be the entire "length" of the field. However, the shorter strips must accumulatively reflect the minimum area stated in the preceding sentence.
- (b) Document in writing on the claim or a Special Report an agreement with the insured on the approximate location of the strips authorized to be left for appraisal purposes when advance identification and marking of the fields are not possible. Include the reason for immediacy, date, authorization method (by phone, in person, etc.), and name of the person providing the authorization. Authorization is to be provided ONLY by individuals authorized to adjust losses. Any strips are to comply with C (1) (a), (b), (c), and (d) above. Following are two examples of documentation.

EXAMPLE 1: "Insured needs to chisel ground immediately, agrees with authorization to leave two strips of the crop intact, each at least 10 feet wide and the length of the field, approximately one-third in from each edge of the field."

EXAMPLE 2: "Insured must destroy immediately, agrees with authorization to leave two strips of the crop intact (one in the poorer area and one in the better area of the field), each at least 10 feet wide and containing the longer rows following the contour planting."

- (3) Identify the selected representative area(s) by flags, physical markings and/or sketch map to protect the integrity of the samples and their locations.
- (4) Instruct the insured to continue to care for these areas as if they were to be harvested because they will be the basis for the appraisal of the entire acreage.
- (5) When representative areas are for appraisal of **mature** production, instruct the insured of the following:
 - (a) Who to notify when the areas have been harvested.
 - (b) The production harvested from these areas will be the basis of appraisal for the entire unharvested acreage.

D Appraisals of Representative Sample Areas

- (1) Representative areas of IMMATURE production:

Appraisals MUST be completed as soon as the production to count can be ACCURATELY determined (no earlier than 7-10 days after damage due to hail or frost/freeze). Very few circumstances would justify allowing the crop to become fully mature prior to completing the appraisal.

Exception: In cases where the insured disagrees with the initial appraisal of the crop acreage to be released, and the insurance provider agrees to use representative areas for appraisal purposes. When representative areas are used for this purpose, the canola, coarse grains, cotton, dry beans, ELS cotton, small grains, sugar beets, and sunflower seed, provisions require that the representative areas are left until the crop has reached maturity. Any additional damage to the representative areas due to a named peril in the policy will be considered an insured cause of loss.

- (2) Representative areas of MATURE production
 - (a) **Representative areas established solely for the initial appraisal of the released acreage.**

Appraise these areas immediately upon the crop's maturity. If representative areas have not been adequately cared for, assess an appraisal for uninsured causes of loss. NOTE: If the insured

agrees, these representative areas can be harvested to obtain the per-acre appraisals as described in (2)(c) below.

- (b) **Representative areas established because the insured disagreed with appraisal of immature crop acreage to be released.**

Appraise these areas immediately upon maturity. When these areas are not left intact or have not been sufficiently cared for, use the per-acre appraisal made prior to giving consent to put the acreage to another use. Any additional damage to the representative areas due to a named peril in the policy will be considered an insured cause of loss.

- (c) **Representative areas established at the time the crop is mature (solely for the purpose of basing the appraisal on the harvest of the representative areas).**

After the representative areas have been harvested, establish the per-acre appraisal from the harvested production. If for some reason, the insured decides not to harvest the representative areas as agreed, appraise the unharvested representative areas immediately.

- (d) **Representative areas established for other purposes required by the policy (e.g., grain or corn deficient silage).**

Appraise these areas immediately upon maturity. Additional damage after the date the crop was harvested will not be considered an insured cause of loss even if the damage was from a named peril in the policy. This is because the insurance period ended at the time the crop was harvested; i.e., the crop was cut for silage or high-moisture corn (harvested) and placed in air-tight structure. The appraisal of the representative areas will determine the production to count for the harvested acreage.

105 VERIFYING HARVESTED PRODUCTION

A Harvested production will be determined by the following:

- (1) Acceptable evidence of sales and/or commercial storage.
- (2) Measuring farm-stored harvested production. (See Part 3, Section 6.)
- (3) Comparing fields to the appraisals made from unharvested sample areas left under the terms of the policy or crop endorsement.
- (4) Comparing reported production to appraisals and production in the area when there is reason to question the reported harvested production.

(5) Weighed and farm-stored records (See PAR. 122).

- B Caution. DO NOT rely solely on statements or evidence of sales to represent all of the production. Review all production evidence CLOSELY when the policyholder controls the transportation (e.g., trucking or handling company); manufacturing (processing plant); farm scales; or sales (warehouse) of a particular crop. If there is evidence that suggests the insured has misrepresented production, DO NOT (adjuster) sign the claim. Notify the insurance provider of the situation.

106 VERIFYING SOLD OR COMMERCIALY STORED PRODUCTION

- A Names in which Production Was Sold. Verify with the insured the names(s) in which production has been sold on insured acreage under the contract.
- B Harvested Production Records and Receipts. Follow up and verify harvested production records documented by receipts from but not limited to:
- Commercial elevators
 - Seed companies
 - Packing Houses
 - Marketing Cooperatives
 - Mills
 - Warehouses
 - Gins
 - Processors
- C Receipts/Settlement Sheets
- Verify receipts against the entries on the summary/settlement sheets. Obtain GROSS PRODUCTION for the unit from the summary and/or settlement sheets after verification.
- D Claim Entry
- Enter the GROSS PRODUCTION (before deductions are made for dockage, moisture, percent of shell or sugar, or quality adjustment) in the appropriate column for gross production on the claim form.
- E Individual Weight Tickets or Load Slips
- DO NOT use individual weight tickets or load slips without supporting documentation of total production such as ledger sheet(s) or settlement sheet(s) to determine harvested production for an individual unit unless the storage facility or buyer will not provide ledger or settlement sheets. When the buyer or storage facilities will not provide ledger or settlement sheets, document the facts in the narrative of the claim or a Special Report.

107 VERIFYING FED PRODUCTION

A Include in Production to Count. Fed production must be counted as production when determining total production on a unit.

B Insured's Responsibilities

The insured is responsible for maintaining a formal record system (e.g., FCIC's Guidelines for a Production Record Management System) written records of fed production and to have those records available at the time the claim is prepared.

C Review Records

Review the fed production records for reasonableness and if written records are questionable, document the reasons and notify your next level of supervision. Also, use the following guidelines when determining reasonableness: If feeding from a previous year's inventory, to which current year's production will be added, the amount of previous years' production must be measured prior to adding current year's production. If feeding continuously, the producer should have recorded the following:

- (1) Amount of grain fed each day,
- (2) Bin ID from which the production was taken,
- (3) Number and kind of livestock,
- (4) Estimated average weight of livestock per head and location or pen number,
- (5) The unit number from which the fed production was taken, and
- (6) Whether fed production was from previous years production or fed directly from the field or truck.

D Claim Entry

If fed production records are reasonable, enter fed production on the claim form as gross production. (See the crop handbook for entry instructions for harvested production.) Adjustments for moisture, dockage, or quality will be allowed ONLY if acceptable records are available to support the deductions or a sample for grading is available; i.e., Settlement sheets from a landlord who has a share in the same crop acreage or adjuster obtained samples from the landlord's stored production can be obtained for grading.

E Documentation

Document the fed production records in the narrative of the claim form or on a Special Report. If a Special Report is used, it must be signed by the adjuster and the insured.

108 VERIFYING AND ACCOUNTING FOR PRODUCTION NOT TO COUNT

There are times when production may not be counted as part of the total production of a unit. In order to enter production not to count on the claim form, ACCURATE RECORDS of such production must have been kept; i.e, it must have been measured or weighed (with satisfactory scale records available) before other production is added.

A Examples. Some common examples of production which should not be counted when accurate records of such production is provided.

- (1) Previous or prior crop year's production when stored with the current crop year's production,
- (2) Harvested production from uninsured acreage when stored with production from insured acreage,
- (3) Harvested production from acreage damaged solely by uninsured causes when stored with production from acreage damaged by insured causes,
- (4) Harvested production from multiple units or contracts when stored within one storage facility, and
- (5) Purchased grain is stored with harvested grain.

B Verification

Substantiate production not to count with farm management records (settlement sheets, sales receipts, load counts, weight slips, feeding records, etc.) to assure that you are COMPLETELY satisfied that such production should be considered production **not** to count. Otherwise, the production must be considered production **to** count.

C Accounting for Production Not to Count on the Claim Form

There are two ways to account for production not to count on the claim form. Either method outlined below can be used unless your insurance provider specifies that only one of the particular methods listed below will be used.

- (1) For production with storage measurements that are to be recorded in the columns for recording such measurements on the claim form, the depth measurement of the production not to count may be subtracted from the total bin measurement depth. The resulting depth measurement

(production to count) will be entered in the appropriate column for depth measurements as instructed in the crop handbook. Although no specific entry for production not to count is required, document the depth measurement for the production not to count in the narrative of the claim form and explain why it is production not to count. See PAR. 131 E for detailed example. OR

- (2) Calculate all production not to count to net production, and enter in the "Production not to Count" column as instructed in the crop handbook.

109 (RESERVED)

110 (RESERVED)

SECTION 5 ADJUSTMENTS TO PRODUCTION

111 GENERAL INFORMATION

A Reasons Why Production May Be Adjusted

Adjustments are allowed for the following:

- (1) Moisture.
- (2) Foreign-material (FM) dockage (only dockage for foreign material is allowed unless specified otherwise in individual crop handbooks).
- (3) Low quality caused by an insurable cause of damage. Adjustments are made for moisture and quality only when they meet the requirements stated in the endorsement/policy for the adjustment(s).

B Who Makes Adjustment Determinations

The adjuster can determine the following from individual load slips and/or settlement sheets: percentages of moisture, FM-dockage, test weight, and some defects (e.g., kernel damage, if determined by licensed grader). In some cases, the adjuster may determine moisture or foreign material percentages and test weights, provided that proper equipment is used; see PAR. 113, 114, and 117. Some grading factors must be determined by a grader licensed under the authority of the United States Grain Standards Act or the United States Warehouse Act. Samples must be analyzed by a laboratory meeting specific requirements specified by RMA with regard to substances or conditions injurious to human or animal health. See PAR. 118. **Note: Samples to make determinations CANNOT be obtained by the insured or insured's representative.**

C Production Disposed of Before Determinations Are Made

- (1) When the insured's interest is 100 percent in the crop:

Adjustments in production for moisture, FM-dockage, or quality (quality adjustment) cannot be allowed for production disposed of before necessary determinations are made, unless sales or weight tickets show gross weight, moisture content, FM-dockage, and any other applicable defects.

- (2) When the insured's interest is LESS than 100 percent in the crop:

Moisture, F-M dockage or quality adjustment can be allowed IF: (1) The production belonging to the other person sharing in the crop is available to make determinations, or (2) Weight tickets are available which show gross weight, foreign material, moisture content, and the amount of defects. **This is applicable ONLY when the other production is representative of the insured's share.**

112 QUALITY ADJUSTMENT**A Policy/Endorsement Provisions**

Some policies/endorsements provide for a reduction in the production to count when the quality of the appraised and/or harvested production is reduced due to insurable causes. The quantity of production to count is reduced when it meets the requirements stated in the crop policy/endorsement.

B Who Can Determine the Quality of GRAIN CROPS

- (1) Some factors which affect quality **MUST** be determined by a grain grader licensed under the authority of the United States Grain Standards Act or the United States Warehouse Act, such as:

- ! Garlicky, Smutty, or ergoty grain.
- ! Special grading factors.
- ! Kernel damage caused from an insured cause of loss.

- (2) TEST WEIGHTS can be determined by the adjuster, an elevator operator, or a licensed grain grader.

- (3) MYCOTOXINS in grain crops **MUST** be determined by a disinterested testing facility that is recognized in conducting certifiable industry-standard test(s) for the particular mycotoxin(s). See Mycotoxins in Grain Crops, PAR. 118.

Refer to the applicable individual crop handbook and/or endorsement, policy, crop provisions, or Special Provisions for specific quality adjustment qualifications and provisions.

NOTE: When samples are taken from farm-stored production or from unharvested mature production to obtain quality determinations, only adjusters can extract the samples. The adjuster is responsible for taking enough samples to ensure that the combined samples will be representative of all production in the storage structure. This is done by using a probe (may need an extension) or other various means to extract samples from various depths and areas of the storage structure.

C Who Can Determine the Quality of NON-GRAIN Crops

For some crops, the processor or buyer can determine various factors of quality, while for other crops, a state or USDA grader must determine these factors. Refer to the applicable crop handbook and/or crop policy/endorsement for specific quality adjustment qualifications and provisions. Note: When there is farm-stored production or unharvested mature productions, only adjusters can obtain samples for quality determination purposes.

D Actual Test Weights to Tenths of Pound

Use actual test weight to tenths of a pound for quality adjustment determinations for grain crops.

- (1) GENERAL INFORMATION. Some grain handlers have the capability to determine test weight to tenths of a pound. As instructed in most individual crop handbooks, test weights are rounded to a whole number when entered on the claim form. In some cases, the rounded test weight can cause the grain to appear to be ineligible for quality adjustment. For example: Oats having an actual test weight of 26.5 would be eligible for quality adjustment, but when the weight is entered on the claim form as a rounded weight (27 pounds), it does not appear to qualify.
- (2) For the purpose of determining quality adjustment, the tenths determination will be utilized when weights have been determined to tenths-of-a pound accuracy.
- (3) If the crop handbook instructions require test weight entries in whole pounds, ENTER IN the NARRATIVE of the claim, the ACTUAL TEST WEIGHT, TO TENTHS, that qualifies the grain for quality adjustment.

E Crops having Quality Adjustment Charts in the Special Provisions

For barley, canola/rapeseed, corn, flax, grain sorghum, oats, rye, safflowers, soybeans, sunflowers, and wheat production that is eligible for quality adjustment, the quality adjustment factor (QAF) is determined by subtracting from 1.000, the sum of all applicable pre-established discount factors (DF's) listed in the Special Provisions and/or DF's derived from reductions in value (RIV) of the damaged grain. The QAF (not less than 0.00) is multiplied by the number of bushels remaining AFTER any reduction due to excessive moisture (in accordance with the crop provisions).

- (1) Pre-established DF's from the Chart
 - (a) When there is an pre-established DF for the type or level of damage shown on the chart in the Special Provisions, the pre-established DF must be used to establish the QAF, unless (1) (b) applies.
 - (b) If the damaged grain has a zero market value in the insured's local marketing area AND a net zero value* at a market within reasonable distance outside the local marketing area, **no production will be counted if the production is destroyed in a manner acceptable to FCIC.** See subparagraph G below for detailed information pertaining to zero market values and destruction of the production. **NOTE: When there are pre-established DF's for the level/type of damage, there should be very few instances, if any, where a value cannot be found for such grain.**

*Net Zero Value means: The additional costs to transport the grain to a market within reasonable distance outside the insured's local marketing area (distant market) exceeds the value in the distant market. Additional costs means: Costs in excess of costs to transport to the local marketing area.

- (c) When it has been established that there is a zero market value in the insured's local marketing area and a positive value for grain that would be transported to a distant market (of reasonable distance) OR the insured refuses to destroy the grain, the applicable pre-established DF's for the level or type of damage (without adjustments for additional transportation costs) will be used to determine the QAF to adjust the production to count.
 - (d) Other than to consider whether there is net zero value as described in (1) (b) above, transportation costs are not allowed when there are pre-established DF's shown on the chart for the types or levels of damage, regardless of the market value of the grain. Additionally, conditioning costs are not allowed when there are pre-established DF's on the chart for the types/levels of damage.
 - (e) Caution: Carefully read the quality adjustment section in the Special Provisions. For example, pre-established DF's for both damaged kernels and sound barley cannot be applied. Of the two types of damage, the one which results in the higher DF is used rather than both.
- (2) DF's Derived From RIV's

In the absence of pre-established DF's for types or levels of damage, DF's are derived by dividing the total RIV's by the Posted County Price (PCP) (Regionally Constructed Price (RCP) for canola/rapeseed, safflowers, and sunflowers) (rounded to three places). See definition of Posted County Price and Regional Constructed Price in Exhibit 1 or in the Special Provisions.

- (3) Establishing RIV's
- (a) The adjuster is responsible for ensuring that only usual, customary, and reasonable RIV's are used. When determining RIV's it is not necessary to determine the actual **value** of the production if the buyer is able to specifically provide, to the adjuster's satisfaction, the reduction in value (RIV) requested.
 - (b) RIV's and PCP (or RCP for sunflowers) will be those in effect on the earlier of, the date such quality-adjusted grain is sold or the date of final inspection for the unit.

1 **For Sold Production.** The RIV will be the RIV applied by the buyer unless it is determined that such RIV's are not usual, customary, and reasonable.

2 **For Unsold Production**

Farm Stored or Appraised Mature Production. The RIV's will be the RIV's for the types/levels of damage at the local market on the date of final inspection. However, if a lower RIV is available at a market within a reasonable distance outside the insured's local marketing area (distant market), the RIV can be increased by the additional costs to deliver the production to the distant market; provided the resulting RIV does not exceed the RIV in the insured's local marketing area.

3 **Fed Production.** The RIV will be the RIV for the type/level of damage at the insured's local marketing area on the date of final loss adjustment PROVIDED acceptable weight records are available showing necessary quality adjustment information, or grain is still available from which the adjuster can obtain samples. See PAR. 102 D.

(c) RIV's will not include any price reduction resulting from a type or level of damage for which there is a pre-established DF.

(d) No RIV is allowed if it is due to (1) moisture content, (2) damage due to uninsured causes, or (3) drying, handling, processing or any other costs associated with normal harvesting, handling, and marketing of the production.

(e) Conditioning Costs: If an RIV can be decreased by conditioning the production, the RIV after conditioning may be increased by the cost of conditioning, provided the resulting RIV does not exceed the RIV before conditioning.

(4) Examples of Determining QAF's with Chart DF's, Derived DF's, or Both
 Note: QAF's cannot be less than zero.

Example 1: DF's on Chart

Grain Sorghum has low test weight (34 pounds) and kernel damage (17%). The chart in the Special Provisions for Grain Sorghum shows a DF of .139 for 34 test weight pounds and a DF of .046 for 17% kernel damage. The insured has sold the grain or if unsold, a positive market value is available for the damaged grain. The QAF is determined as shown in the following two steps:

| | |
|---|-----------------------------|
| (a) .139 (DF for test weight) + .046 (DF for kernel damage) ----- .185 Total DF's | (b) 1.000 - .185 = .815 QAF |
|---|-----------------------------|

Example 2: Combination - DF's on Chart and Derived DF's off Chart

Wheat had a low test weight of 46 pounds and .65¢a bushel RIV for mycotoxin. There is a DF of .245 for 46 pound test weight on the chart in the Special Provisions for wheat. Mycotoxins are a type of damage for which the Special Provisions has no listed DF, thus the DF for mycotoxins are derived.

The PCP for wheat is \$4.40, the DF for the mycotoxin would be:
 $.65 \text{ (RIV)} \div 4.40 \text{ (PCP)} = .148 \text{ DF}$. The QAF for the damaged wheat is determined as shown in the following two steps:

$$\begin{array}{r} \text{(a) } .245 \text{ (chart DF (test weight))} \\ \text{+} .148 \text{ (derived DF (mycotoxin))} \\ \hline .393 \text{ Total DF's} \end{array} \quad \text{(b) } 1.000 - .393 = .607 \text{ QAF}$$

Note: If the mycotoxin was a type/level for which there was 100% RIV; i.e., due to Federal and State regulation, the grain cannot be sold; the QAF would be “.000,” regardless of DF's for types /levels of damage on the chart.

F Crops that use the Actual Value Received to Determine QAF's

For some crops, there are no quality adjustment charts in the special provision, and the policy or crop provisions provide that the dollar-and-cents value of the damaged crop is used in establishing the quality adjustment factor. Check the policy/crop provision for applicable crops. **This does not apply to barley, corn, canola/rapeseed, flax, grain sorghum, oats, rye, safflowers, soybeans, sunflowers, and wheat; see subparagraph E above for these crops.**

- (1) The dollar-and-cent value of the damaged production is the local market value for the same quality as the damaged production. (See allowances for conditioning costs in (5) below.) When determining the value of production, consideration must be given to the test weight, damaged kernels, moisture content, substances or conditions injurious to human or animal health, and other factors which (due to insurable causes) affected the value of the production. In regards to moisture, see subparagraph F (4) below.
- (2) The dollar-and-cents value shall NOT REFLECT ANY REDUCTION:
 - (a) due to uninsured causes;
 - (b) for drying charges, handling, processing, or any other costs associated with normal harvesting, handling, and marketing of the production; and/or
 - (c) for moisture discounts greater than standard shrink for crops having moisture adjustments allowed in quality adjustment (see (4) (b) below).

(3) The Actual Dollar-and-Cents Value of Damaged Production

(a) **STORED ON FARM OR APPRAISED (MATURE)**

The actual value is the value of the damaged grain obtained in the local market area on the date of final inspection. Local market is the area in which the insured normally markets the crop, to the extent possible. If zero value, see subparagraph G for additional information.

Transportation costs. If a higher price is available at a market within a reasonable distance outside the local market area, this price is to be used with transportation costs in excess of transportation costs to the local market being deducted from such price.

(b) **FED TO LIVESTOCK**

The actual value of fed production is the value at the local market on the date of final inspection PROVIDED acceptable weight records are available showing necessary quality adjustment information, or if a sample for grading is available. If production to be fed is zero value, see subparagraph G for additional information.

(c) **SOLD or OTHERWISE DISPOSED OF**

1 The actual value is the dollar amount received or the local market value on the date of disposition, whichever is higher taking into consideration the other procedures in subparagraph F.

2 You MUST verify the value received from the settlement sheet. If the final settlement has not been made, you MUST verify with the elevator operator or grain buyer what value will be paid for the damaged production (DO NOT USE LOAD TICKETS.)

3 Contracted Production that Has Been Sold

Contracted production refers to speculative-type contracts; it does not apply to processor contracts.

Irregardless of whether the grain has been contracted or not, the actual dollar and cents value is the price received for the grain delivered. The QAF CANNOT be GREATER than 1.000.

a If the contract has not been fulfilled, settlement will not have been made. Since settlement has not been made, there is no way to establish the value with any certainty;

therefore, the grain will be considered to be unsold. Establish the value as instructed in (3) (a) above.

- b In some cases, contracts will be set up with minimum prices which can be adjusted to a higher price after delivery of the grain and receipt of the minimum price. In these cases, if the contract has been fulfilled by the date of final inspection, the price the insured has received by this date is the value used (either the minimum (adjusted for quality) alone or the minimum (adjusted for quality) plus any additional value received due to the adjusted minimum price.
- c Disregard the fact that the insured may receive additional money after the claim has been finalized. The only value that can be considered is the actual value the insured has received by the date of final inspection.

Example 1

At the time of loss adjustment, the insured had fulfilled the contract (delivered all contracted grain) and had received \$4 a bushel, the minimum (less discounts for the damage). The value used to determine the QAF is \$4.

Example 2

Prior to loss adjustment, the insured fulfilled the contract and received \$4 a bushel, the minimum value (less discounts due to the damaged grain). However, by the time loss adjustment was done, the insured had received an additional 25 cents a bushel, due to the adjusted minimum price. In this case, the value received is \$4.25 not \$4. Thus, the \$4.25 is used to determine the QAF.

Example 3

At the time of final inspection, the insured has signed a contract with the elevator giving the elevator title to the grain in exchange for a delayed settlement. This is done in hopes that the market price will be higher at a later date. Until the insured triggers the date that settlement is to be made, no price has been agreed upon nor no money received by the insured. In cases where settlement has not been made, the production is considered unsold stored production, and adjustment will be made based on the value of the damaged production that

is quoted in the local market area on the date of final inspection.

- 4 When grain qualifies for quality adjustment and the grain dealer has applied additional dockage to dock high moisture grain:
 - a Grain dealers sometimes apply additional dockage relative to the amount of moisture to dock high moisture grain. When the production shown on warehouse or elevator tickets has been reduced by applying such additional dockage, the gross units of wet production must be determined before the production can be adjusted.
 - b If the grain buyer takes this deduction by reducing pounds or bushels rather than reducing the value, the price per bushel must be adjusted to equate with gross production reported on the claim form. In such situations, do the following:
 - i Adjust the deduction for moisture to allowable limits.
 - ii Revise the settlement sheet to reflect the correct moisture deduction and allowable amount payable.
 - iii Divide the value received for the reduced total weight or bushels of the lot by the number of bushels determined from the original delivered weight.
 - iv This gives the value per bushel for the damaged crop and needs no further adjustment unless there have been uninsured causes of loss. (The sale price will reflect foreign material and other factors.) The resulting revised value per bushel divided by the appropriate local market price gives the applicable Quality Adjustment Factor that will be used to calculate the production to count.
 - v The crop handbook will provide additional instructions and specific entry instructions. Identify the quality adjustment in the narrative of the claim form as instructed in the appropriate crop handbook.
- (d) The affected price (value) of the damaged crop may reflect other insurable factors besides the factor(s) that qualified the crop for quality adjustment. When the price does reflect other factors, make sure double credit is not given for such factors; e.g., dockage. See subparagraph F (4) below.

- (4) Drying Charges and Moisture Discounts Allowed for Grain Crops
- (a) Drying Charges: No drying charges are allowed in the established value of the damaged crop.
- (b) Moisture Discounts
- 1 Moisture adjustments for excess moisture in must be made separate and **prior to** quality adjustment.
 - 2 For crops with moisture adjustments allowed in quality adjustment: Allow **ONLY** the moisture adjustments (essentially representing standard shrink) allowed for grain **NOT** qualifying for quality adjustment as provided in the crop policy (e.g., .12 percent for each .1 percentage point of moisture in excess of 18.0 percent, etc.). However, allowable shrink is not limited to the base moisture percent provided for grain which is not eligible for quality adjustment.
- (5) Conditioning Charges
- If conditioning charges are incurred to obtain a higher value for the grain, reduce the price of the production after it has been conditioned by the cost of conditioning to obtain its value; but the established value is not to be lower than the value of the production before conditioning. This adjusted value will be considered the value of the affected production for quality adjustment purposes.
- (6) Refer to the individual crop handbooks for specific information.

G Zero-Value Production

This procedure does not apply to production that cannot be mechanically harvested as described in PAR. 102 H.

- (1) When the insurance provider has declared production to be zero-value, the production must be destroyed prior to finalization of the claim.
- (2) Certification Form
 - (a) A Certification Form is to be used to record the insured's certification that the production has been destroyed and must be received by the insurance provider prior to the claim being finalized.
 - (b) Exception: In cases of mature unharvested production that in itself is destroyed (i.e., the production is of such quality that it could never be used for feed or anything else), the requirement to destroy the crop prior to indemnification can be waived by having the insured (or insured's representative) sign a Certification Form

containing a statement indicating that the crop will not be harvested and will be destroyed.

- (3) Every effort should be made by the insured and insurance provider to find a market for the production before it is declared zero. Communication through the RSO is essential to ensure that insurance providers are aware of available markets for damaged production. The following items are to be followed when trying to find a market for the zero-value production.
- (a) Determine if there are buyers outside of the insured's local marketing areas (within a reasonable distance). Transportation costs (in excess of costs to local market) incurred as a result of transporting production outside the insured's local marketing area in order to obtain a value will be considered in determining:
- 1 The value of the damaged production, or
 - 2 For crops using RIV's, transportation costs will be considered in determining the RIV of the damaged production (see subparagraph E (1) (b) above or the Special Provisions for the specific crop), or
 - 3 For crops having quality provisions in the Special Provision and for which there is a pre-established discount factor for the type and level of damage, whether there is a net zero value; i.e. value minus transportation cost (in excess of cost to local market) equals zero or negative value. If after the consideration of the transportation cost there is a positive value, the grain must be adjusted in accordance with the pre-established discount factors, and there will be no consideration in adjusting the discount factor for the transportation cost.
- (b) Determine if the production can be sold directly to cattle or poultry feeding operations or other types of buyers.
- (c) Determine if the damaged production can be conditioned and sold. Conditioning costs will be considered in determining the value of the damaged production; or as applicable, for some crops, the RIV of the damaged production.

NOTE: Conditioning costs are not allowed if for the types/levels of damage(s) there are pre-established discount factors shown on the chart in the Special Provisions.

- (d) If a market still cannot be found after the determinations in subparagraph G (3) (a)-(c) above have been made, insurance providers may delay finalization of claims if there is a reasonable probability that there will be a market for the damaged production

within the next 2 to 3 weeks. This may happen if the markets have bought enough higher quality grain to enable them to buy the lower quality grain.

- (e) For crops having quality adjustment provisions in the policy or for crops having quality adjustment provisions in the Special Provisions and the production has a type or level of damage for which there are no established discount factors (i.e. RIV's are used):

The insured may offer a value for the production rather than having to destroy the production IF it has been determined that there are no markets or other outlets that will offer a value for the production, and the insurance provider considers this a reasonable offer. A value cannot be accepted for mycotoxin-infected grain that CANNOT be disposed of in a manner that will not exceed advisory levels. See PAR. 118.

NOTE: For crops with QA provisions within the Special Provisions- If for the type(s)/level(s) of damages, there are pre-established DF's shown on the chart in the Special Provisions, offers will not affect the quality adjustment of the grain. If the grain is not destroyed, the production will be adjusted in accordance with the established DF's on the chart.

- (f) Document all determinations made in subparagraph G (3) (a)-(e) above, including names and locations of marketing outlets, values quoted for the damaged production, any information pertinent to possible conditioning of the damaged production, any allowable transportation costs of the damaged production, etc. If multiple above-zero-values are determined, use the highest obtainable value (after allowable adjustments for conditioning or transportation costs, if applicable).
- (4) Prior to the finalization of the claim, zero-value production must be destroyed in accordance with any applicable Environmental Protection Agency (EPA) regulations (depending on the type of production and/or the type of damage, the EPA may or may not have any specific regulations pertaining to destruction). See PAR. 118 for additional information pertaining to mycotoxin-infected grains.

NOTE: See exception of requirement to destroy unharvested mature production prior to indemnification in subparagraph G (2) (b) above.

113 ADJUSTMENTS FOR MOISTURE**A Policy or Endorsement Provisions**

- (1) When the moisture percentage of barley, canola/rapeseed, corn, popcorn, rye, grain sorghum, dry beans, rice, safflowers, sunflowers, oats, soybeans, or wheat exceeds the percentage shown in the policy or endorsement; the mature production will be reduced when it meets the requirement stated in the crop policy/endorsement.
- (2) For barley, canola/rapeseed, corn, grain sorghum, oats, rye, soybeans, sunflowers, and wheat: If moisture adjustment is applicable, make it prior to making any adjustment for quality.
- (3) For adjustments of hybrid corn seed and hybrid sorghum seed, see the specific Crop Provisions.

B Policy Formula for Computing the Moisture Adjustment Factor (MAF)

Adjusted Gross Production (by weight) will be reduced by .12 percent for each .1 percentage point of moisture in excess of the Policy or Endorsement Standard Percentage (except for corn, with 30.1 - 40.0 percent moisture). Following are the steps to determine the MAF:

- (1) Actual Moisture Percent (to tenths) minus Policy or Endorsement Standard Percentage equals Excess Moisture Percent above Policy or Endorsement Standard.
- (2) Excess Moisture Percent (to tenths) times .0120 equals Percent Reduction. Round to 4 decimal places.
- (3) 1.0000 minus Percent Reduction equals Moisture Adjustment Factor (4-place decimal).

C Adjusting Gross Production for Excess Moisture. To adjust Adjusted Gross Production (by weight) for excessive moisture content, multiply the Adjusted Gross Production (by weight) times the Moisture Adjustment Factor.

D References. Moisture charts are contained in applicable crop handbooks. Use these charts only when computing net production.

E Moisture Adjustment for Hybrid (Corn) Seed (EAR Corn)

The weight of ear corn required to equal 1 bushel of shelled seed corn (70 pounds) will be increased 1.5 pounds for each full percentage point of moisture in EXCESS of 14 percent; any portion of percentage point will be disregarded.

F Moisture Adjustment (Deficient Moisture) for Shelled Hybrid (Corn) Seed and Hybrid Sorghum Seed

Mature (gross) production (adjusted by weight) will be adjusted (increased) .12 percent for each .1 percentage point of moisture BELOW 15.0 percent for shelled hybrid (corn) seed and BELOW 13.0 percent for hybrid sorghum seed unless production records provided by the seed company have already been adjusted TO these percentages. Following are the steps to determine adjusted production for deficient moisture:

- (1) Policy or Endorsement Standard Percentage minus Actual Moisture Percent (to tenths) equals Moisture Deficiency Percent (to tenths).
- (2) Moisture Deficiency Percent times .0120 equals Increased Adjustment Percent. Round to 4 decimal places.
- (3) 1.0000 plus Increased Adjustment Percent equals Moisture Adjustment Factor (4-place decimal).
- (4) Adjusted Gross Production (by weight) times Moisture Adjustment Factor equals Adjusted Production for Deficient Moisture.

G Grain Dealers Use Various Methods to Dock High Moisture Grain

- (1) One method reduces the price in relation to the amount of moisture on the basis of currently established standards (charts).
- (2) Another method applies additional dockage, relative to the amount of moisture, which is determined from established guidelines. Where the production shown on warehouse or elevator receipts has been reduced by applying such additional dockage, the gross units of wet production and the actual moisture percentage must be determined before the crop can be considered for a moisture adjustment.

F Consolidating and Averaging Moisture Percentages. For consolidating and averaging moisture percentages on the claim form, see PAR.'s 115 and 116.

G Moisture Tests of Farm-Stored Production. Make moisture tests for farm-stored production at the time of the farm inspection. The adjuster is responsible for ensuring that any moisture determination is representative of the grain in the entire storage structure. This is done by using a probe (may need an extension on the probe) to take samples from various depths and areas of the bin or other various means to derive a moisture percentage that is representative of the entire storage structure. Note: Only the adjuster can take samples for moisture determinations.

H Claim Form Entries. Entries for moisture factors (and/or moisture percentages) on the claim form are made as instructed in the individual crop handbook.

114 ADJUSTMENTS FOR DOCKAGE**A General Information**

"Dockage and Foreign Material (FM)" are terms used by local grain buyers and the Federal Grain Inspection Service (FGIS) to describe materials within the harvested production that are typically subtracted from the purchase weight of the grain. Dockage, for insurance purposes, in most all cases, is generally foreign material; i.e., material other than grain (cracked and broken kernels are not FM); (however, a few crop handbooks allow dockage as defined by the U.S. Standards for the crop to be removed from the gross weight. When the crop handbook allows it, dockage and foreign material may be subtracted from the gross production-to-count for the crop PROVIDED the documented percentage of dockage (as defined by FGIS) meets the criteria listed in the individual crop handbooks. Adjusters should carefully review dockage/FM percentages determined by local grain buyers since a variety of discounts may be included in a "dockage" percentage including some discounts that will not fit the criteria listed in the crop handbook. Dockage and foreign material are determined on the basis of weight (not volume).

B Commercially Stored or Sold Production

- (1) When a dockage (FM) percentage(s) is shown on producers' records; i.e., summaries, settlement sheets, individual load slips, enter in the dockage column of the claim form the actual percent to the nearest tenth that the buyer has actually deducted from the gross production sold (the amount entered in the column for gross production on the claim form. See PAR. 125 for consolidating or averaging dockage percentage entries on the claim form.
 - (a) If you are not certain if the elevator allowed 1% of a 4% dock and only charged the producer for 3%, contact the elevator either by phone or visit to ascertain what percentage was actually deducted. If still in doubt show the full dockage and explain in the narrative.
 - (b) Show the FULL AMOUNT (percentage of dockage deducted regardless of the grade tolerance (e.g., the U.S. Standards for Grain allow 2% foreign material on soybeans which grade No. 2). If the producer's records show 4% foreign material, the 2% foreign material allowed in the U.S. Standards is NOT deducted from the 4% on the producer's records. Thus "4.0" is entered in the dockage column on the claim form.
- (2) When dockage (FM) is shown as a price discount and not as a percentage (provided production does not qualify for quality adjustment), try to ascertain the percentage of dockage (FM) contained in the production. Make no entry in the dockage column of the claim form if this percentage cannot be determined.

- (3) If the dockage (FM) is accounted for under quality adjustment, even though dockage may not have been the quality adjustment determining factor, DO NOT show the dockage percent in the dockage column of the claim form.
- (4) Do not include any adjustments for moisture in dockage (FM).

C Farm-Stored Production

- (1) If dockage applies to the crop, have a sample of the farm-stored production tested at the local elevator if it has not already been done. If the local elevator does not have the proper equipment for determining FM-dockage, the producer may send the sample to a licensed grain grader, or
- (2) Perform FM-dockage tests, measuring, and weighing grain as described in subparagraph D below.
- (3) The FM-dockage percentage to the nearest tenth (that the buyer would actually deduct from the gross production) is entered in the appropriate column for dockage on the claim form. See the specific crop handbook instructions.

D Determining Dockage on the Farm

The following materials and instructions are to be used when determining dockage on the farm for wheat, barley, or oats.

- (1) Materials
 - (a) Screen "A" - 12/64" round aperture.
 - (b) Screen "B" - 8/64" triangular aperture.
 - (c) Screen "C" - 1/12" round aperture.
 - (d) Pan - round non-perforated (610-E).
 - (e) Funnel.
 - (f) One-pint or one-quart grain measuring bucket.
 - (g) One-pint or one-quart grain measuring scale (each scale must be calibrated to the respective bucket).
 - (h) Leveling stick.

- (2) Weight and Dockage
- (a) Measure and weigh grain as outlined in PAR. 117 B, except the samples will not be "clean" (free of FM dockage). Determine the weight of one pint or one quart of grain by use of the "lbs. & ozs." line on the scale. (One pint = one pound.) Remove dockage from the quart or pint prior to determining test weight.
 - (b) See subparagraph 1 above: screens "B" and "C" are both small grain screens. Use screen "B" in the presence of buckwheat infestation. Use screen "C" under normal conditions.
 - (c) Determine dockage by separating the foreign material from the pint or quart of grain measured as in subsection 2(a) above. Place screen "B" or "C," whichever is needed, in the non-perforated pan, insert screen "A" next (see subparagraph "a" above) and spread weighed grain over screen "A." Use a circular shaking motion to cause all foreign matter to pass through the screens into the pan.
 - (d) The screenings in the pan along with anything remaining in screen "A" will be FM dockage. Do not consider cracked or broken kernels as FM dockage. The measurement of this FM dockage is established by weighing all the screenings with the bucket and scale. Use the "% of lbs." line on the scale to make the final determination of FM dockage percentage.

E Dockage Factor

- (1) The dockage factor is computed by subtracting the determined percent of dockage (foreign material and/or dockage as defined by the U.S. Standards for the crop IF the individual crop handbook allows such dockage) from 1.000. Example: $1.000 - .030 \text{ (FM)} = .970$ dockage factor. When this factor is applied to the production to count, it is reduced.
- (2) Unhusked cribbed corn. (Husk factor is NOT TO BE ENTERED in the dockage column of the claim form.
 - (a) Unhusked cribbed ear corn on which none of the husks have been removed is unusual, but when it occurs, determine the husk factor and apply this factor to the calculated gross bushels to determine the production to be entered on the claim. Determine the husk factor as follows:
 - 1 Fill a straight-sided container (wooden box 24" x 24" x 12") with a representative sample packed to the same density as the crib.
 - 2 Remove husks. Put husked ears in the box. Pack and measure depth.

- 3 Divide the depth of the husked corn by the depth of the unhusked sample. Round to two decimal places. Retain a copy of all calculations in the insured's contract folder.

115 CONSOLIDATING MOISTURE OR DOCKAGE (FM) PERCENTAGE ENTRIES ON THE CLAIM FORM

A General Information and Instructions

Adjusters may consolidate moisture or dockage (FM, unless dockage is allowed as stated in PAR. 114) percentage entries on a single line of the claim form (as listed below) unless separate lines are required for reasons other than dockage (FM) differences. This applies to the following crops: barley, dry beans, canola/rapeseed, corn, flax (dockage only), grain sorghum, hybrid corn seed, hybrid sorghum seed, millet, oats, dry peas (dockage only), popcorn (moisture only), rice, rye, safflowers, soybeans, sunflowers, and wheat.

- (1) When quality adjustment applies, list quality-adjusted production on separate lines.
- (2) When there are two or more individual settlements or summaries, list each on a separate line.
- (3) To consolidate percentages, total the production of the loads with the same percentages, and make a single entry for such loads.

116 AVERAGING MOISTURE OR DOCKAGE (FM) PERCENTAGE ENTRIES ON THE CLAIM FORM

A General Information and Instructions

Adjusters may average moisture or dockage (FM, unless dockage is allowed as stated in PAR. 114) percentage entries on a single line of the claim form or production worksheet (as listed below) unless separate lines are required for reasons other than dockage (FM) differences. This applies to the following crops: barley, dry beans, canola, corn, flax (dockage only), grain sorghum, hybrid corn seed, hybrid sorghum seed, millet, oats, dry peas (dockage only), popcorn (moisture only), rice, rye, safflowers, soybeans, sunflowers, and wheat.

- (1) When quality adjustment applies, list quality-adjusted production on separate lines.
- (2) When elevator settlements or summaries are based on consolidated or averaged dockage (FM, unless dockage is allowed as stated in 114) and there are two or more individual settlements or summaries, list each on a separate line.

- (3) To enter averaged percentages, use the same average provided on the elevator settlement or summary sheet, after verifying its acceptability. Use of averaged percentages is authorized ONLY when the elevator has calculated and settled on the basis of an average on the settlement or summary sheet and the determined average is acceptable to the adjuster. **Exercise caution in determining acceptability of averages, because of the potential for significant impact on indemnities; e.g., one 20,000# load @ 15% moisture and one 4000# load @ 25% moisture (Simple avg. = 20%; Weighted avg. = 16.7%). Use of the simple average in this case would not be acceptable.**

117 TEST WEIGHT AND TEST-WEIGHT FACTOR

A Test Weight

- (1) The test weight must be used for farm-stored production to determine the number of bushels on the basis of gross weight or the number of pounds for crops which use pounds as the unit of measurement. (Crops which use pounds as the unit of measurement are: canola/rapeseed, millet, dry beans, dry peas, popcorn, rice, safflowers, and sunflowers.)
- (2) For grain storage structures, the test weight must be taken as a dockage-free sample; i.e., with dockage (foreign material) excluded (dockage will be accounted for in column specified for dockage on the claim form. (See PAR. 114 for instructions on determining dockage.)
- (3) For quality adjustment test weight, the sample must be "clean" of dockage (foreign material).
- (4) If a "clean" test weight CANNOT adequately be obtained, samples must be taken to an elevator to get the percentage of dockage (foreign material) and the "clean" test weight.

B Determine test weight by:

- (1) Mixing and pouring "clean" samples of the stored grain into the test bucket from a height of approximately four inches (a normal hand width) above the bucket to simulate natural fall.
- (2) Filling the test bucket to overflowing and leveling with prescribed leveling stick. Unless the test-bucket manufacturer's instructions specify otherwise, level by using THREE zig-zag motions across the rim of the grain bucket with the leveling stick (do not use scale bar to level the grain in the bucket and do not pack).
- (3) Weighing the leveled bucket of grain using a calibrated scale. Determine the weight by using the "pound per bushel" line from the scale.

C Test-Weight for Ear Corn

For ear corn, a representative sample must be shelled to make the test weight determination (refer to corn handbook for specific instructions).

D Test-weight for corn silage

See the Corn Handbook for specific instructions.

E Determine the test-weight factor as follows:

Divide "clean" test weight by standard test weight, to three decimal places.

NOTE: DO NOT USE TEST-WEIGHT FACTOR FOR CANOLA/RAPESEED, DRY BEANS, DRY PEAS, MILLET, POPCORN, RICE, SAFFLOWERS, OR SUNFLOWERS; USE ACTUAL TEST WEIGHT.

F Standard Bushel Weights

TABLE OF STANDARD BUSHEL WEIGHTS

| CROPS | POUNDS PER BUSHEL |
|---|-------------------------------|
| Soybeans, Wheat | 60 |
| Flax, Rye, Shelled Corn, Grain Sorghum | 56 |
| Corn-and-cob meal (ground ear corn) | 45 |
| Cracked corn, corn meal | 50 |
| Barley | 48 |
| Oats | 32 |
| Canola/Rapeseed, Dry Beans, Dry Peas, Millet, Popcorn, Rice, Safflower, and Sunflowers | USE ACTUAL TEST WEIGHT |

G Standard Weight for Corn Silage. See the Corn Handbook.

118 MYCOTOXINS IN GRAIN CROPS

A General Information

Due to improved testing procedures, availability of test kits, animal and human health concerns, and general awareness of grain quality, the presence of mycotoxins in grain is becoming an ever-increasing factor in its sale.

B What Are Mycotoxins

Mycotoxins are the by-products of fungal activity promoted by environmental conditions which are stressful to the affected host plant. Actual grain yields may or may not be adversely affected by the presence of the organism, but harvestability and grain quality (hence market value) may be adversely affected. Although over 200 mycotoxins have been identified, Aflatoxin and Vomitoxin have specifically caused insured grain to be unmarketable.

C Level of Mycotoxin Can Cause Reduced Value

If the level of mycotoxin presence results in a reduction in the value of the insured crop, such reduction will be considered due to disease if ALL of the following criteria are met. Production to count will be determined in accordance with the applicable policy provisions (value versus applicable market price) for quality adjustment:

- (1) An economic level of mycotoxin is present in the grain PRIOR TO GRAIN STORAGE (field infested). Economic levels of mycotoxin are defined as levels exceeding those of the particular mycotoxin at which advisory levels and /or feeding restrictions have been placed by university research and/or the Federal Food and Drug Administration (FDA). Contact the FGIS or RSO for the latest advisory levels. Since many mycotoxins can increase in grain storage, any potential loss due to mycotoxin presence in stored grain will be covered ONLY if it is determined that economic levels occurred before storage. In the absence of pre-storage testing, this determination must be made by taking into consideration the circumstances of each individual case, such as the grain moisture, the specific mycotoxin and its growth "triggering" requirements, and the level of contamination. Some mycotoxins, such as Aflatoxin, can likely increase in storage under normal storage conditions; thus, the need to test suspected grain prior to storage.
- (2) There is no evidence that the mycotoxin Vomitoxin increases in storage, other than in ear corn stored in cribs at moisture levels high enough for the fungus to continue to develop from infections that occurred in the field (approximately 22-25 percent moisture in corn and approximately 16 percent in small grains). Likewise, grains that are free of Vomitoxin at harvest will not develop in storage. Therefore, only under extremely unusual circumstance would Vomitoxin-infected stored grain not be considered to have Vomitoxin levels before storage.
- (3) Mycotoxin presence must be due to an insured causes. Factors contributing to plant stress and subsequent mycotoxin presence such as insufficient irrigation (under an irrigated practice), the use of marginally adapted varieties, non-weather-related delayed harvest, inappropriately high plant populations, etc., will result in the determination that the mycotoxin was the result of uninsured causes.

- (4) A disinterested testing facility must perform a quantitative test on the grain, itemizing results in parts per million (ppm) or parts per billion (ppb) of mycotoxin present. A disinterested testing facility is a facility not involved in the sale of the grain. (A facility which buys grain is not restricted if it does not buy the grain from the insured for whom it is doing the testing.) The testing facility must be a recognized commercial, governmental, or university testing laboratory conducting certifiable industry-standard tests for the particular mycotoxins. Sample size to be submitted for testing will be dictated by the testing facility. Store and transmit samples in accordance with the instructions provided by the testing facility.
- (5) Presence of the mycotoxins must have resulted in an ACTUAL reduction in grain value. If the final settlement for grain does not reflect a value reduction due to mycotoxins, the grain does not qualify for quality adjustment for mycotoxins. Absence of a local market does not automatically give the grain a zero value. Consider markets outside the local area, and use the highest price obtainable less reasonable transportation costs to establish the value. Supply such market information to the insured. Likewise, if very low-valued or zero-valued grain can be conditioned to increase the value, handle as instructed in PAR. 112. Additionally, if the insured offers a value for the grain for which a zero market value has been established, and the insured can make disposition without exceeding the advisory levels, this value (if agreed to by the insurance provider) may be accepted. See PAR. 112.

D Documentation of Mycotoxins

Document in the narrative of the claim form or on a Special Report, the following:

- (1) Test name and type of mycotoxin for which the grain is being tested,
- (2) Test type - qualitative or quantitative,
- (3) Name and location of testing facility,
- (4) Type of testing facility,
- (5) Test date, and
- (6) Type and level of mycotoxin established from test.

E Potential Markets for Infected Grains

Since various mycotoxins affect animal species differently, document by name which potential markets were contacted in establishing a fair grain market price. Take into account use for feed for tolerant animal species, value for blending with other grain (where allowed), and commercial (alcohol fuel plant or other product) uses. Take steps to safeguard against any vulnerability involving

claims of insureds who are directly involved in the buying or testing of damaged grains.

F Verification of Zero-Valued Grain

- (1) Any mycotoxin-contaminated grain which is declared to be of zero value and are of levels of contamination that are required to be destroyed by Federal or state laws must be destroyed in accordance with the Environmental Protection Agency (EPA) regulations prior to the finalization of the claim.
- (2) Leave a Certification Form with the insured, and:
 - (a) Explain why the form is being left,
 - (b) Instruct the insured on how to complete the form after destruction of the affected production in order to certify to its destruction, and
 - (c) Where the completed form is to be returned.

Follow regular Certification Form procedures in the subject crop handbook and/or LAM, as applicable, when completing the portion of the form that the adjuster completes and in providing instructions to the insureds for the portion that they are to complete.

119 (RESERVED)

120 (RESERVED)

(RESERVED)

SECTION 6 RECORDING AND DETERMINING THE QUANTITY OF FARM-STORED PRODUCTION

121 DETERMINING AND RECORDING FARM-STORED PRODUCTION THAT REQUIRES MEASUREMENTS

A Accurate Measurements

Accurately measure storage structure(s). If possible, the measurements must be INSIDE measurements. If inside measurements are not possible, the measurements must reflect the wall-thickness of the structure. The circumference range on the Round Bin Conversion Chart (Exhibit 14) reflects the wall-thickness of a steel bin.

B Recording Measurements. Record measurements in feet to tenths.

C Claim Form Entries. Entries on the claim form must be legible and printed in ink.

D Deductions for Obstructions. All obstructions must be found and deducted from the volume of the grain or silage.

E Insured/Adjuster Cooperation. Cooperate with the insured while working in and around his/her property.

F Caution

DO NOT ENTER storage structures:

- (1) That are air tight (the result could be FATAL);
- (2) Without some there to assist; and/or
- (3) If the stored production has been treated with any chemicals and the re-entry time has not elapsed.

G Stirring Device

If a stirring device is being used in stored grain, advise the insured that accurate measurements cannot be made unless stirring is stopped at least 4 to 6 days prior to the inspection.

H Accounting for all Farm-stored Production

Working with the insured, ensure that all storage structures containing production for the units being inspected have been accounted for and measured. DO NOT finalize the claim until the insured has confirmed that all structures have been accounted for and that production for ALL entities sharing in the crop(s) has been included (for all units being inspected). If TOTAL production for the crop (taking into consideration the soil type, practice carried

out, etc.) does not seem reasonable, contact the insurance provider for further assistance. See PAR. 100 for information about establishing total production for the crop.

122 PRODUCTION WEIGHED AND FARM-STORED

A Weighed/Weight Tickets. Weighed production weighed either by farm scales or commercial elevator scales prior to storing on the farm may be used to determine production, provided acceptable weight tickets are available.

B Acceptable weight tickets must provide at least the following information:

- (1) Insured's name,
- (2) Load number,
- (3) Crop,
- (4) Gross weight,
- (5) Unit number and FSN,
- (6) Tare weight,
- (7) Date weighed,
- (8) Net weight of production,
- (9) Legal description of the land from which the production was harvested, and
- (10) Identification and/or location of farm bin in which load is stored,

C Converting Scale Weights to Unit of Measure Used for the Crop

To convert scale weight to units of measure, divide the weight by the standard weight per unit of measure. (See PAR. 117 F for standard bushel weights). Example: The standard weight for a bushel of wheat is 60 lbs. ($10256 \text{ lbs.} \div 60 \text{ lbs.} = 170.9 \text{ bushels}$). This bushel amount would be entered in the column to enter gross production on the claim form. See Exhibit 4, Unit of Measure by Crop.

123 AUTHORIZATION TO ACCEPT INSUREDS' LOAD RECORDS AND BIN MARKINGS

A Measurements Prior to Insured Commingling Production

For the purpose of indemnities, insurance providers generally cannot accept the insureds's determinations of separate unit production when production has

been commingled with other units, uninsured acreage production, or different crop years (PAR. 150). When a loss situation is probable, the insured should request measurement of existing production in a storage structure PRIOR TO adding production from other units, uninsured acreage, etc. See (PRODUCTION PRE-MEASUREMENT SERVICE, (PAR. 81). However, when authorized and in accordance with conditions and requirements described in B below, the insured's load records and/or bin markings may be used.

B Authorization of Insureds' Load Records or Bin Markings in Lieu of Insurance Provider Measurements

Sometimes extensive crop damage can result in critical crop shortages; thus, leading insureds to store production from multiple years/units in a single structure. When this situation occurs in a WIDE-SPREAD AREA, the insurance provider may not be able to timely perform Pre-Measurement Services due to the large number of requests. Under these conditions, the insurance provider may authorize the use of insureds' truckload (or wagon load, etc.) records or bin (or other structure) markings if all the following conditions apply:

- (1) The loss work load indicates that individual unit production determinations cannot be made timely.
- (2) Failure to implement this authorization will result in a hardship to the insured; i.e., the insured will have to delay harvest while waiting for an adjuster to arrive to mark the structure or measure the grain.
- (3) The loads are recorded and/or the structure is marked and identified as outlined in subparagraph C below.
- (4) There is no production from prior years in the structure (UNLESS FSA or a reinsured company has previously measured this production, AND the adjuster is satisfied after verifying with the insured that the amount of production is unchanged).
- (5) The total production within the structure must be accounted for (i.e., all production stored in the storage structure can be identified separately by unit number or field I.D., uninsured acreage, etc.)
- (6) Authorization is used on a case-by-case basis to ensure that the restrictions are complied with. Agents may not provide this authorization, but should assist in the coordination of individual cases with the insurance provider.

C Insurance Provider's Authorization. The insurance provider's authorization allows the insured to identify production from separate units by load records or storage structure markings as follows:

- (1) Loads
 - (a) Recording by load is authorized only for production which will be stored in structures that cannot be leveled and marked as provided in subparagraph C (2) below.
 - (b) Maintain a ledger, recording loads of grain identified by unit and field number, date of harvest, identity of the vehicle or wagon, and weight or estimated bushel volume per load.

NOTE: Adjusters should measure empty vehicle or wagon to verify reasonableness.

- (2) Storage Structure Markings
 - (a) Level the unit production before adding additional production.
 - (b) Identify the depth of such production by marking the storage structure with a permanent marker. Write the unit number(s) (by field ID) from which the production was harvested, and date and initial the mark. Identify uninsured-acreage production from insured-acreage production when the storage structure contains both.

NOTE: Quality adjustment is allowed if the production qualifies as provided in the policy and/or Special Provisions and if the samples are extracted from the storage structure by the insurance provider's representative (samples cannot be taken by the insured). Quality will be determined from the samples extracted from the bin by the adjuster. If significant differences in grain quality between (or among) units are indicated on the truck ledger, storage structure, or a storage structure ledger these significant differences (by individual unit) can be allowed only if the adjuster can assure that a sample can be extracted from the structure for each unit in the structure, and that the tested samples reflect the significant differences recorded on the truck ledger, storage structure, etc. Otherwise, the average sample of what is in the bin should be used/applied to all units in the bin; i.e., one test weight, one moisture percentage, etc.) Document in the narrative of the claim or on a Special Report any significant differences in grain quality.

D When Claims Can Be Finalized

DO NOT finalize claims on units with production in such structures until all production from all units, uninsured acreage, prior crop year(s), etc. within the structure can be accounted for (See subparagraph B(5) above).

E Additional Information

ONLY in critical loss work load situations due to reasons described in subparagraph B will the insurance provider authorize the use of the insured's load records or bin markings to establish production in a storage structure. This authorization is to be used on a case-by-case basis, and is not to be considered as a routine means to satisfy the insured's responsibility to keep production separate by units and uninsured acreage, etc. Likewise, the insured is still responsible for giving timely notice to the insurance provider that production from the unit needs to be measured so that the insurance provider has the opportunity to do so, rather than rely upon the insured's bin markings or load records.

F Adjuster Determination

The adjuster must be satisfied that the insured has met all the requirements of this procedure and the bin markings or load records are reasonable between units, uninsured acreage production, or crop years. If the adjuster is not satisfied with any of the production determinations for a unit(s) in the storage structure, such production will be considered commingled. Production for such units will be determined based on the procedure for unsatisfactory records in PAR. 150.

124 RECORDING AND CONVERTING MEASUREMENTS

Record all measurements in feet and tenths. Inches are converted to tenths of a FOOT as follows:

TO CONVERT INCHES TO TENTHS OF A FOOT

| INCHES | TENTHS | | INCHES | TENTHS |
|--------|--------|--|--------|--------|
| 1 | .1 | | 7 | .6 |
| 2 | .2 | | 8 | .7 |
| 3 | .3 | | 9 | .8 |
| 4 | .3 | | 10 | .8 |
| 5 | .4 | | 11 | .9 |
| 6 | .5 | | 12 | 1.0 |

125 ROUNDING FRACTIONS**A Rounding Computations**

Carry out computations to one digit beyond the digit to be rounded..

B Rounding Rules. If the last digit is 4 or less, disregard; if 5 or more, round upward.

EXAMPLE: Bushel fractions are to be rounded to tenths:

100.04 bushels ----- Record as 100.0 bushels

100.66 bushels ----- Record as 100.7 bushels

C General Rounding Applications - Round

- (1) Acres to tenths (10.0, 10.9) exceptions: tobacco acres, to hundredths (1.05); and raisin acres, to whole acres.
- (2) Linear measurement in feet to tenths (10.0, 10.9).
- (3) Bushels to tenths (100.0, 100.9) except APH yield entries, which is in whole bushels.
- (4) Hundredweights to tenths (1.3, 0.6) except APH yield entries, which is in whole bushels.
- (5) Tons to tenths (40.0, 40.9) except for raisin tonnage, round to hundredths (40.58).
- (6) Insured share percent to three decimal places (.500, 1.000).
- (7) Monetary entries to cents (\$1.00, \$1.97). Refer to crop handbooks for exceptions for cotton, peanuts, and peas for quality adjustment values and contract prices for peas and bush beans. (DO NOT USE "\$" when making an entry on the claim form. Final dollar indemnity amounts are rounded to whole dollars.
- (8) Cubic feet to tenths (40.0, 40.9).
- (9) Moisture to tenths (15.7, 16.1).
- (10) Dockage to tenths (3.2, 5.0). Use the normal rounding procedure.
- (11) Test weight to whole pounds (50, 58). See exception in PAR. 112 D.
- (12) Shelling percentage to whole percentage points (80, 85).
- (13) Shelling percentage factor to hundredths (.90, .98)
- (14) Corn silage sample weight in pounds to tenths (12.0, 13.8).

- (15) Except bush beans and peas (refer to the crop handbook), contract prices are to three decimal places (\$0.125, \$1.120; DO NOT USE "\$" WHEN MAKING ENTRY ON THE CLAIM FORM.
- (16) Pounds to whole pounds (1752).
- (17) Percent of pick to whole percentage points.

GO TO NEXT PAGE

126 TABLE TO CONVERT FRACTIONS TO PERCENT FIGURES.

| TABLE TO CONVERT FRACTIONS TO PERCENT FIGURES | | | | | | | | | | | | | | | | | |
|---|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|
| | 3rd | 4th | 5th | 6th | 7th | 8th | 9th | 10th | 11th | 12th | 13th | 14th | 15th | 16th | 17th | 18th | 19th |
| 1 | .333 | .250 | .200 | .167 | .143 | .125 | .111 | .100 | .091 | .083 | .077 | .071 | .067 | .063 | .059 | .056 | .053 |
| 2 | .667 | .500 | .400 | .333 | .286 | .250 | .222 | .200 | .182 | .167 | .154 | .143 | .133 | .125 | .118 | .111 | .105 |
| 3 | | .750 | .600 | .500 | .429 | .375 | .333 | .300 | .273 | .250 | .231 | .214 | .200 | .188 | .176 | .167 | .158 |
| 4 | | | .800 | .667 | .571 | .500 | .444 | .400 | .364 | .333 | .308 | .286 | .267 | .250 | .235 | .222 | .211 |
| 5 | | | | .833 | .714 | .625 | .556 | .500 | .455 | .417 | .385 | .357 | .333 | .313 | .294 | .278 | .263 |
| 6 | | | | | .857 | .750 | .667 | .600 | .545 | .500 | .462 | .429 | .400 | .375 | .353 | .333 | .316 |
| 7 | | | | | | .875 | .778 | .700 | .636 | .583 | .538 | .500 | .467 | .438 | .412 | .389 | .368 |
| 8 | | | | | | | .889 | .800 | .727 | .667 | .615 | .571 | .533 | .500 | .471 | .444 | .421 |
| 9 | | | | | | | | .900 | .818 | .750 | .692 | .643 | .600 | .563 | .529 | .500 | .474 |
| 10 | | | | | | | | | .909 | .833 | .769 | .714 | .667 | .625 | .588 | .556 | .526 |
| 11 | | | | | | | | | | .917 | .846 | .786 | .733 | .688 | .647 | .611 | .579 |
| 12 | | | | | | | | | | | .923 | .857 | .800 | .750 | .706 | .667 | .632 |
| 13 | | | | | | | | | | | | .929 | .867 | .813 | .765 | .722 | .684 |
| 14 | | | | | | | | | | | | | .933 | .875 | .824 | .778 | .737 |
| 15 | | | | | | | | | | | | | | .938 | .882 | .833 | .789 |
| 16 | | | | | | | | | | | | | | | .941 | .889 | .842 |
| 17 | | | | | | | | | | | | | | | | .944 | .895 |
| 18 | | | | | | | | | | | | | | | | | .947 |

127 METRIC CONVERSION TABLE

| FROM METRIC TO BRITISH UNITS OF MEASUREMENT | | | | |
|---|-----------------|--------------------|--------------|---------------|
| LENGTH | SYMBOL | WHEN YOU KNOW | MULTIPLY BY: | TO FIND: |
| | mm | Millimeters | 0.04 | inches |
| | cm | Centimeters | 0.4 | inches |
| | m | Meters | 3.3 | feet |
| | m | Meters | 1.1 | yards |
| | km | kilometers | 0.6 | miles |
| AREA | cm ² | square centimeters | 0.16 | square inches |
| | m ² | square meters | 1.2 | square yards |
| | km ² | square kilometers | 0.4 | square miles |
| | ha | hectares | 2.5 | acres |
| VOLUME | m ³ | cubic meters | 35 | cubic feet |
| | m ³ | cubic meters | 1.3 | cubic yards |
| MASS (Weight) | g | grams | 0.035 | ounces |
| | kg | kilograms | 2.2 | pounds |
| | t | tonnes | 1.1 | tons |

128 RECORDING FARM-STORED PRODUCTION ON THE CLAIM FORM

A Reference. For production weighed prior to farm-storage, see PAR. 122.

B For Production Not Weighed Prior to Storage

- (1) For square, rectangular, and round storage structures.

Entries for internal measurements of structural space occupied by the crop, test weight, and any entries for moisture, dockage, production not to count, and/or quality will be entered in the appropriate columns on the claim form as instructed in the crop handbook. From these entries the net production-to-count will be calculated for the storage structure(s).

NOTE: Outside measurements of storage structures may be used when internal measurements cannot be obtained; however, the dimension used should reflect the internal space occupied by the crop taking the wall-thickness into consideration. Do not adjust circumference measurements of steel bins for the wall-thickness of the structure because the circumference range on the Round Bin Conversion Chart (Exhibit 14) accommodates varying wall-thickness.

- (2) ALL OTHER STRUCTURES (Hexagon, Octagon, Conical Pile, etc.)

- (a) Gross production adjusted by test weight from these structures MUST be hand calculated and entered in the column used for gross production on the claim form UNLESS component parts from an odd shape structure are square, rectangular, or round as explained in B (3) below.
- (b) Any applicable entries for moisture, dockage, quality, or production not to count will be entered in the appropriate columns on the claim form as instructed in the crop handbook and from these entries further adjustments to the production entered in the column for gross production will be made to determine the net production.
- (c) PAR. 129 shows the steps to calculate gross production adjusted for test weight and PAR. 130 provides gross cubic feet formulas for these structures.

- (3) Odd Shaped Structures

Odd shaped structures must be separated into component parts to make determinations. If the odd-shaped structure consists of component parts that are square, rectangular, or round, the individual component part measurement for each square, rectangular, or round part in the odd-shaped structure may be entered on the claim as stated in PAR. 128 above. See PAR 131 for unusual (odd-shaped) storage configurations for measurement and computations.

C Documentation

Document any calculations you have made, on a Special Report or other form provided by the insurance provider, for storage structures requiring entries in the column used for gross production on the claim form or calculations used to obtain square, round, or rectangular component part measurements for odd shaped structure that were entered on the claim form. Copies of calculations are to remain in the contract folder.

129 **FARM-STORED PRODUCTION-TO-COUNT FORMULA**

AT THE INSURANCE PROVIDER'S CHOICE, ADJUSTERS ARE TO ROUND AFTER EACH STEP OR AT THE END OF THE CALCULATION.

A Regular structures - Round, Square, Hexagon, Octagon, Conical Pile, etc.

The step-by-step process used to determine production for these structures is:

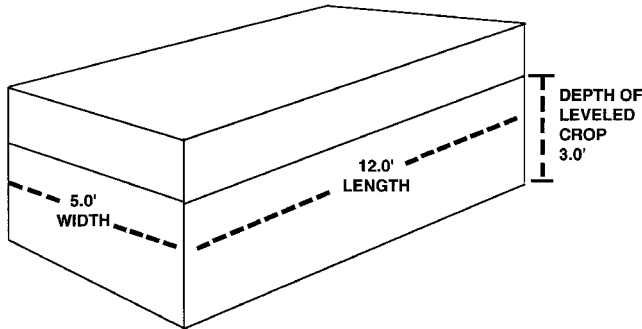
- (1) Record measurements accurately.
- (2) Determine gross cubic feet (See PAR. 130).
- (3) Gross cubic feet minus deductions in cubic feet equals net cubic feet (See PAR. 133).
- (4) Net cubic feet times Conversion factor equals unadjusted gross production (See PAR. 134).
- (5) Unadjusted gross production times actual test weight divided by standard test weight*(X percent of shell factor for ear corn) equals adjusted gross production for weight (see PAR. 117).
 - * Actual test weight will be used for canola/rapeseed, dry beans, rice, dry peas, millet, safflowers, and sunflowers.
- (6) Adjusted gross production (by weight) times moisture adjustment factor (if applicable) equals Adjusted gross production for moisture (see PAR. 113).
- (7) Adjusted gross production (for moisture) times dockage (FM) factor (if applicable) equals adjusted gross production for dockage (see PAR. 114).
- (8) Adjusted gross production (for dockage) times quality adjustment factor (if crop provisions allow for quality adjustment and production qualifies for quality adjustment) equals production to count (see PAR. 111 and 112).
- (9) Adjusted gross production by test weight minus production not to count equals adjusted gross production by weight.

130 GROSS CUBIC FEET FORMULAS BY STRUCTURE

All of the following measurements are made in feet, to tenths. Round at the end of the calculation unless instructed otherwise by the insurance provider.

A Square or Rectangular Structure

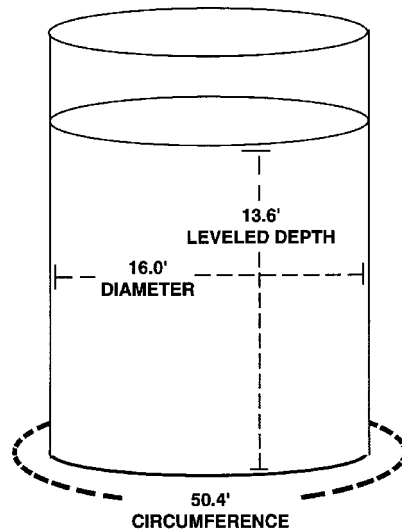
Length times Width times Leveled Depth equals Gross Cubic Feet.



12.0' X 5.0' X 3.0'
GROSS CUBIC FEET=180.0

B Round Structure

(1) Diameter squared times .7854 times Leveled Depth equals Gross Cubic Feet.



16.0² = 256.0 X .7854 X 13.6 =
2735.0 GROSS CUBIC FEET

(2) The circumference measurement can be used to determine the diameter of the bin. Use the Round Bin Chart (Exhibit 14) to determine the diameter of the bin from the circumference measurement. The Round Bin Chart also provides the square foot factor for each size of bin.

- (3) The adjuster can mathematically compute the diameter of a round bin by multiplying the circumference measurement by .31831.

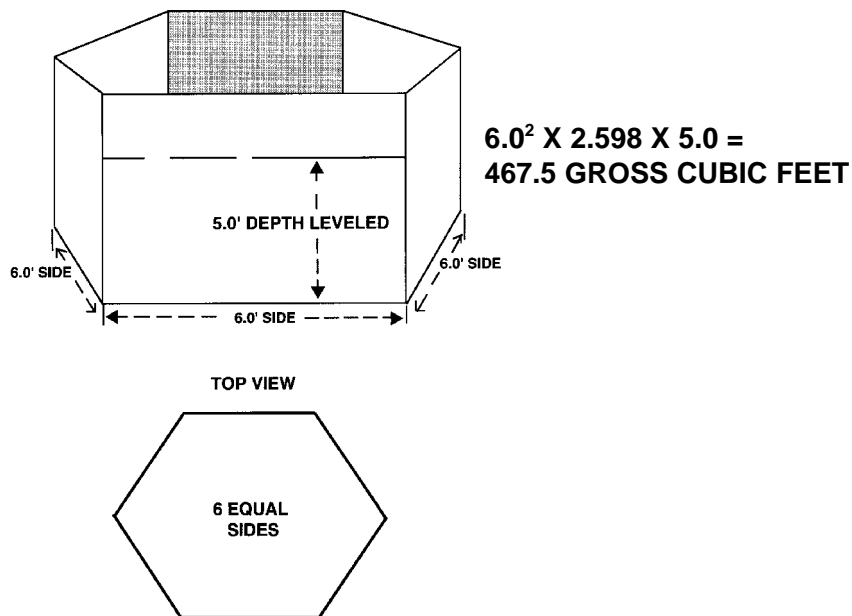
NOTE: The square foot factor (Round Bin Chart, Exhibit 14) times the level crop depth will also determine the gross cubic feet of a round bin.

C Pentagon Structure (5 sides)

Length of Side squared times 1.720 times Leveled Depth equals Gross Cubic Feet.

D Hexagon Structure (6 sides)

Length of Side squared times 2.598 times Leveled Depth equals Gross Cubic Feet.

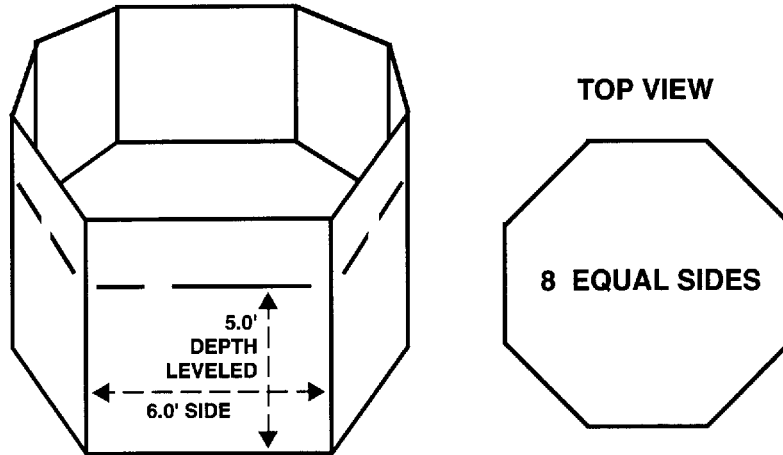


E Heptagon Structure (7 sides)

Length of Side squared times 3.634 times Leveled Depth = Gross Cubic Feet.

F Octagon Structure (8 sides)

Length of Side squared times 4.828 times Leveled Depth equals Gross Cubic Feet.



$$6.0^2 \times 4.828 \times 5.0 = 869.0 \text{ GROSS CUBIC FEET}$$

G Nonagon Structure (9 sides)

Length of Side squared times 6.182 times Leveled Depth equals Gross Cubic Feet.

H Decagon Structure (10 sides)

Length of Side squared times 7.694 times Leveled Depth equals Gross Cubic Feet.

I Undecagon (11 sides)

Length of Side squared times 9.36 times Leveled Depth equals Gross Cubic Feet.

J Dodecagon (12 sides)

Length of Side squared times 11.196 times Leveled Depth equals Gross Cubic Feet.

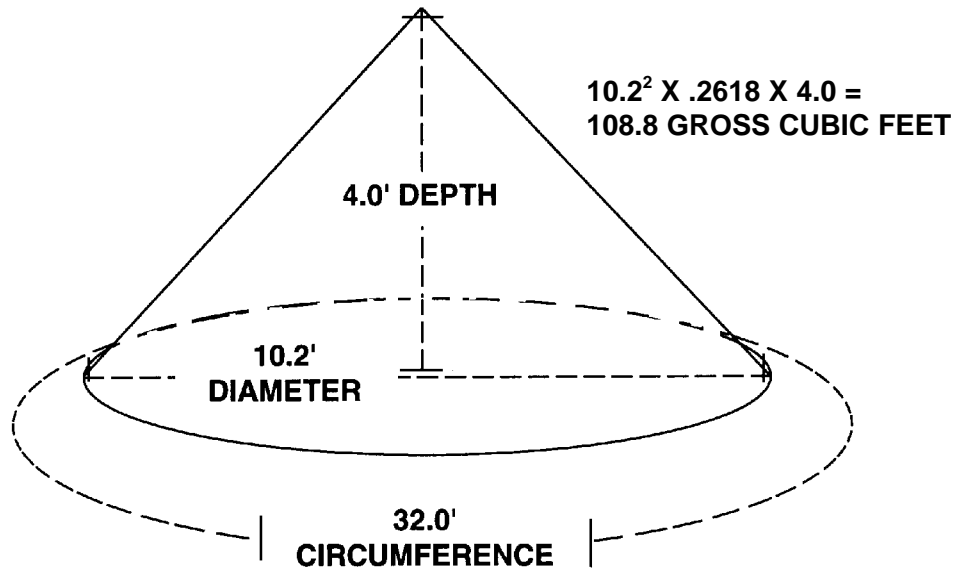
K Any Structure with More than 12 Sides

Use the formula for a circle for any structure with more than 12 sides.

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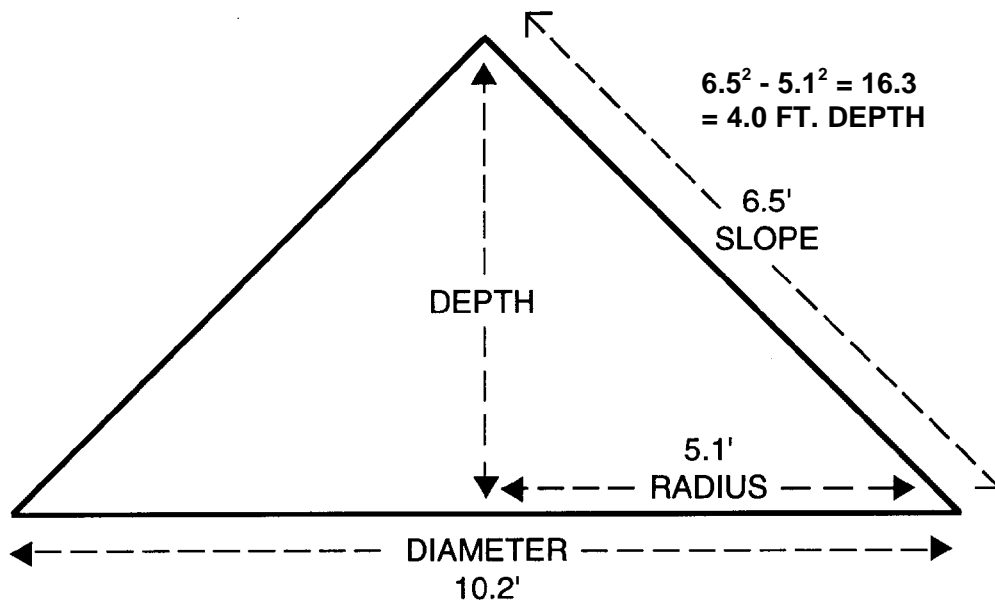
L Conical Pile

Diameter squared times .2618 times depth (feet to tenths) equals Gross Cubic Feet.



NOTE: When it is not possible to accurately measure the depth of a conical pile of grain the formula below may be used.

M Formula for determining depth of a conical pile. The length of the slope² - the radius ($\frac{1}{2}$ the diameter)² = the height². Determine the square root of the result to determine the height of the cone in feet to tenths. (See Exhibit 13 for square root table.)

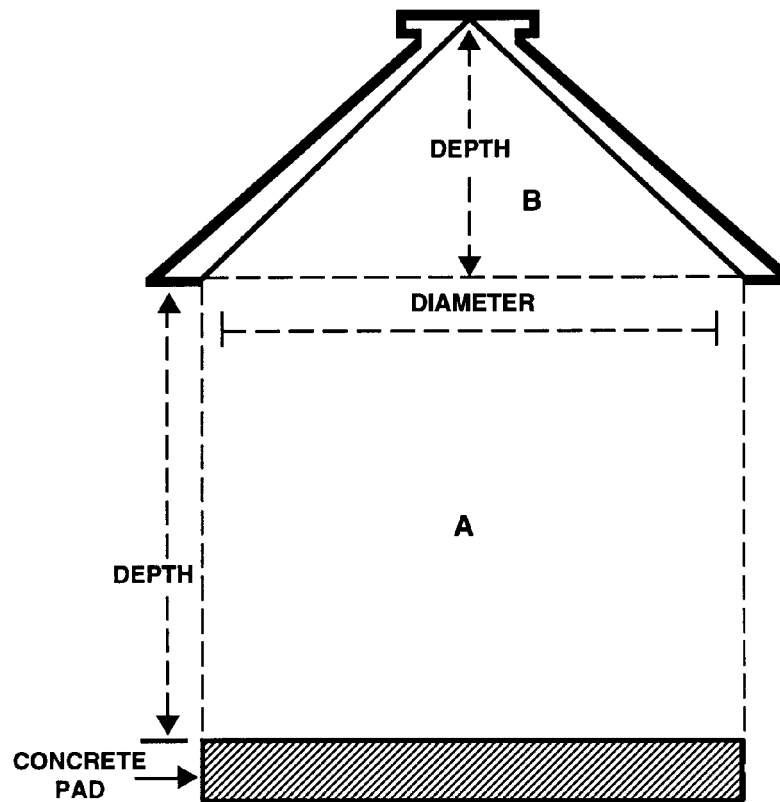


131 UNUSUAL STORAGE CONFIGURATIONS: MEASUREMENTS AND COMPUTATION**A Inverted Cone**

- (1) The inverted cone is recorded on the claim form as an "odd-shaped" structure in the items used for recording structure measurements.
- (2) If the inverted cone is a permanent part of a storage structure, record the measurements on a Special Report or other FCI-approved form used for measurement purposes, prior to harvest to be retained permanently with the insured's file folder. To record this information, ask the insured if any of the storage structures have an inverted cone while on a pre-harvest appraisal, acreage report review, growing season inspection, etc. The manufacturer's or builder's specifications may be used if it is not possible to measure the inverted cone during the inspection. If these are not available, FSA may have measurements on record for the particular storage structure in question.
- (3) To determine the amount of grain in an inverted cone, obtain these measurements:
 - (a) Diameter if round; width and length if square or rectangular.
 - (b) Depth - by actual measurement.
- (4) To determine the unadjusted gross production of grain in an inverted cone, follow this formula:
 - (a) Square. Length times width times 1/3 recorded depth equals gross cubic feet.

Round. Diameter squared times .2618 times x recorded depth equals gross cubic feet.
 - (b) Gross cubic feet minus deductions in cubic feet equals Net cubic feet
 - (c) Net cubic feet times Conversion factor equals unadjusted gross production.
- (5) To determine adjusted gross production (by test weight), follow this formula: Multiply the unadjusted gross production by the test weight factor (see Test Weight and Test-Weight Factor, PAR. 117) equals adjusted gross production (by test weight).
- (6) Enter adjusted gross production (by test weight) in the column used to record gross production on the claim form. Also enter any adjustments necessary for correct computation of grain; i.e., entries for dockage, moisture, or quality if applicable.

B Cone on a cylinder

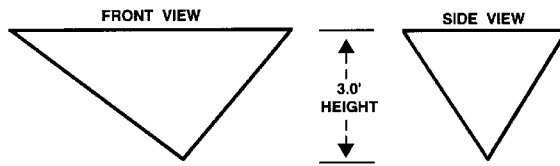


There will be two (2) line entries in the part of the claim form used to record structure measurements.

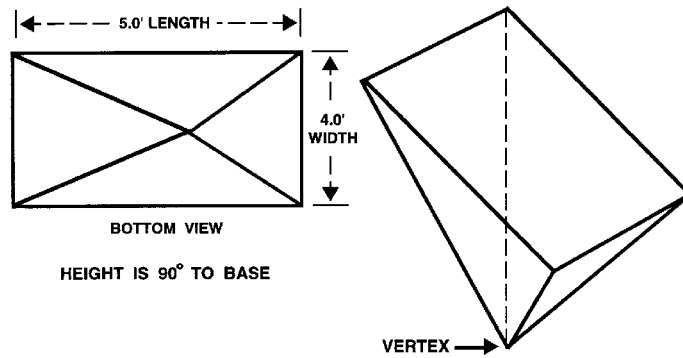
- (1) One line will be identified by "RND" (for production in A) with all determined measurements and adjustments entered for that line.
- (2) One line will be identified as "conical pile" (for production in B). All of the instructions that pertain to a conical pile will be followed.

C Pyramid

Length X width X height X one-third = gross cubic feet.



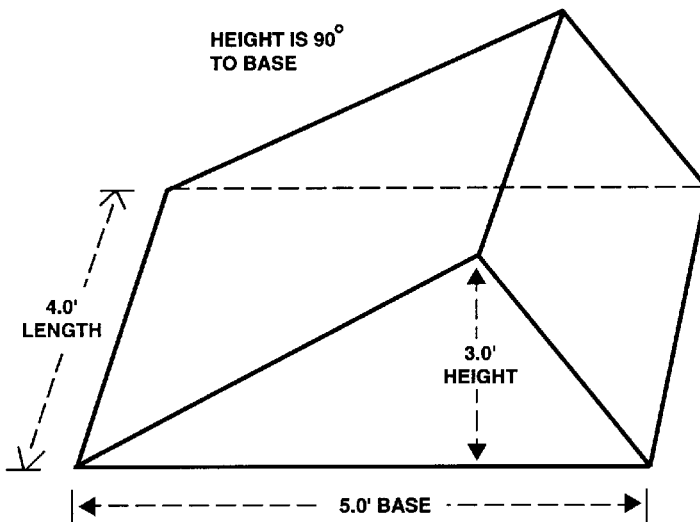
$$5.0 \times 4.0 \times 3.0 \times .333 = 20.0 \text{ GROSS CUBIC FEET}$$



D Triangle Box

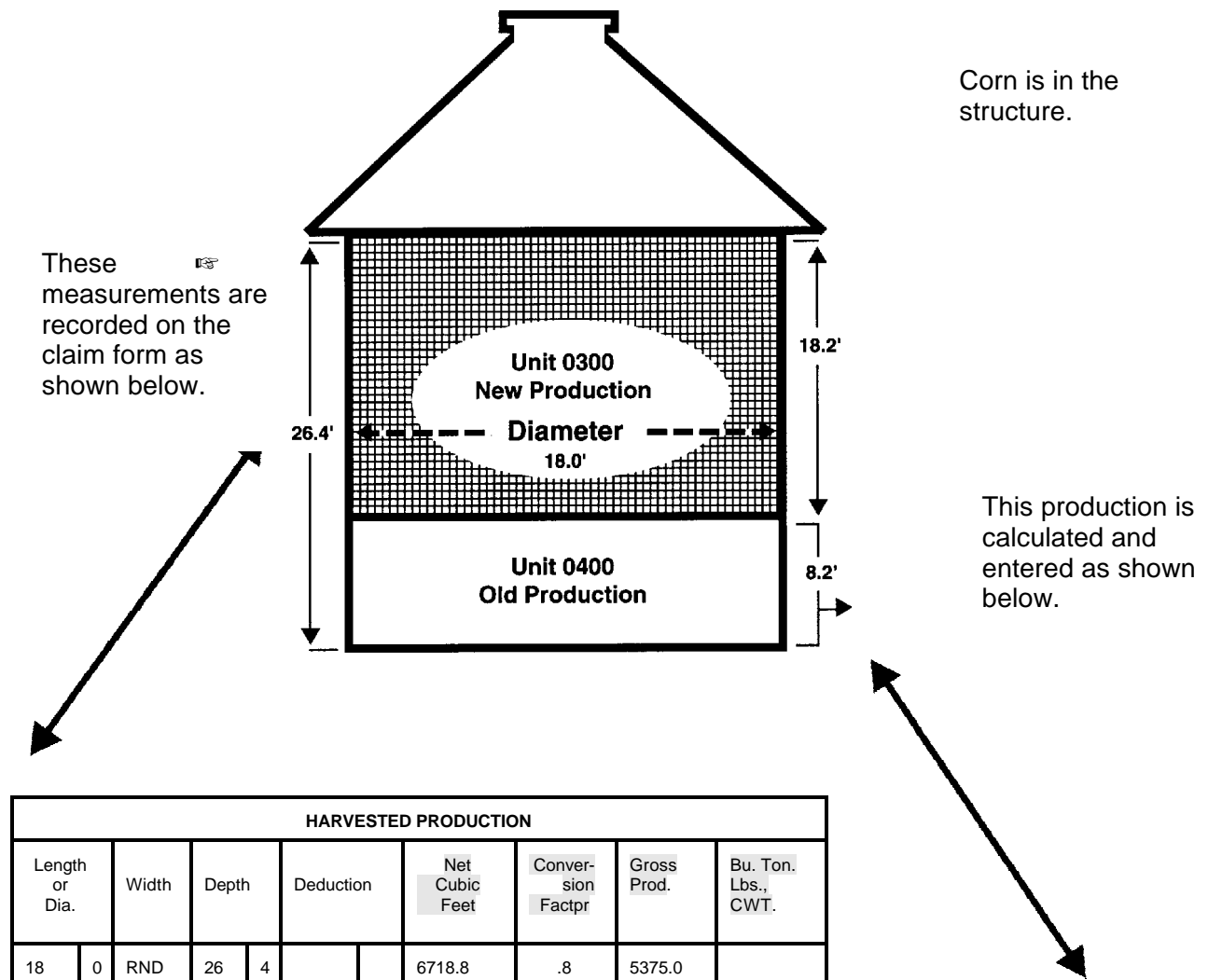
Area of triangle (base X height X ½) X length of box = gross cubic feet.

$$5.0 \times 3.0 \times .5000 \times 4.0 = 30.0 \text{ GROSS CUBIC FEET}$$



E Production-Not-to-Count in a Storage Structure

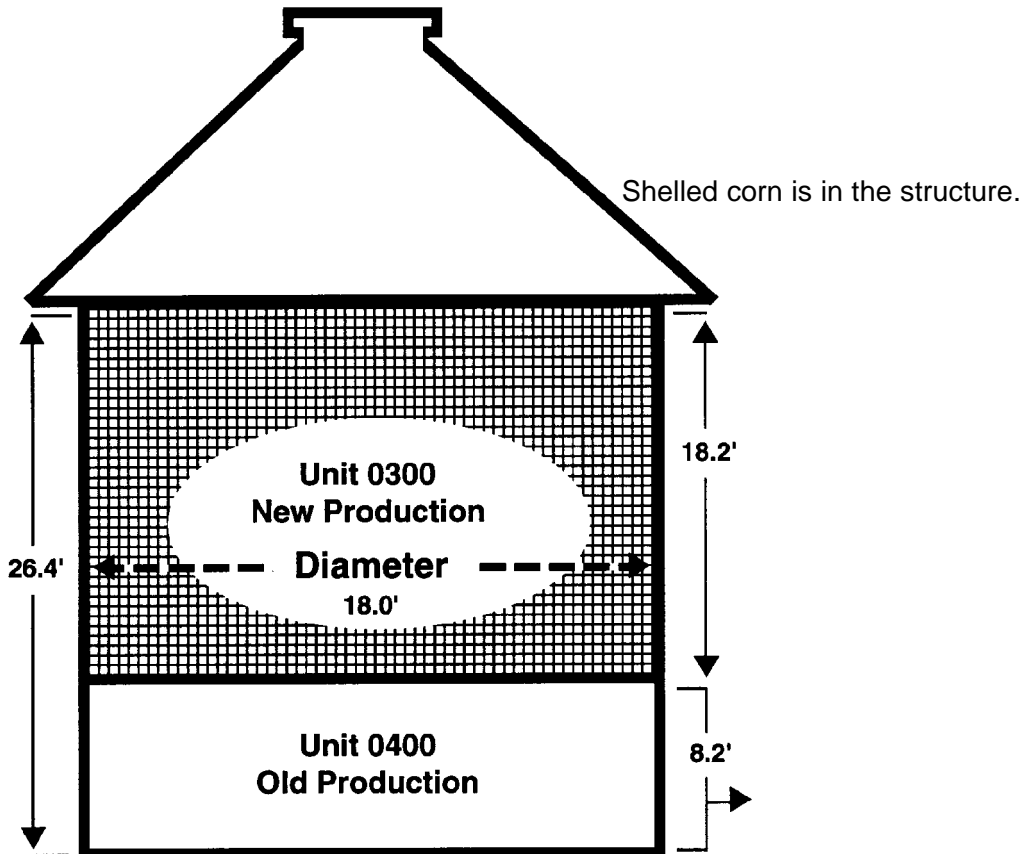
Example 1: This example shows structural measurements for the total production in the storage structure in the appropriate columns of the claim form and the calculated adjusted gross production by test weight (BEFORE deductions for moisture, dockage, etc.) in the "Production Not to Count" column. The calculated production-not-to-count will be deducted and the test weight entered in the "Test Weight" column and any other applicable entries for moisture, dockage, or quality will be used to calculate the remaining grain contained in the structure to arrive at the unit production-to-count in the storage structure.



| Adjustments to Harvested Production | | | | | |
|-------------------------------------|--------|------------|---------|---------------------|-------------------------|
| Sheel/Sugar Factor | FM % | Moisture % | Test WT | Adjusted Production | Production Not To Count |
| | Factor | Factor | Factor | | |
| SH | | | 56 | 5375.0 | 1669.5 |
| | | | 1.000 | | |

Production-Not-to-Count in a Storage Structure (continued.)

Example 2: This example shows that the production-not-to-count and production-to-count are determined separately. The depth measurement of only the production-to-count is entered in the "Depth" column. The measurement for the production-not to count is entered in the narrative of the claim form.

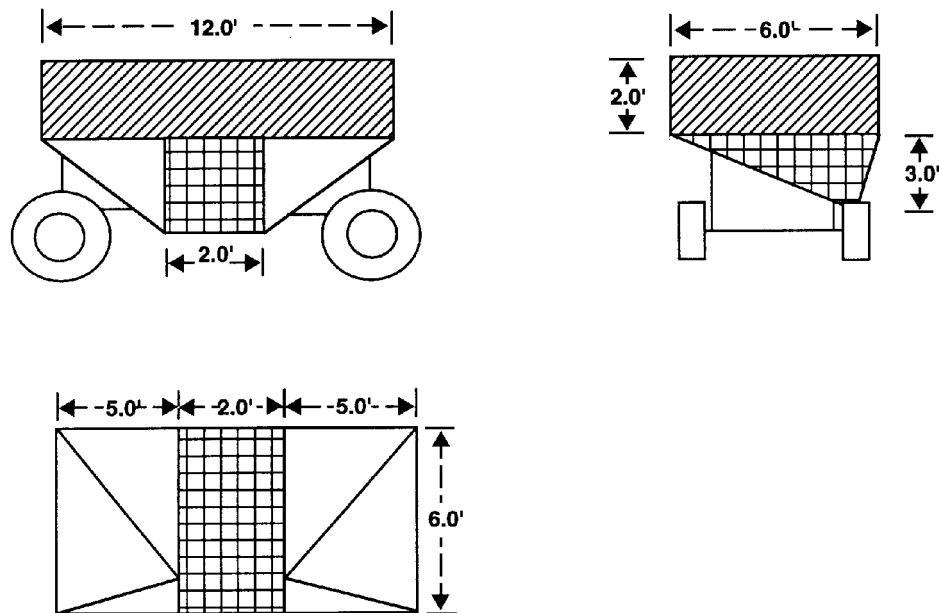


| HARVESTED PRODUCTION | | | | | | | | | | |
|----------------------|---|-------|-------|---|-----------|--|----------------|-------------------|-------------|---------------------|
| Length or Dia. | | Width | Depth | | Deduction | | Net Cubic Feet | Conversion Factor | Gross Prod. | Bu. Ton. Lbs., CWT. |
| 18 | 0 | RND | 18 | 2 | | | 4631.9 | .8 | 3705.5 | |

NARRATIVE: Production not to count from unit 0400, depth 8.2 ft. Previous bin measurements for unit 0400 attached.

F Gravity Flow Wagon

Break the gravity flow wagon into volume components which can be accurately measured, and use the existing formulas to determine the production in each component.



**TOP RECTANGLE BOX= 12.0 X 6.0 X 2.0 = 144.0 GROSS CUBIC FEET
(LINED AREA)**

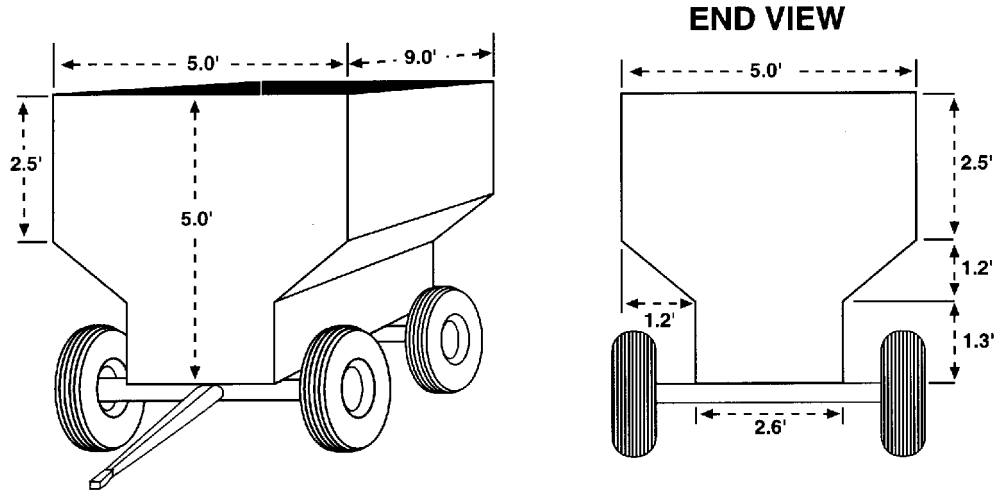
**MIDDLE TRIANGLE BOX = 6.0 X 3.0 X 2.0 X .5000 = 18.0 GROSS CUBIC FEET
(CHECKERED AREA)**

**2 PYRAMIDS = 2 X (5.0 X 6.0 X 3.0 X .3333) = 60.0 GROSS CUBIC FEET
(UNMARKED AREA)**

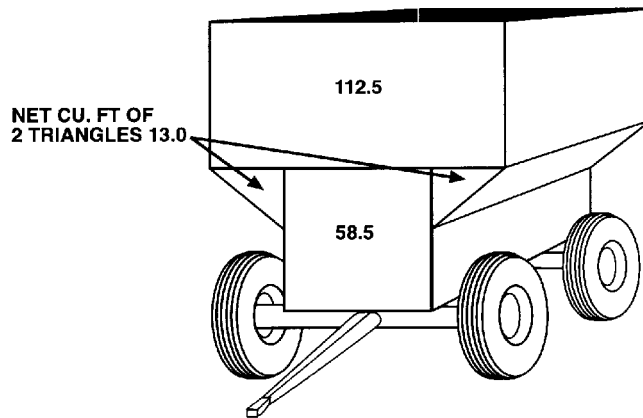
TOTAL GROSS CUBIC FEET OF WAGON =(144.0 +18.0 + 60.0) = 222.0

G Flare box wagon

Break the flare box wagon into component parts which can be accurately measured and use the existing formulas to determine the production in each component.



CU. FT OF COMPONENT PARTS



NET CUBIC FEET OF COMPONENT PARTS

$$9.0 \times 5.0 \times 2.5 = 112.5 \text{ CUBIC FEET}$$

$$9.0 \times 2.6 \times 2.5 = 58.5 \text{ CUBIC FEET}$$

$$+9.0 \times 1.2 \times 1.2 \times .5000$$

$$9.0 \times 1.2 \times 1.2 \times .5000$$

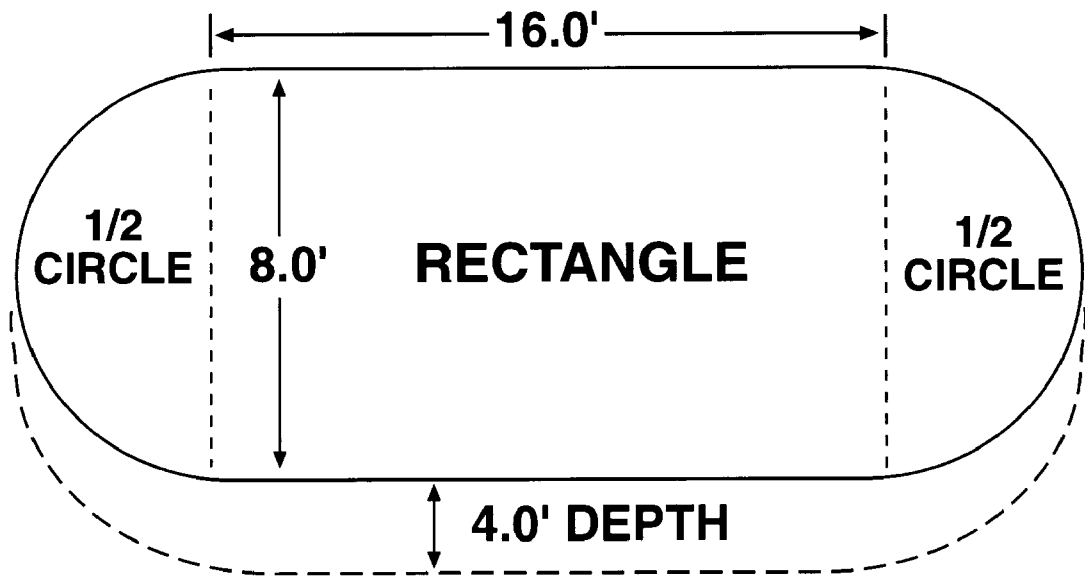
TOTAL

$$= + 13.0 \text{ CUBIC FEET}$$

$$184.0 \text{ NET CUBIC FEET}$$

H Oval Storage Structure

Break the oval storage structure into component parts which can be accurately measured and use the existing formulas to determine the production in each component.



RECTANGLE 16.0' X 8.0' X 4.0' = 512.0 CUBIC FEET

TWO 1/2 CIRCLES - $8.0^2 \times .7854 \times 4.0 = 201.2$ CUBIC FEET
(100.6 cubic feet for each)

TOTAL CUBIC FEET = 713.2

132 ROUND BIN CHART

See Exhibit 14 for converting circumference to diameter and square feet.

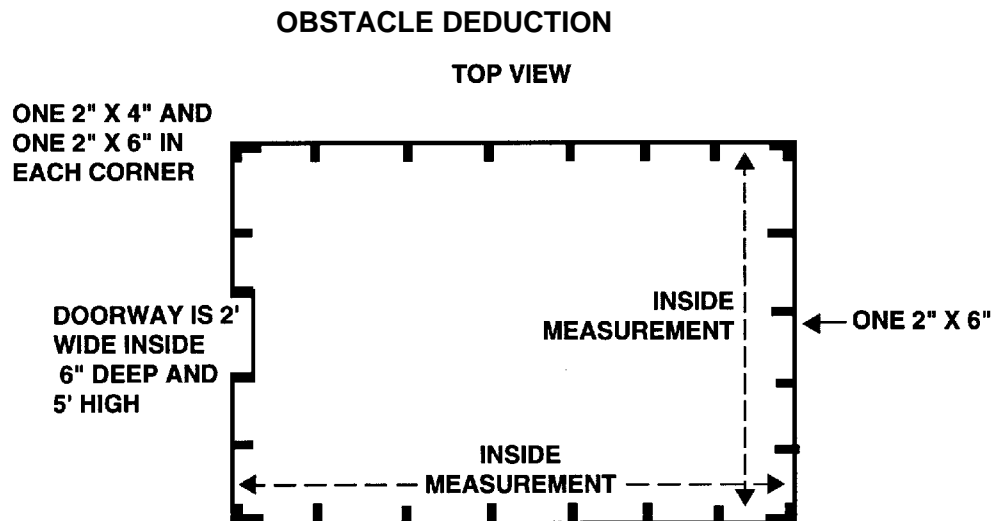
133 NET CUBIC FEET FORMULA (CUBIC FEET DEDUCTIONS)

- A Net Cubic Feet Calculation. Gross cubic feet minus Cubic feet of deductions equals net cubic feet.
- B Determining Deductions. Calculate net cubic feet by computing the cubic feet of studs, vents, etc., which displace the crop inside the structure and deducting that amount from the gross cubic feet.
- C Deductions for Regular Type Structures. For regular type structures (round augers, square air vents, etc.) use the formulas given in PAR.'s 129 and in D below to determine cubic feet deductions.
- D To compute studs and joists which displace the crop:
 - (1) 2" x 4" - multiply the number of studs times depth of the stored crop and divide by 18.
 - (2) 2" x 6" - multiply the number of studs times depth of the stored crop and divide by 12.
 - (3) 2" x 8" - multiply the number of studs times depth of the stored crop and divide by 9.

EXAMPLE: A bin with 30 studs (2" x 6") with a depth of 5 feet in the crop:

$$\frac{30 \times 5}{12} = 12.5 \text{ cu. ft.}$$

- (4) Angled (diagonal, etc.) support studs should be calculated by dividing the total length of the studs by the appropriate factor.



134 CONVERTING VOLUME TO BUSHELS, HUNDREDWEIGHT, OR POUNDS

Net cubic feet times conversion factor, hundredweight, or pounds shown in the chart below equals unadjusted gross production (before adjustments for weight, moisture, and dockage).

CONVERSION FACTOR CHART

| CROPS | FOR BUSHELS | FOR HUNDREDWEIGHT | FOR POUNDS |
|---------------------------|-------------|-------------------|------------|
| Barley | 0.8 | | |
| Beans (Dry) | 0.8 | | * |
| Canola/rapeseed | 0.8 | | * |
| Corn (Shelled) | 0.8 | | |
| Corn (ear) | 0.4 | | |
| Corn (Ground Shelled) | 0.7 | | |
| Corn (Ground Ear) | 0.6 | | |
| Corn (Hybrid Seed) | 0.8 | | |
| Flaxseed | 0.8 | | |
| Grain Sorghum | 0.8 | | |
| Hybrid Seed Sorghum | 0.8 | | |
| Millet | 0.8 | | |
| Oats | 0.8 | | |
| Peanuts (Spanish SW & SE) | | | 19.7 |
| Peanuts (Runner) | | | 16.9 |
| Peanuts (Virginia) | | | 13.5 |
| Peanuts (Valencia) | | | 17.5 |
| Peas (Dry) | 0.8 | | * |
| Popcorn (Shelled) | 0.8 | | * |
| Popcorn (Ear) | 0.4 | | * |
| Potatoes | | 0.4167 | * |
| Rice | 0.8 | | * |
| Rye | 0.8 | | |
| Safflowers | 0.8 | | * |
| Soybeans | 0.8 | | |
| Sunflower (oil) | 0.8 | | * |
| Sunflower (non-oil) | 0.8 | | * |
| Wheat | 0.8 | | |

* To convert to pounds: Net cubic feet x Conversion Factor x Actual Test Weight (÷ 100 for millet)= adjusted Gross Production for test weight.

135 (RESERVED)

136 (RESERVED)

(RESERVED)

PART 4 UNUSUAL/CONTROVERSIAL CASES AND SPECIAL CLAIMS PROCEDURE**SECTION 1 GENERAL INFORMATION****137 GENERAL PROCEDURE TO FOLLOW WHEN INVOLVED WITH UNUSUAL OR CONTROVERSIAL CASES**

There will come a time when you will run into problem cases. Whenever you are on an inspection and you suspect problems in the information given to you by the insured or in previous contract information reported to the insurance provider (e.g., entity, APH, etc.), follow the procedures listed below in the order that they are listed:

- A Inspection. Complete the inspection according to procedure.
- B Documentation. Document what you find during the on-the-farm inspection, on the claim (MPCI Non-Waiver Agreement (NA) if your company uses a MPCI NA rather than a claim) and on a Special Report. (See PAR. 138 for instructions on how to document your findings).
- C Insured's Signature. Obtain the insured's signature on the claim (or MPCI NA). Obtain the insured's signature on the Special Report , if possible.
- D Adjuster's Signature. If a claim form is used, DO NOT sign the claim.

NOTE: If a MPCI NA is used, the adjuster's signature is required.

E Document Potential Need For Growing Season or Pre-Harvest Inspection

Document on a Special Report the potential need for growing season inspections or pre-harvest appraisals, whenever the need appears, to protect the insurance provider's position in case of a controversial claim due to uninsured causes of loss or not following recognized good farming practices. Send a copy of the Special Report to the supervisor designated by the insurance provider.

138 REPORT WRITING - HOW TO DOCUMENT FINDINGS**A Principles of Report Writing**

A report is written to concisely convey what you have found while on an inspection, the reason for the inspection, what problems, if any, you have encountered, and to indicate follow-up actions that may be necessary.

- (1) The report should be in a standard form but should be sufficiently flexible to fit the special requirements of the subject matter and the individual(s) to whom it is submitted.

- (2) The report should be simple, concise, and as brief as possible.
- (3) The tone of the report should be dispassionate, impersonal, and factual.
- (4) The report should be legible and devoid of smudges, crossed-out words, or sections.
- (5) Illustrations such as sketch maps, bin locations, etc., should be used whenever they will promote a better understanding of the report.
- (6) Documentation should be reviewed with the next level of supervision at the time the formal report is submitted.
- (7) Do not make recommendations.

B Report Arrangement. There are many acceptable arrangements for reports as indicated below:

- (1) The title and the report should be short and descriptive.
- (2) If the report is lengthy or detailed, a table of contents should list the location of major sections and subsections.
- (3) The report should have an introduction that tells why the report was written.
- (4) The body should clearly explain the facts or findings presented in the introduction.
- (5) The summary is the most important element of the report since many people read only this section thoroughly. State the problem simply, along with any significant findings. Remember, keep the summary brief to maximize its impact. Ideas should be presented in short paragraphs or numbered sentences. State your conclusions without elaboration.

139 POINTS TO REMEMBER WHILE DEALING WITH PROBLEM CASES

When dealing with any problem case, adjusters should NEVER WORK ALONE. As instructed by your insurance provider, a supervisor, another adjuster, or other insurance provider representative may ACCOMPANY you on any field or farm inspection involving a problem case.

A Potential Use of Information

Although the potential use of information for legal action cannot be denied, do not voluntarily discuss any possible legal action, as it will discourage a candid discussion. If the insured is prepared to make a statement, it should be submitted in the insured's own handwriting, if possible, and signed and dated

by the insured. Do not assist the insured with the contents or wording of the statement. It does not have to be grammatically correct.

If you prepare a statement, have the insured dictate it word for word to you. The insured should read it and agree to its contents by signing and dating the statement. If a minor error is made in the body, it should be corrected and then initialed by the insured. This is very strong evidence that the statement was read and understood. It is also helpful if the statement explains its purpose, but not in a manner to exclude other uses the statement may have.

B Use of Photography or Cam-Recording

- (1) It is often helpful on a farm review to have a camera available. Certain conditions detected during reviews may be substantiated and documented very clearly in color photographs. Use of color photographs in reports is encouraged. (In some cases the use of video filming can be even more precise and advantageous for documentation purposes.) Photographs or video filming of neighboring fields of the same crop, type, variety, grown on same soil type, etc. should be used as comparison. Their use can:
 - (a) Reduce the volume of writing necessary to explain certain situations.
 - (b) Substantiate crop conditions, field or stubble conditions, and hidden production.
 - (c) Reduce very complex situations to easily understood images.
 - (d) Increase comprehension of the report.
- (2) Take photographs or video in a straightforward, open manner to avoid giving the appearance of being secretive or suspicious. There may be occasions when resentment or disapproval of the use of photographs or videos is expressed. In such cases, contact your next level of supervision for a decision on whether to proceed with the photographs or videos.
- (3) Document photographs on the back of photos (narrate on video tape) to show the following pertinent information: Date taken, where taken (legal description, etc.) and by whom, the subject matter depicted, direction of view, contract and unit number, etc. PHOTOGRAPHS SHOULD ALWAYS CONTAIN PERMANENT LANDMARKS IN EACH PICTURE! If any individuals appear in the photographs, identify each individual. Make every attempt to include the insured (or representative) in the photograph, in the field.

- C** Insured Deception or Misrepresentation. On occasion, an insured will attempt to misinform the insurance provider with respect to insurability or losses. The purpose of the misinformation is usually to qualify for or enhance an indemnity

payment; however, there have been situations in which the insured deceives the insurance provider in order to be consistent with an erroneous position taken with another agency. A search must be made to discover the facts upon which the insurance provider should act.

- D Evidence Admissible and Not Admissible. An insurance provider employee or a loss adjustment contractor (adjuster) is NOT a law enforcement agent. In the ordinary course of duty, a statement or fact obtained by an insurance provider employee or adjuster may be admissible in a court of law. The same statement or fact obtained by law enforcement officials may be admissible only if prescribed procedures are followed. This distinction is based on the purpose of the inquiry. As long as reviews are conducted for the sole purpose of obtaining information necessary for the contractual operation of the insurance program, the information obtained is not considered an illegal search or seizure.
- E Purpose of Farm Visit. In actuality, questionable claims may be investigated when there is some indication that legal action may occur. This is still a legitimate function as long as the information is intended for insurance provider use. Consideration must not be given as to the eventual evidentiary value of the information. If it is discovered upon cross examination that a particular farm visit was for the purpose of obtaining evidence for criminal or civil prosecution, that visit could be considered to have a law enforcement purpose. The absence of prescribed law enforcement procedures would render the information inadmissible.
- F Promises to Insured for Cooperation. It should be kept in mind that any promises made to an insured for cooperation may render the information inadmissible, and possibly impose civil liability on the person(s) who made such an offer. Any evidence, no matter how small, indicating that the information supplied by the insured was in consideration of a waiver of civil or criminal charges can void a successful prosecution or, at the least, devalue the evidentiary weight of such evidence.

140 CONTROVERSIAL CLAIM PROCEDURE

If the insured will not agree with the adjustment data, refer the case to the insurance provider. The insurance provider representative and the adjuster will review the case with the insured and make every effort to resolve it.

If an agreement cannot be reached with the insured, insurance providers will follow the procedure in A and B below or use a MPC I Non-Waiver Agreement. If a MPC I Non-Waiver Agreement is used, follow the instructions provided by the insurance provider for completing this form, and follow the documentation procedures in 140 C below.

A Prepare Two Claims

- (1) One claim showing the data submitted by the insured, signed only by the insured. (The insured should be provided a copy of the claim and

any appraisal worksheets or other documents signed by the insured at the time of this inspection.)

- (2) The other claim showing the data determined and the date signed by the insurance provider representative(s).
- B Submission of Claims. Submit both sets of the claims to the person or office designated by your insurance provider along with complete documentation. See C below.
- C Documentation. To the extent possible, the documentation will include the following:
- (1) Interviews with the insured, the insured's employees, neighbors, other persons recommended by the insured as having knowledge of the facts in the case, and additional individuals the insurance provider- representatives determine to have information relevant to the case. The insurance provider representative conducting the interview should be accompanied by another individual represented by the insurance provider.
 - (2) Signed statements by the insured and other persons interviewed. The insured should personally prepare a detailed Special Report to document the points of disagreement in support of the claim as submitted.
 - (3) Field Observations
 - (a) Appraisals of potential production and uninsured cause(s) of loss in the insured field(s) and neighboring fields. Make appraisals explicit as to potential production and uninsured causes i.e., "16-bushel-per-acre potential, 86 weed plants in 36-square-foot area." Any neighboring field used for comparison purposes should be of similar soil type, farmed with similar cultural practices, and planted to the same crop as the insured field.
 - (b) Properly documented photographs showing the damaged crop and identifiable landmarks of both insured and neighboring fields documenting damage.
 - (4) Production data
 - (a) Harvested production data from insured field(s).
 - (b) Harvested production data from neighboring field(s).
 - (c) Photographs, if pertinent to the case.
 - (5) Signed statements by insurance provider representatives involved in the case. Do not include any evidence, insinuations or opinions which do not have complete supporting facts in the statements, nor references to

the insured's personal habits or traits. Prepare the statements in a manner that will lead the reader to a logical conclusion based upon the facts presented.

141 (RESERVED)

142 (RESERVED)

SECTION 2 UNUSUAL/CONTROVERSIAL CASES

143 CONTROVERSIAL CLAIM: UNINSURED CAUSES OF LOSS

A General Information

The contract provides protection only against unavoidable loss of production due to the named causes. It is specific as to what causes of loss are insured against; therefore, all other causes of loss are not insured. Moreover, any loss from the cause(s) named is not insured if it was avoidable. For example, loss due to failure of the insured to take adequate measures to control insects, plant disease, or weeds when such measures are practical and have proven effective in the area is AVOIDABLE and is an UNINSURED cause of loss. However, if the insured carried out recognized and accepted measures to control insects or plant disease (if provided as insured causes) or weeds, these causes are considered UNAVOIDABLE INSURED CAUSES. Although weeds are not a stated insured cause, the FCIC will consider damage caused by them as insured IF recognized and accepted control measures were used, and if adverse weather directly caused the control measures to be less effective.

B The uninsured causes of loss can be found in the:

- (1) Individual crop policies or endorsements.
- (2) Actuarial documents.

C Included in Total Production to Count

Most policy provisions require that total production to count include all of the following:

- (1) An appraisal for potential production lost due to uninsured causes be included in the production to count.
- (2) An appraisal of not less than the per-acre guarantee (per-acre dollar amount of insurance for dollar crops) must be included in the production to count for any acreage:
 - (a) Abandoned,
 - (b) Put to another use without the insurance provider's prior written consent,
 - (c) Damaged solely by an uninsured cause, and
 - (d) For some crops, for which the insured fails to provide records of production that are acceptable to the insurance provider.

- D Chemicals. Any loss of marketability of crops due to misapplication of chemicals **or application of chemicals which are controversial, withdrawn from sale, etc.**, IS NOT INSURED under the insurance contract unless provided specifically as a condition of the contract.
- E Loss Due Solely to Uninsured Causes
- The insurance provider cannot indemnify an insured when all of the loss is due solely to uninsured cause(s). In such cases, the appraisal must not be less than the production guarantee. When the appraisal is more than the production guarantee, use the actual appraisal.
- F When loss is due to uninsurable cause(s):
- (1) Consider production on same or similar crop(s) on other farms in the area.
 - (2) Verify cause of loss (e.g. apparent loss may be poor weed control; however, the damage may have been indirectly caused by insufficient rainfall to activate a properly applied herbicide).
 - (3) Make an appraisal which represents only that part of the loss which is due to uninsured or avoidable cause, and a separate appraisal for potential production remaining.
 - (4) Discuss appraisals with insured.
 - (5) Determine efforts to prevent or control the situation (chemical used and/or methods followed). Record the number of applications and dates they were applied based on receipts or other third party records.
 - (6) Determine efforts neighbors and others in the community used to prevent or control the same situation.
 - (7) Photograph the evidence of the crop in question and surrounding farms, with identifying landmarks in each photograph.
 - (8) Compare productivity and yields of surrounding farms. The suggested comparison formula is found in subparagraph "K and L."
- G In every case, establish that the damage or loss is due:
- (1) Solely to one or more unavoidable insured causes(s).
 - (2) To both unavoidable insured cause(s) and uninsured cause(s).
 - (3) Solely to one or more uninsured causes, (including avoidable insured causes).

- H Contact Insurance Provider. If on the initial inspection you are satisfied that the loss adjustment will involve uninsured cause(s) of loss, contact and advise the insurance provider of the situation. Request assistance with the adjustment. Circumstances may warrant that an insurance provider-employee accompany the adjuster.
- I Uninsured causes of loss could be determined at the time of:
- (1) Preliminary inspections.
 - (2) Final inspections.
 - (3) Quality assurance reviews.
 - (4) Farm visits made to obtain an original acreage report, to revise an acreage report, or make a growing season inspection.
 - (5) Making appraisals for APH record-keeping purposes.
 - (6) Driving by an insured farm on other assignments. Such observations will be documented on a Special Report and provided to the insured, putting the insured on notice that the insurance provider is aware of the damage by livestock, herbicide drift, etc.
- J Failure To Follow Good Farming Practices

The contract does not cover any loss which is due to the insured's failure to follow recognized good farming practices. Such farming practices vary by crops and by areas. SOME of the more common uninsured CAUSES of loss DUE TO FAILURE TO FOLLOW recognized GOOD FARMING PRACTICES are:

- (1) Use of damaged, old, or unadapted seed.
- (2) Failure to plant the recommended quantity of seed.
- (3) Improper seedbed preparation.
- (4) Failure to properly plant, care for, or harvest the insured crop.
- (5) Failure to timely or properly apply control measures recommended by the local Cooperative Extension Service for the control of insects, plant diseases or weeds.
- (6) Failure to apply adequate water under an irrigated practice and/or failure to timely apply irrigation water.
- (7) Planting another crop (except winter legumes) in a growing cotton crop.
- (8) Inability to obtain labor, seed, machinery, repairs or pesticides.

- (9) Breakdown of machinery or failure of equipment due to mechanical defects.
- (10) Damage by domestic animals or poultry.
- (11) The use of chemicals resulting in damage to the insured crop.
- (12) Seeding another crop in a growing insured crop unless allowed by the crop policy.
- (13) Neglect by the insured or by any person in the insured's household connected with the farming operation.
- (14) Theft of the crop.

K Concepts of Determining Uninsured or Avoidable Insured Cause(s) of Loss

- (1) When insured cause(s) of loss are present in the area, the yield potential of the crop, before any uninsured cause(s), must be determined. For example, the yield potential determined from comparable acreage of the crop without uninsured cause(s) of loss is 70 bushels. If 30 bushels of potential remain in the field or have been harvested and all other cause(s) are uninsured, then 40 bushels of production were lost due to uninsured cause(s) regardless of the production guarantee.
- (2) If comparable acreage is available, use it as the basis for determining yields due to uninsured cause(s) of loss. Comparable acreage is acreage that is planted to the same crop following the same farming practices, management practices, similar planting dates, etc., that has not been damaged by uninsured cause(s) of loss.
 - (a) If the insured has comparable acreage, this acreage should be used to determine the yield basis for uninsured cause(s) of loss.
 - (b) When comparable acreage is not available on the insured's farming operation, comparable acreage from other farms in the community should be used to determine the yield basis for uninsured cause(s) of loss.
 - (c) When comparable acreage is not available, consider using FSA program yields, or APH yields on the insured's farm and/or farms with similar productivity to determine the yield basis for uninsured cause(s) of loss.
- (3) When damage due to an insurable cause(s) (drought, frost, freeze, excess precipitation, etc.) has occurred on surrounding farms, care must be taken to identify only that portion of the production lost due to uninsured cause(s).

- (4) When all of the loss is due to uninsured or avoidable insured cause(s), it is assumed that had it not been for such cause(s), production would have been equal to or greater than the production guarantee for the acreage.
 - (a) Determine the yield potential of comparable acreage of the crop without uninsured cause(s) of loss. Compare this yield potential to the production guarantee and use the higher of the two as the yield for determining production lost due to uninsured causes.
 - (b) When unharvested potential remains in the field, appraise the potential remaining and subtract it from the yield determined in subparagraph (4)(a) above. The difference is the appraisal for uninsured cause(s) of loss.
 - (c) When no unharvested potential remains in the field, determine the yield as outlined in subparagraph (4) (a) above and use as the appraisal for uninsured cause(s).
 - (d) Enter any production harvested from acreage damaged solely by uninsured cause(s) as production not to count after proper appraisal entries are made.
- (5) Appraisals for uninsured cause(s) must always be discussed and the impact on the loss explained to the insured. Always include full information in the report as to the uninsured cause(s) of loss and the basis used for determining the amount of production lost by such causes.

L Using Other Farms to Determine Production Lost Due to Uninsured Cause(s)

Give proper weight to what other farmers, who did not have uninsured causes present, produced in the area. For crops which require cultivation or other care during the growing period, it is not unusual for an insured to allege that because of some insured cause, such as excessive rain, it was not possible to care for the crop in the proper way. While this may be true, consider what other farmers in the surrounding area accomplished under similar conditions. The following formula may be used to determine yields to use for an uninsured cause(s) of loss.

- (1) When comparable acreage is not available on the insured's operation, but is available on those of other producers in the area, try to get permission to appraise the other producers fields to use as a comparison. For example, the insured's acreage, which has been damaged by uninsured causes of loss, appraised at 60.0 bushels per-acre. You obtain permission to appraise the fields of two neighboring producers who have comparable acreage (comparable as described in subparagraph K (2) above) that has NOT been damaged by uninsured cause(s) of loss. The appraisals are as follows:

Producer No. 1: Field appraisals indicate 105.0 bushels per acre.

Producer No. 2: Field appraisals indicate 99.0 bushels per acre.

The average yield produced in the area would be 102.0 bushels per acre, as determined from the average of producer 1's and 2's appraisals. $(105.0 + 99.0 \div 2 = 102.0)$. Use the insured's 60.0 bushel per-acre appraisal compared against the 102.0 bushel average area yield as a basis to determine the per-acre amount of production the insured lost due to uninsured causes.

- (2) When comparable acreage is not available in the area, the following may be used as a guide for determining a yield to use for uninsured cause(s):

Insureds' approved APH Yield: 90.0 bushels

Producer No. 1: "T" yield: 85.0 bushels

Producer No. 2: "T" yield: 83.0 bushels

Under normal conditions the insurance provider expects the crop to produce 86.0 bushels in the area (based on an average of the yields located on 3 farms of similar productivity in the area). The insured's production guarantee is 67.5 bushels per acre. The average yield expected in the area (with no insured or uninsured cause(s) of loss) is 86.0 bushels per acre and, therefore, would be used as the basis for uninsured cause(s) of loss.

M Judgment

Judgment is extremely important for establishing production lost due to uninsurable cause(s). A working knowledge of cultural practices and technical aspects of growing the crop in the area as well as publications available from Agriculture Experiment Stations and local CES should provide a firm foundation for making an impartial appraisal.

N Documentation

Document on a Special Report the circumstances involved, bearing in mind that any individual reviewing the claim generally knows nothing about the circumstance beyond the information conveyed on a Special Report.

O Insured's or Insured's Authorized Representative's Presence During Appraisals

If at all possible, the insured or the authorized representative should be present for appraisals involving uninsured cause(s) of loss. All aspects of the appraisal must be thoroughly discussed and explained to the insured. Mutual agreement is imperative if the insured is to be expected to sign the claim for indemnity and Special Report.

P Other Causes of Loss Not Insured Against:

- (1) Damage caused by water contained by any governmental, public, or private dam or reservoir project.
- (2) Chemical carry-over damage caused by improper application of the chemical as listed in subparagraph Q (2) below.
- (3) Any cause not specified as an insured cause in the crop policy or endorsement as limited by the County Actuarial Documents.

Q Partial Investigating Guide

Use the following to help detect any failure to follow recognized good farming practices (uninsured cause(s) of loss).

- (1) Livestock damage as indicated by tracks, leaves stripped from main stem stalk, main stem stalk severed, grain head absent, or ears separated from stalk. Percent of damage due to missing heads or ears can be determined as follows:
 - (a) Count missing heads or severed ear shanks and remaining heads or ears from a sample of 100 consecutive stalks.
 - (b) Divide the number of missing heads or ears by the determined original number of heads or ears to obtain the percent of damage.
 - (c) Subdivide the field if damage is limited to a specific area(s) or if damage is not uniform.
- (2) Chemical damage caused by:
 - (a) Use of improper chemical;
 - (b) Residual (toxic) effect of chemicals used in the previous crop year(s) as a result of not following the label specifications and restrictions when the chemical was applied;
 - (c) Improper application (rates, methods, timeliness, label restrictions, etc.); and/or
 - (d) Chemical drift from spraying of adjoining field(s). This can be identified by an irregular pattern of damage showing leaf droppage or wilted, stunted, pale colored, dying, or dead plants.

- (3) Failure to follow recognized good farming practices adapted to the area, which have been successfully carried out by other producers in the area, following recommendations of Agricultural Experiment Stations and the Extension Service. Some of these are:
- (a) Seeding method, variety, timeliness, depth, and rate.
 - (b) Fertilization timing and rates.
 - (c) Row spacing.
 - (d) Cultivation timing and depth.
 - (e) Chemical application (application rate, appropriateness, method, and timeliness).
 - (f) Seed treatment and germination potential.

144 CLAIMS FOR INDEMNITY INVOLVING SUSPECTED CONCEALMENT OR MISREPRESENTATION

If concealment or misrepresentation is suspected, do the following:

A Inspection/Documentation

- (1) If the inspection is a result of the insured's notice of loss, make all field verifications and/or determinations necessary to complete a final inspection, but advise the insured that further assistance will be needed before the claim can be finalized. Record information from the field inspection on appropriate appraisal forms (if applicable) and any other necessary worksheets needed to complete a final inspection. The information from the field inspection may be recorded on a claim form or MPCl Non-Waiver Agreement, whichever the insurance provider prefers to use for this type of case. **If a claim form is used, the adjuster and the insured will NOT sign the claim form at this time.**

NOTE: A copy of any form signed by insured and adjuster at this time should be provided to the insured (e.g, appraisal worksheets, MPCl Non-Waiver Agreement, etc. PRIOR to signatures, review all data with the insured.

- (2) If the inspection is a Growing Season Inspection or Pre-harvest Inspection, record the information as described in the PAR.'s 82 and 83.

B Insurance Provider's Review of Case. The insurance provider will review all forms and documentation completed as a result of the field inspection and will provide any further assistance necessary for additional follow-up. After final evaluation of the case, the insurance provider will handle in accordance with

the instructions in FCIC-14010 for “Reporting Suspected Misrepresentation, Fraud, Waste, and Abuse.”

145 (RESERVED)

146 (RESERVED)

(RESERVED)

SECTION 3 SPECIAL CLAIMS PROCEDURES**147 SUBROGATION - THIRD PARTY CAUSE OF LOSS****A General Information**

The insurance contract does not cover loss from any cause which is due to neglect or wrongdoing of the insured, any member of the insured's household, tenants, sharecroppers, employees, nor uninsured damage caused by a third party; thus, there are certain insured losses (such as fire) for which the insurance provider may be liable resulting from the negligent or wrongful acts of a third party, for which the insured may also have the right of recovery. As a part of the policy contract, the insured assigns and transfers to the insurance provider all rights of recovery against any person responsible for loss or damage to the extent that payment was made by the insurance provider.

B If Only Part of a Loss is Due to a Third Party Not Connected with the Insured

- (1) Inform the insured that if any settlement is made the full amount should be claimed with the third party so as not to discharge the third party of liability.
- (2) Enter in the narrative of the claim or on a **Special Report**, the following:
 - (a) Cause of loss,
 - (b) Evidence available as to the person responsible,
 - (c) The name and address of **responsible party**, if available, and
 - (d) Information regarding settlement with **responsible party**.

148 ADMINISTRATIVE APPEALS OR ARBITRATION.**A Arbitration**

The policy provisions provide each insured the opportunity to request arbitration of any factual determination made by the insurance provider with which the insured is not in agreement. This may include, but is not limited to, a review of premium and/or other debts, rejected applications, rejected and/or revised acreage reports, and rejected or corrected claims. The disagreement will be resolved in accordance with the rules of the **American Arbitration Association**.

B Appeals

Any factual determination made by FCIC must be resolved through the FCIC appeal provisions published at 7 CFR Part 11.

149 FIRE LOSS - SOLE CAUSE OF LOSS (NO HAIL/FIRE EXCLUSION IN EFFECT)**A General Provisions**

- (1) In all cases where fire damages or destroys an insured crop WITHIN THE INSURANCE PERIOD, upon final inspection, establish whether or not the insured has other fire insurance ON THE CROP IN THE FIELD.
- (2) The amount of loss from fire is the difference between the fair market value of the production BEFORE AND AFTER the fire.

B No Other Fire Insurance

If the insured does NOT have other fire insurance, prepare a claim and state in the narrative that there is no other insurance. The claim is worked on a unit basis. When only a portion of the unit acreage is destroyed by fire and the harvested/appraised production exceeds the unit guarantee, ALL OF THE FOLLOWING INSTRUCTIONS MAY BE DISREGARDED.

C Other Fire Insurance but Hail and Fire Excluded

If there is other fire insurance and hail and fire coverage has been excluded from the MPCl policy, follow the instructions given in **PAR. 25**.

D Other Fire Insurance and MPCl Fire Coverage

If the insured has other fire insurance and MPCl fire coverage:

- (1) The insurance provider will be liable only for loss due to fire for the smaller of, the amount:
 - (a) of indemnity computed, or
 - (b) by which the loss from fire exceeds the indemnity paid or payable under the other insurance.
- (2) Prepare documentation on a Special Report in the following manner:
 - (a) Name and address of other insurance company and the name of their adjuster.
 - (b) The number of the other insurance policy.
 - (c) The applicant's issue date and the termination date of the other policy.
 - (d) Whether the loss was total or partial (all or part of the unit).

- (e) Divide the determined acreage for the unit by the total acreage for all units involved and round the resulting factor to three decimal places.
- 1 Multiply the amount of fire coverage by this factor.
 - 2 The result thus obtained will be used as the amount of fire coverage applicable to the unit.
- (f) The amount of indemnity paid or payable to the insured by the other insurer with respect to:
- 1 the entire loss, and
 - 2 that part of the loss applicable to the unit in question.
- (g) The quantity of the crop (expressed in bushels, tons, pounds, etc.) from the unit damaged or destroyed by fire. Include:
- 1 The fair market VALUE per bushel AND the total value on the date of the fire BEFORE fire damage
 - 2 The fair market VALUE per bushel (if any) on the date of the fire AFTER fire damage from the "Value" column in the Harvested Production portion of the claim form.
- NOTE: If the crop from two or more units was damaged or destroyed by the same fire, show the total bushels and value and the bushels and value applicable to the unit for which the loss is being adjusted.
- (h) Indicate if an agreement with the other insurance adjuster has been reached as to the quantity and value per unit of production destroyed. If there is disagreement, explain what caused the difference and how the quantity and value of the crop destroyed were determined.
- (i) A statement of all known facts as to how the fire originated (including location of the field(s)), and if the fire resulted from the act of any person, the name and address of such person, and the name and address of person(s) having knowledge of the origin of the fire.

See calculation examples on the next two pages.

E Claim Calculation Examples For Fire Claims (Double Coverage) (Hail/Fire Exclusion Not In Effect)

EXAMPLE 1- Example where MPCl payable indemnity is smaller than indemnity paid or payable under other insurance.

Assume: 1,425# per-acre guarantee
 15.15 acres in unit
 \$1.62 price election (for CAT coverage)
 Tobacco sold 20,174# X \$2.04 = \$41,155;
 Tobacco lost in fire 15,840# (Fair Market Value (FMV) \$2.04/POUND)
 Amount paid by other insurance \$20,899.

GENERAL CROP INSURANCE POLICY 88-G, SECTION 9. n. (1) and (2).

If you have other fire insurance, fire damage occurs during the insurance period, and you have not elected to exclude fire insurance from this policy, we will be liable for the smaller of the amount:

| | |
|---|---|
| (1) of indemnity determined pursuant to this contract without regard to any other insurance; or | (2) by which the loss from fire exceeds the indemnity paid or payable under such other insurance. (For the purpose of this subsection, the amount of loss from fire will be the difference between the fair market value of the production on the unit before the fire and after the fire). |
| GUARANTEED TOBACCO ENDORSEMENT 90-35, SECTION 7. a. An indemnity will be determined for each unit by: (1) Multiplying the insured acreage by the production guarantee; (2) Subtracting therefrom the total production of tobacco to be counted; (3) Multiplying the remainder by the applicable price election; and (4) Multiplying this results by your share. | FMV of tobacco before the fire 20,174 # sold at tob. market \$41,155 15,840 # lost in fire @\$2.04 +\$32,314 Total FMV of tob. before fire = \$73,469 |
| (1) 15.15 acres X 1425 lbs. (per-acre guarantee) 21,589 lbs. unit guar. | FMV of tobacco after the fire 20,174 # sold at tob. market = \$41,155 15,840 # lost in fire @\$0.00 -\$ 0 Total FMV of tob. after fire = \$41,155 |
| (2) 21,589 lbs. (unit guarantee) -20,174 lbs. sold at tobacco market (PTC) 1,415 lbs. production loss | Amount of loss from fire Total FMV of tob. before fire \$73,469 Total FMV of tob. after fire -\$41,155 Amount of loss from fire = \$32,314 |
| (3) 1,415 lbs. production loss X \$1.62 price election \$2,292 dollar loss before share | Amount of loss from fire exceeding the indemnity paid from other insurance Amount of loss from fire \$32,314 Amount other insurance paid -\$20,899 Amount of loss exceeding = \$11,415 |
| (4) \$2,292 dollar loss before share X 1,000 share \$2,292 dollar loss after share | THE INSURANCE PROVIDER IS LIABLE FOR THE LESSER OF THE TWO INDEMNITY CALCULATIONS WHICH IS \$2,292. |

NOTE: The net production to be entered on the claim would be 20,174 lbs. (before share).

EXAMPLE 2 - Example where indemnity for fire loss from other insurance company is smaller than indemnity payable under crop insurance

Assume: 1,425# per-acre guarantee
 15.15 acres in unit
 \$1.62 price election (for CAT coverage)
 Tobacco sold 5,000# X \$2.04 = \$10,200;
 Tobacco lost in fire 18,000# (Fair Market Value (FMV) \$2.04/POUND)
 Amount paid by other insurance \$26,616.

GENERAL CROP INSURANCE POLICY 88-G, SECTION 9. n. (1) and (2).

If you have other fire insurance, fire damage occurs during the insurance period, and you have not elected to exclude fire insurance from this policy, we will be liable for the smaller of the amount:

| | |
|---|--|
| <p>(1) of indemnity determined pursuant to this contract without regard to any other insurance; or</p> | <p>(2) by which the loss from fire exceeds the indemnity paid or payable under such other insurance. (For the purpose of this subsection, the amount of loss from fire will be the difference between the fair market value of the production on the unit before the fire and after the fire).</p> |
| <p>GUARANTEED TOBACCO ENDORSEMENT 90-35, SECTION 7. a. An indemnity will be determined for each unit by: (1) Multiplying the insured acreage by the production guarantee; (2) Subtracting therefrom the total production of tobacco to be counted; (3) Multiplying the remainder by the applicable price election; and (4) Multiplying this results by your share.</p> | <p>FMV of tobacco before the fire 5,000 # sold at tob. market \$10,200 18,000 # lost in fire @\$2.04 +\$36,720 Total FMV of tob. before fire = \$46,920</p> |
| <p>(1) 15.15 acres X 1425 lbs. (per-acre guarantee) 21,589 lbs. unit guar.</p> | <p>FMV of tobacco after the fire 5,000 # sold at tob. market = \$10,200 18,000 # lost in fire @\$0.00 - \$ 0 Total FMV of tob. after fire = \$10,200</p> |
| <p>(2) 21,589 lbs. (unit guarantee) - 5,000 lbs. (production to count) 16,589 lbs. production loss</p> | <p>Amount of loss from fire Total FMV of tob. before fire \$46,920 Total FMV of tob. after fire -\$10,200 Amount of loss from fire = \$36,720</p> |
| <p>(3) 16,589 lbs. production loss X \$1.62 price election \$26,874 dollar loss before share</p> | <p>Amount of loss from fire exceeding the indemnity paid from other insurance Amount of loss from fire \$36,720 Amount other insurance paid -\$26,616 Amount of loss exceeding = \$10,104</p> |
| <p>(4) \$26,874 dollar loss before share X 1.000 share \$26,874 dollar loss after share</p> | <p>THE INSURANCE PROVIDER IS LIABLE FOR THE LESSER OF THE TWO INDEMNITY CALCULATIONS WHICH IS \$10,104.</p> |

NOTE: The net production to be entered on the claim would be 15,352 lbs. (before share).

Determine the net production to count as follows:

(1) \$10,104 (indemnity payable)÷ by 1.000 share and \$1.62 price election =6,237 lbs. (unit loss).
 (2) 21,589 lbs. (unit guarantee) - 5,000 lbs. (production to count) =16,589 lbs.(production loss)
 16,589 lbs. (production loss) - 6,237 lbs. (unit loss) = 10,352 lbs. (production to count).
 Make a 2-line entry on the claim form: Line 1: 5,000 lbs. (production to count).
 Line 2: 10,352 lbs. (production to count)
 15,352 lbs. (total production to count)

Indemnity Due: 21,589 lbs.- 15,352 lbs. = 6,237 lbs. X \$1.62 = \$10,104.

150 COMMINGLED PRODUCTION**A Different Types of Commingled Production**

- (1) Harvested production from insured acreage commingled with harvested production from uninsured acreage;
- (2) Harvested production from two or more units is commingled;
- (3) Harvested production from more than one crop year is commingled; or
- (4) Harvested production from two or more practices/types within the same unit which have separate APH yields is commingled.

B Unsatisfactory Records or No Records

When the records are unsatisfactory or no records are available, handle as instructed below:

- (1) **Production from insured and uninsured acreage.** Prepare the claim to show all production as being from the insured acreage. In the narrative section, explain that the reported production is commingled production from insured and uninsured acreage.
- (2) **Production from current and prior crop year.** Prepare the claim to show all production as being from the current crop year acreage. In the narrative section of the claim explain that the reported production is commingled from current crop year and prior crop year production.
- (3) **Production from two or more optional units.** If production from two or more separate optional units is commingled, such commingling renders any such unit determination void. Any remaining optional units which were not commingled will retain their optional unit structure.
 - (a) Determine which optional units were commingled. If there were other optional units that were not commingled, combine only the commingled optional units into one optional unit. If ALL optional units were commingled, combine all optional units into one basic unit.
 - (b) The insurance provider in accordance with the CIH will prepare a revised APH form, if applicable, and prepare a revised acreage report to reflect the corrected determination of units.

NOTE: The CIH outlines the eligibility of commingled optional units for the next crop year.

- (c) Send the revised APH form, acreage report, and claim(s) to the insurance provider for approval or rejection.

- (4) **Commingled harvested production from basic units and or from different policies/counties.** The total commingled production will be allocated to each basic unit in proportion to the liability for the harvested insured acreage of the commingled units. Prepare separate claims for each basic unit that has been commingled. This may involve more than one policy; e.g., basic units from two different policies (policy for each county or policy for the landlord and tenant).
- (a) Use the following formula to allocate production to each commingled basic unit in proportion to the liability for the harvested insured acreage (the insured's per-acre guarantee is used for the harvested acreage liability):
- 1 For each basic unit, calculate the guarantee for the insured acreage that was harvested (insured acres X per-acre guarantee = unit guarantee (U Guar.))
 - 2 Total the unit guarantees for all commingled units to obtain the Total Commingled Unit guarantee (TCU Guar.).
 - 3 Divide the unit guarantee by the TCU Guar. to obtain the Commingled Production (CP) Factor (four-place factor).
 - 4 For each commingled unit: multiply the total production (insured's and share holder's share) from all commingled units times the CP Factor to obtain the apportioned production for each commingled basic unit.

EXAMPLE OF COMMINGLED PRODUCTION FROM THREE BASIC UNITS

Step 1: Unit 0100: 10.0 acres X 69.0 bu. (harvest Guar.) = 690.0 bu.(Line Guar.)

15.0 acres X 78.0 (harvest Guar.) = 1,170.0 bu.(Line Guar.)

690.0 bu. (Line Guar.) + 1,170.0 bu. (Line Guar.) =
1,860.0 bu.(U Guar.)

Unit 0200: 20.0 acres X 104.0 bu. (harvest Guar.) = 2080.0 bu. (U Guar.)

Unit 0300: 25.0 acres X 96.0 bu. (harvest Guar.) =
2400.0 bu. (U Guar.)

Step 2: 1,860.0 bu. (0100 U Guar.) + 2080.0 bu. (0200 U Guar.) + 2400.0 bu. (0300 U Guar.) = 6340.0 bu. (TCU Guar.)

- Step 3:** Unit 0100: $1860.0 \text{ bu. (U Guar.)} \div 6340.0 \text{ bu. (TCU Guar.)} = .2934 \text{ (CP Factor)}$
- Unit 0200: $2080.0 \text{ bu. (U Guar.)} \div 6340.0 \text{ bu. (TCU Guar.)} = .3281 \text{ (CP Factor)}$
- Unit 0300: $2400.0 \text{ bu. (U Guar.)} \div 6340.0 \text{ bu. (TCU Guar.)} = .3785 \text{ (CP Factor)}$
- Step 4:** Unit 0100 $5000.0 \text{ bu. (TOTAL Prod.)} \times .2934 \text{ (CP Factor)} = 1467.0 \text{ bu. to be allocated to unit 0100.}$
- Unit 0200 $5000.0 \text{ bu. (TOTAL Prod.)} \times .3281 \text{ (CP Factor)} = 1640.5 \text{ bu. to be allocated to unit 0200.}$
- Unit 0300 $5000.0 \text{ bu. (TOTAL Prod.)} \times .3785 \text{ (CP Factor)} = 1892.5 \text{ bu. to be allocated to unit 0300.}$

(b) Completing the Claim Form for Basic Units that Are Commingled

- 1 Enter "Commingled Production" in the heading.
- 2 Prepare Parts I and II in the usual manner, except for farm-stored production; enter the allocated gross production for the unit in the column for gross production.
- 3 Enter the following in the narrative of each commingled unit claim or on a Special Report attached to the claim form:
 - a Total production from all commingled basic units and the calculations used to arrive at the allocated production for each commingled unit.
 - b Explain the reasons given by the insured for the commingling of production.

(5) **Commingled production from different practices/types having separate APH yields within a unit:** Prorate commingled production which cannot be separated with satisfactory records to each practice/type in proportion to the liability on the harvested acreage for each practice/type. (Separate line entries are required on the claim form in the harvest production part of the claim. (See applicable crop handbook.) **See example below for formula to prorate production in proportion to the unit liability.**

(a) EXAMPLE: Unit 0100 having practices with different APH's

- Step 1:** LINE 1: $10 \text{ acres (003 dryland practice)} \times 45.0 \text{ bu. (harvest Guar.)} = 450.0 \text{ bu. (line guarantee (Line Guar.))}$

LINE 2: 15.0 acres (002 irrigated practice) X 80.0 bu. (harvest guarantee) = 1,200.0 bu. (Line Guar.)

Step 2: 450.0 bu. (Line 1 Guar.) + 1200.0 bu. (Line 2 Guar.) = 1650.0 bu. unit guarantee (U Guar.)

Step 3: 450.0 bu. (Line 1 Guar.) ÷ 1650.0 bu. (U Guar.) = .2727
Commingled Production (CP) Factor.

1200.0 bu. (Line 2 Guar.) ÷ 1650.0 bu. (U Guar.) = .7273 CP Factor.

Step 4 1500.0 bu. (TOTAL prod.) X .2727 (Line 1 CP factor) = 409.0 bu. to be allocated for line 1 (003 dryland practice).

1500.0 (TOTAL prod.) X .7273 (Line 2 CP factor) = 1091.0 bu. to be allocated for line 2 (002 irrigated practice).

- (b) Enter the allocated production from the different practices/types in Part III of the claim form as instructed in the individual crop handbooks.
- (c) Show all calculations on a Special Provisions and attach to the claim form.

151 UNREPORTED UNITS

A General Instructions

If the insured fails to report acreage which could have been established as a separate unit, the insured's share of production from the acreage in the unreported unit will be allocated to the acreage in the REPORTED unit(s) in proportion to the liability on the insured acreage on each reported unit. The calculation examples in subparagraph E below show how the production is proportioned to the liability. No premium will be charged for the acreage on the unreported unit(s). See notes below.

NOTE 1: Production from the unreported unit(s) is allocated to reported units of the same crop in the SAME county, unless the "county" definition in the policy/endorsement or a written agreement specifies otherwise

NOTE 2: Production from the unreported unit(s) can only be established from harvested and/or appraised production. If no production has been harvested and/or appraised from an unreported insurable unit and this unit is destroyed prior to the adjuster's knowledge of its existence, potential production cannot be assessed for this unreported unit. At the time an unreported unit is discovered,

appraise unreported unit acreage any time it is suspected or known that the crop will not be harvested or production will be harvested and stored in such a manner that such production cannot be established at a later date.

B Inform the Insured

Advise the insured that production from the unreported unit WILL NOT be counted for APH purposes for the reported unit even though it will be apportioned to it; however, the unreported unit production will be counted for APH purposes for the unreported unit.

C FOR TOBACCO. Production from unreported units WILL NOT be used to determine if reported tobacco unit(s) reached the harvested (H) stage.

D When Claim Can Be Finalized. Claims CANNOT be finalized until the production (preferably harvested rather than appraised) from unreported units is established for allocation.

E Calculation Instructions

Calculate the production from the unreported acreage unit, as follows:

- (1) If only one unit is reported, the insured's share of the production from the unreported unit divided by the insured's share of the reported unit will be the amount allocated to the reported unit.

Example: An unreported unit consisting of 50 acres with 1500.0 bushels of harvested production was found when completing a final loss inspection. It was determined that the insured had a 50 percent share in the unreported unit. The insured's share in the reported unit was 75 percent.

Step 1 $1500.0 \text{ bu.} \times .500 = 750.0 \text{ bu.}$ share of unreported unit.

Step 2 $750.0 \text{ bu. (insured's production share of unreported unit)} \div .750 \text{ (share percent of reported unit)} = 1000.0 \text{ bu.}$ to be allocated to the reported unit.

NOTE: Although the allocated production to the reported unit was increased in this example, it will be reduced to the correct share of production (750.0 bushels) when the indemnity amount is multiplied by the reported unit share (.750).

- (2) If more than one unit was reported, calculate the allocation of production from the unreported unit to each reported unit in proportion to the liability on the insured acreage as follows:

- (a) For each reported unit, calculate the liability for the insured acreage (insured acres X guarantee X share = unit liability).

- (b) Total the liability for the insured acreage on all reported units to obtain the contract liability.
- (c) Divide the unit liability by the contract liability to obtain the unit liability factor (four-place factor).
- (d) Multiply the insured's share of unreported unit(s) production by the unit liability factor and divide the result by the share on the reported unit to obtain the apportioned unreported production for each reported unit.

Example: Unreported acreage of 200.0 acres with 6000.0 bushels of harvested production was found when completing a final loss inspection. It was determined that the insured had a 50% share in this acreage. The insured's share of production to be allocated would be 3000.0 bu. Unit 0101 had 140.0 insured acres; unit 0102 had 100.0 insured acres; and unit 0200 had 200.0 insured acres.

Step 1: Unit 0101: 140.0 acres X 30.4 bu. guarantee X 1.000 share = 4256.0 bu. unit liability for unit 0101

Unit 0102 100.0 acres X 22.2 bu. guarantee X 1.000 share = 2220.0 bu. unit liability for unit 0102

Unit 0200: 200.0 acres X 24.8 bu. guarantee X .500 share = 2480.0 bu. unit liability for unit 0200

| | | |
|---------|---------------------|--------------------|
| Step 2: | Unit 0101 liability | 4256.0 bu. |
| | Unit 0102 liability | 2220.0 bu. |
| | Unit 0200 liability | <u>+2480.0 bu.</u> |
| | Contract liability | 8956.0 bu. |

Step 3: 4256.0 bu. ÷ 8956.0 = .4752 unit 0101 liability factor
 2220.0 bu. ÷ 8956.0 = .2479 unit 0102 liability factor
 2480.0 bu. ÷ 8956.0 = .2769 unit 0200 liability factor

Step 4: 3000.0 bu. = insured's share from the unreported unit
 (6000.0 X .500 = 3000.0)

3000.0 bu. X .4752 = 1425.6 ÷ 1.000 = 1425.6 bu to be allocated to unit 0101

3000.0 bu. X .2479 = 743.7 ÷ 1.000 = 743.7 bu to be allocated to unit 0102

$3000.0 \text{ bu.} \times .2769 = 830.7 \div .500 = 1661.4 \text{ bu}$ to be allocated to unit 0200

NOTE: The allocated production for unit 0200 was increased to 1661.4 because it will be reduced to the correct share of production (830.7) when the indemnity amount is multiplied by the reported unit share (.500).

F Entering Allocated Production from Unreported Unit(s) on the Claim Form

- (1) For Claims Having a Harvested (H) Stage and/or "P" (Destroyed without Consent) Stage:

Enter the apportioned production on a separate line in the "Bu. Lbs. Cwt. or Tons" column. Identify this line as such by entering the words "Unreported Unit Production" in the "Length," "Width," "Depth," and "Deduction" columns. If production is stored on the farm, enter net production in the "Bu. Lbs. Cwt. or Tons" column. See (3) below for documentation requirements.

- (2) For Claims Having ONLY an Unharvested (UH) Stage:

In the "Uninsured Causes" column, using only one line, enter a per-acre amount of production (total allocated production \div number of acres for the line) that will equal the total allocated production or come as close as possible to the total allocated production without exceeding it when the per-acre amount is multiplied by the acres on that line. If possible, choose a line that does not have an actual uninsured-cause appraisal in the "Uninsured Causes" column. However, if you must use a line which will have an actual uninsured-cause appraisal in the "Uninsured Causes" column, add the per-acre amount of production calculated for the allocated production to the uninsured-cause appraisal. See (3) below for documentation requirements.

EXAMPLE: On the claim form, the line selected to make the entry in the "Uninsured Causes" column showed 50.3 acres in the "Final Acres" column. $50.3 \text{ acres} \div 743.7 \text{ (Total Allocated Production)} = 14.785$. This would be entered as 14.7 in the "Uninsured Causes" column rather than 14.8 since $14.8 \times 50.3 = 744.4$ bushels, which would exceed 743.7 bushels (the total allocated production).

- (3) Document the following in the narrative of the claim or on a Special Report: (If a Special Report is used, attach a copy to each claim.)
- (a) Actual production from the reported and unreported units. Identify the location of the unreported unit by legal description and field I.D. number;
 - (b) The calculations used to arrive at the production allocated to the reported unit(s); and

- (c) If the "Uninsured Causes" column has been used for the unreported-unit production, identify which line was used; e.g., line 2. Also, if any actual uninsured-cause appraisal has been included with the allocated production in the "Uninsured Causes" column, separately identify the amount of each.

**152 CLAIMS INVOLVING SEVERE INSECT, DISEASE, OR WEED INFESTATION
(MOST PERENNIAL CROP POLICIES DO NOT INSURE AGAINST INSECT AND
DISEASE DAMAGE)**

The first crop year damage resulting from severe insect, disease, or weed infestations (such as cheat grass) will generally be considered unavoidable if the insured was unaware of the conditions at planting time. However, if it is determined that the insured was (or should have been) aware of the infestation at planting time or later but did not follow appropriate recognized good farming practices, some or all of the loss will be considered an avoidable (uninsured) cause of loss. Failure to follow good farming practices might include not following recommended crop rotation or soil treatment practices, or not planting disease-resistant varieties. When the first crop year damage is considered unavoidable:

- A Inform Insured. Advise the insured that some or all of the damage due to the same cause in subsequent years on the same acreage will be considered avoidable (uninsured) unless recognized good farming practices have been followed. Suggest that the insured contact the local county extension office to obtain their recommendations for treating and eradicating the infestation.
- B Documentation. Record the details of the case and identify the cause and name of weed, disease, or other pest in the narrative section of the claim or on a Special Report.
- C Documenting Location of Infected Fields. Identify the infested field(s) on an FSA aerial photo map and the claim or on a Special Report.
- D Appraisal. Appraise and record loss of production from avoidable causes according to applicable procedure (see PAR. 143).

153 AIRPLANE- OR BROADCAST-SEEDED BARLEY, OATS, RYE, OR WHEAT

- A General Information. Insurance generally attaches at the time of seeding. The General Crop Insurance Policy or Basic Provisions provide that the contract will not cover any loss of production due to failure to follow recognized good farming practices.

B Protection for Airplane- or Broadcast-Seeded Barley, Oats, Rye, or Wheat

Protection is provided when:

- (1) The barley, oats, rye, or wheat seed was mechanically incorporated. In addition, the actuarial table for some areas of the country may contain a statement which requires any airplane- or broadcast- fall-seeded acreage to be rated on an individual risk basis. This will require that the insured request a Written Agreement from the applicable RSO to establish a rate on an individual basis for such acreage. If the insured is unable to mechanically incorporate the seed into the soil, the specific endorsement states that insurance will not attach. Mechanical incorporation is required unless excepted by the county actuarial table.
- (2) All other insurability provisions of the contract are met.

C Improperly Prepared Seedbed

Failure to properly prepare the seed bed will be considered failure to follow recognized good farming practices and when it results in a loss of potential production, it will necessitate an appraisal for uninsured causes on any subsequent claim.

D If Seed Not Mechanically Incorporated

If the insured is unable to mechanically incorporate the barley, oats, rye, or wheat seed into the soil and mechanical incorporation is not excepted in the county actuarial table, show such acreage in the "Remarks" section of the acreage report as uninsured. If the original acreage report showed such acreage as insurable acreage, prepare a revised acreage report to delete such acreage.

154 SEVERE WIND EROSION**A** General Guidance

As a recognized good farming practice, insureds may need to carry out emergency tillage to control wind erosion in order to conserve the soil and minimize further damage to the insured crop. Such emergency tillage usually begins in strips, but under extreme conditions may progress to the point of solid tillage. Implements used for this purpose vary, although a chisel plow is preferred in many areas. Appraisals are NOT TO BE CHARGED as production to count for acreage tilled to control severe soil erosion when the insurance provider can document that such tillage was necessary. Apply the following procedure when the crop is to be tilled to control severe wind erosion.

B Specific Instructions

(1) Replanting Payment Provisions

Crops WITH policy or endorsement provisions for replanting payments will be subject to their particular rules and regulations, including the requirement that the insurance provider must have the opportunity to inspect the acreage prior to destruction to determine eligibility for a replanting payment. Representative areas of the crop are to remain intact for appraisal purposes to verify the eligibility of the acreage for a replanting payment. This requirement can be waived by the insurance provider ONLY under extremely unusual conditions which necessitate solid-tilling prior to appraisal opportunity. Also see PAR.'s 75 and 76 for additional replanting information.

(2) Insureds' Notification Requirements

IN ALL CASES, insureds are to notify their agent immediately of their intention to till acreage for the purpose of controlling soil erosion. If the urgency to till is such that agent notification is impossible prior to such action, the efforts of the insured to provide immediate notification of the tillage undertaken will be considered in determining the insured's compliance with this requirement.

- (a) 25 percent or less. If the insured intends to till 25 percent or less of the field or subfield, (accumulative rather than single event) the insured can immediately begin tilling upon notifying the agent of such intentions.
- (b) More than 25 percent. If the insured intends to till more than 25 percent of a field or subfield, or finds that after tilling is started, more than 25 percent of a field or subfield needs to be tilled, the insurance provider must be notified immediately so that such acreage can be inspected prior to tilling. The insurance provider may waive this requirement for inspection prior to tilling ONLY under extremely unusual conditions that necessitate tilling prior to inspection opportunity; however, the insurance provider will make every attempt to give such cases priority attention to inspect the field(s) prior to solid tillage completion.

(3) Documentation of inspections

- (a) Upon the receipt of notices involving tillage of more than 25% of the acreage in a field or subfield, adjusters are to make on-the-farm inspections as soon as possible. The insurance provider has the authority to expand this inspection requirement to include notices

under 25 percent or to include all notices; i.e., 100 percent of notices inspected. For each inspection, document on a Special Report, the following:

- 1 The need for emergency tillage (to the extent tilled).
 - 2 The amount and percent of acreage ACTUALLY tilled or to be ACTUALLY tilled in each field or subfield.
 - 3 Whether the crop was ever initially planted.
 - 4 Any uninsured causes.
 - 5 A statement of the crop stand and condition (prior to tillage) as good, fair, poor, very poor, or destroyed.
 - 6 General weather and moisture conditions.
 - 7 Variability of crop within the subfield, field, and unit.
 - 8 Other pertinent information needed to make future determination of any loss.
- (b) If you have any reason to doubt the need for emergency tillage to the extent tilled (or to be tilled), then:
- 1 Prepare a crop appraisal; and
 - 2 Support your documentation with recommendations from NRCS, the local CES, or FSA.

155 CORRECTED CLAIMS

A When to Prepare

Prepare a corrected claim **when you are authorized by your insurance provider** to do so, and a review reveals that the claim for indemnity is incorrect and has caused an underpayment or overpayment in excess of the FCIC approved tolerance (\$250). This tolerance applies on a policyholder basis. The results of a review on multiple policies held by a single policyholder within a county will be combined to determine the applicability of the tolerance.

B Labeling Claim as "Corrected Claim." Write "CORRECTED CLAIM" in the heading on all copies of the claim and prepare it in accordance to the applicable crop handbook.

C Documentation

Document on a Special Report why the corrected claim was prepared. The

insured and adjuster shall sign all documents prepared. If the insured refuses to sign, document the reason for the refusal on a Special Report. Submit the corrected claim and Special Report to the person or office designated by the insurance provider. Document on the Special Report at least the following:

- (1) The circumstance(s) which resulted in erroneous data (production, acreage, share, etc.) on the original claim.
- (2) Insured's explanation for reporting incorrectly.
- (3) The name of the person finding the error and the manner used to establish the correct information. Determine if the insured was deliberately withholding or concealing production or other information.
- (4) Calculations of indemnity from original and corrected claim in narrative or on a Special Report. Include documentation of contract indemnity to show that the corrected claim was prepared in accordance to the FCIC approved tolerances for a policyholder within a county.
- (5) All other pertinent information.

156 DOCUMENTING DEATH OR INCOMPETENCY OF AN INSURED

A After Insurance Coverage Begins

If insured is deceased or judicially declared incompetent after the beginning of the insurance period for any insured crop, transmit the claim form to the next level of supervision with an attached Special Report showing the following:

- (1) Date of death or declaration of incompetency.
- (2) Name, mailing address and capacity of person entitled to indemnities.

B Before Insurance Coverage Begins

If death or incompetency occurred before timely planting any insured crop, the contract terminates. Check the possibility of an application for a successor contract. If one crop has been planted or partially planted, the contract will remain in force for that crop year on all crops and terminate for the next year.

157 BANKRUPTCY

A General Information

It is important that the insurance provider be notified promptly when an insured has filed for bankruptcy or is in bankruptcy.

B Adjuster Responsibilities

If the adjuster first gains knowledge of the insured filing or being in bankruptcy during a loss adjustment inspection, the adjuster will obtain the following information and promptly relay to the insurance provider.

- (1) Insured's Name,
- (2) Contract Number,
- (3) Insured's Social Security or TAX I.D. Number,
- (4) If possible, the bankruptcy number assigned by the court, and
- (5) If possible, the court or district court that the bankruptcy has filed in.

C Loss Inspection. The adjuster will complete the loss inspection in its entirety, and will attach a Special Report with the information stated in B above.**158 MODIFICATION OF REQUIREMENT TO DESTROY CROP BEFORE INDEMNIFICATION****A** General Information

When crops are planted in low-level soil moisture that continues to stay low, it often results in extremely poor germination of the crop with very little or no survival of what did germinate. When areas of the country that are subject to wind erosion experience this situation, it is unlikely that producers in those areas can establish any cover crop to keep the topsoil from blowing. To deter wind erosion in these areas, the county NRCS, soil specialists from the local CES, etc., may recommend that the existing soil surfaces **NOT** be disced, plowed, etc., in order to preserve existing soil surfaces and existing plants and plant residue.

B Modification of Requirement to Destroy Crop Before Indemnification

- (1) If conditions exist as described in subparagraph A above and the county NRCS, County Food & Agriculture Council, and/or a soil specialist from the CES recommend that existing soil surfaces, plants and plant residue **NOT** be disturbed by discing, plowing, etc. in order to deter wind erosion, the insurance provider may authorize finalization of claims prior to destruction of the crop. This authorization is to be used only if the insured certifies that the crop will not be harvested and the acreage will be put to its intended other use when there is sufficient moisture. Obtain the certification on the Certification Form at the time the claim is signed. Complete the Certification Form as instructed in this handbook, with these exceptions:

Column Names

- (a) Intended Use Enter the insured's intended future use.
- (b) Actual Use Enter N/A.

Column Names

- (c) Date Enter N/A.
- (d) Remarks Enter "As indicated by the insured's signature below, the insured certifies that the acreage in Unit XXXX WILL NOT be harvested and that the acreage will be put to the use stated in item 11 when there is sufficient soil moisture. The acreage will not be reappraised by the insurance provider."
- (e) Insured's Signature & Date Obtain insured's signature and date of signature. (The form should be signed on the same day that the claim is signed.)
- (f) Accepted or Requested Mark "Accepted."
- (g) Code No. and Field Person's Signature Adjuster's signature, code and date of signature. (The form should be signed on the same day that the insured signed the claim.)

- (2) If this authority is utilized, the insurance provider will monitor the insured's certified disposition of the crop by implementing a random review of not less than 10 percent of such claims after sufficient moisture is received to allow destruction of the crop.
- (3) In the event that it is found that a crop has been harvested from the released acreage and the harvested production is greater than the appraised production, a corrected claim will be prepared using the harvested production if the amount of indemnity will be reduced.

159 CHEMICAL CARRYOVER DUE TO AN ADVERSE WEATHER

Although chemical carryover is NOT a named insured peril under the insurance contract, any loss of production caused by chemical carryover resulting from a named peril (adverse weather) is covered, provided that the insured followed recognized good farming practices. However, any payments or replacement product value(s) from chemical companies or suppliers as compensation for loss of production must be converted to an uninsured cause of loss appraisal.

- A Calculation. Calculate the uninsured cause appraisal by dividing the payment (or replacement product value) by the insured's price election for the insured crop. Include, as an uninsured cause of loss appraisal, any payments or replacement product values:
- (1) Provided to the insured,
 - (2) Pending,
 - (3) Offered to the insured (even if such offer has been rejected by the insured), and/or
 - (4) For which the insured might be eligible if a claim to the chemical company or supplier had been filed.
- B Documentation. Explain your calculations in the narrative of the claim or on a Special Report.

160 (RESERVED)

161 (RESERVED)

PART 5 NEW LATE PLANTING AND PREVENTED PLANTING INSTRUCTIONS

FOR SPECIFIED CROPS AND/OR CROPS WITH CONTRACT CHANGE DATES 11/30/1997, or LATER

162 GENERAL INFORMATION

This part covers the new late planting (LP) provisions and/or prevented planting (PP) provisions that are effective beginning with the 1998 crop year. These provisions will provide automatic LP and PP coverage. The specified crops and/or crops with Contract Change Dates of November 30 or later that will be under this procedure are listed below. **(Do not depend on the November 30, 1997 or later Contract Change Date to determine what crops are under the new and old LP/PP provisions.)**

Note: Specified crops and/or crops with Contract Change Dates prior to November 30, 1997, that remain under the old LP and/or PP procedures are listed in the respective procedure in PART 6.

163 LATE PLANTING COVERAGE**A General Information****(1) LP Period**

For applicable crops planted during the LP period (regardless of the reason for the delayed planting), the per-acre production guarantee for those acres will be reduced as stated in C below, unless otherwise specified in the Special Provisions. The LP period, unless otherwise specified in the Special Provisions, is 1-25 days after the final planting date (1-20 days after the final planting date for millet).

(2) After the LP Period

If the insured crop was prevented from planting, due to an insurable cause, by the final planting date or during the LP period by an insurable cause occurring within the insurance period for PP coverage AND PP provisions are applicable to the insured crop, coverage will be provided after the LP period (or after the final planting date for crops that do not have a LP period).

NEW LP/PP PROVISION INSTRUCTIONS**B Crops having automatic LP coverage are:**

Barley 1/, canola/rapeseed 1/, corn, cotton (except ELS cotton), dry beans, dry peas, flax, grain sorghum, green peas 2/, hybrid seed corn, hybrid sorghum seed, millet, oats 1/, onions 4/, northern potatoes 3/, processing sweet corn 2/, processing beans 2/, rice, rye 1/, safflowers 4/, soybeans, sugar beets 1/, sunflower seed, and spring-planted wheat 1/ in counties showing a spring final planting date in the Special Provisions (no LP for winter wheat).

- 1/ For policies with contract change dates (CCD) 11/30/97 or later. If CCD date is prior to 11/30, refer to Part 6.
- 2/ Late planting period allowed ONLY if provided in the Special Provisions, and the insured provides written approval from the processor by the acreage reporting date that it will accept the production from the late planted acres when it is expected to be ready for harvest.
- 3/ Northern Potato Crop Provisions only. For Central/Southern potatoes, see Part 6. The Northern Potato Crop Provisions are applicable to the following: Alaska; Humboldt, Modoc, and Siskiyou counties, California; Colorado; Connecticut; Idaho; Indiana; Iowa; Maine; Massachusetts; Michigan; Minnesota; Montana; Nebraska; Nevada; New York; North Dakota; Ohio; Oregon; Pennsylvania; Rhode Island; South Dakota; Utah; Washington; Wisconsin; and Wyoming.
- 4/ Applies ONLY to counties with a contract change date of 12/31/97.

C Guarantee**(1) Planted within the LP period**

- (a) For all the crops except millet that are listed in subparagraph B above, the per-acre production guarantee or per-acre amount of insurance will be reduced by 1 percent per day for each day planted after the final planting date, unless otherwise specified in the Special Provisions.

NOTE: the per-acre production guarantee is reduced a maximum of 25 percent for planting 25 days after the final planting date.

- (b) For millet:

For the first 10 days after the final planting date, the per-acre production guarantee for those acres will be reduced 1 percent for each day delay in planting.

For the 11th day through the 20th day after the final planting date, the per-acre production guarantee for those acres will be reduced an additional 3 percent for each day delay in planting.

NOTE: The per-acre production guarantee is reduced a maximum of 40 percent for planting 20 days after the final planting date.

NEW LP/PP PROVISION INSTRUCTIONS**(2) Planted AFTER the LP period (after the final planting date for crop not having a LP planting period)**

Provided the crop was prevented from planting, due to an insurable cause, as stated in A above and PP coverage is available for the crop, the per-acre production guarantee or per-acre amount of insurance will be the same as for the insured's PP guarantee for the insured crop.

EXAMPLE: The insured has 60 percent PP coverage level with a 100 bu. per-acre guarantee for timely planted acres. The guarantee for the LP acres will be 60 bu. (.60 X 100.0).

(3) The definition of "planted acreage" was not met due to an insurable cause

For acreage on which an insurable cause of loss prevents completion of planting as specified in the policy definition of "planted acreage" (e.g., seed is broadcast on the soil surface but cannot be incorporated and it would have been insurable had the seed been incorporated), is covered at a reduced guarantee provided that PP coverage is available for the crop. The per-acre production guarantee will be the same as the PP guarantee for the crop; e.g., the insured has 60 percent PP coverage level with a 100 bu. per-acre guarantee for timely planted acres. The guarantee for these acres will be 60 bu. (.60 X 100.0).

164 PREVENTED PLANTING COVERAGE AND ELIGIBLE ACREAGE**A Use the PP procedures for:**

Barley 1/, canola/rapeseed 1/, corn, cotton, ELS cotton, dry beans, dry peas, flax, grain sorghum, green peas, hybrid seed corn, hybrid sorghum seed, oats 1/, onions 3/, northern potatoes 2/, processing sweet corn, processing beans, rice, rye 1/, safflowers 3/, soybeans, sugar beets 1/, sunflower seed, and wheat 1/.

1/ For policies with contract change dates (CCD) 11/30/97 or later. If CCD date is prior to 11/30/97, refer to Part 6.

2/ Northern Potato Crop Provisions only. For Central/Southern potatoes, see Part 6. The Northern Potato Crop Provisions covers the following: Alaska; Humboldt, Modoc, and Siskiyou counties, California; Colorado; Connecticut; Idaho; Indiana; Iowa; Maine; Massachusetts; Michigan; Minnesota; Montana; Nebraska; Nevada; New York; North Dakota; Ohio; Oregon; Pennsylvania; Rhode Island; South Dakota; Utah; Washington; Wisconsin; and Wyoming.

3/ Applies ONLY to counties with a contract change date of 12/31/97.

NEW LP/PP PROVISION INSTRUCTIONS**B** Insurance Period

- (1) The insurance period begins:
 - (a) For First Year Crop Coverage: on the sales closing date for the insured crop in the county for the crop year the producer's application is accepted.
 - (b) For Continuous Crop Coverage (not terminated or canceled for a crop year): on the sales closing date for the insured crop in the county for the prior crop year. NOTE: Transfer of coverage (cancellation/re-write) to a different insurance provider is still considered continuous coverage.
- (2) The insurance period ends for PP acreage the earlier of the calendar date for the end of the insurance period or the date the claim is finalized for the PP acreage.

C PP coverage is provided if:

- (1) There is an inability to plant the insured crop with proper equipment by the:
 - (a) Final planting date for the crop in the county (latest final planting date for the crop in the county for barley, oats, and wheat), or
 - (b) End of the LP period (ELS cotton does not have a LP period).
- (2) The inability to plant the insured crop with proper equipment was due to an insured cause of loss* that occurred during the PP insurance period that prevented most producers with acreage of similar characteristics in the surrounding area from planting.
- (3) The acreage of the insured crop that was prevented from being planted is listed on a timely submitted acreage report. (See PAR. 166.)
- (4) The premium that would be required to be paid by the insured for the PP acreage DOES NOT exceed the liability for such acreage. See PAR. 165.

*NOTE: PP is not covered for drought or failure of the irrigation water supply UNLESS on the final planting date:

- For non-irrigated acreage, the area (in which the acreage is located) that is prevented from being planted is classified by the Palmer Drought Severity Index (see definition in Exhibit 1) as being in a severe or extreme drought; or
- For irrigated acreage, there is not a reasonable probability of having adequate water to carry out an irrigated practice.

NEW LP/PP PROVISION INSTRUCTIONS**D Prevented Planting Coverage Level Percents**

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

Continued on the next page

NEW LP/PP PROVISION INSTRUCTIONS

E Production Guarantees

| <p>IF ACREAGE IS PREVENTED FROM PLANTING TO THE INSURED CROP...</p> | <p>THEN THE GUARANTEE IS...</p> |
|---|--|
| <p>, and acreage is left idle or planted to a cover crop not to be harvested (cover crop can be hayed* or grazed - see PAR. 164 K below for acceptable cover crops)</p> <p>* NOTE: haying includes silage, forage, haylage, and green chop.</p> | <ul style="list-style-type: none"> • 60, 65 *, or 70 * percent of the production guarantee for timely planted acres of barley, corn, canola/rapeseed, dry beans, dry peas, flax, grain sorghum, hybrid sorghum seed, oats, rye, safflowers, soybeans, sunflower seed, and wheat. • 50, 55 * or 60 * percent of the per-acre amount of insurance for hybrid seed corn. • 45, 50 * or 55* percent of the production guarantee for timely planted acres of cotton, ELS cotton**, and rice. (Note: production guarantee for cotton and ELS cotton is based on the solid planted approved APH yield.) • 45, 50* or 55* percent of the final stage production guarantee of timely planted acres of onions and sugar beets. • 40, 45* or 50* percent of the production guarantee of timely planted acres of green peas, processing sweet corn, and processing beans. • 25, 30* or 35* percent of the per-acre production guarantee for potatoes. <p>* If the insured has limited or additional coverage and elects one of these higher PP coverages by the sales closing date.</p> <p>** PP coverage for double-cropped acreage is not available for ELS cotton or CAT.</p> <p>NOTE: The PP guarantee for eligible double-cropped acreage is the same as for PP acreage that is not planted to any crop (e.g.; 60 percent for corn).</p> |

NEW LP/PP PROVISION INSTRUCTIONS**F** Eligible Acres

(1) Acreage eligible for PP must be:

- Insurable.
- Available for planting.

NOTE: available for planting means land is free of trees, rocky outcroppings, or other factors that would prevent proper and timely preparation of the seedbed for planting and harvest of the crop for the crop year.

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

(2) Maximum eligible acreage for ALL crops.

The maximum is the TOTAL number of acres eligible for PP coverage for ALL crops. This total cannot exceed the number of cropland acres in the insured's farming operation for the crop year, unless the insured is eligible for PP coverage on double-cropped acreage. See subparagraph H 5 below.

Continued on the next page

NEW LP/PP PROVISION INSTRUCTIONS

(3) Maximum eligible acreage for each crop

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

NEW LP/PP PROVISION INSTRUCTIONS

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

- (4) Any eligible acreage determined in accordance with the table in subparagraph F (3) above will be reduced by subtracting the number of acres of the crop (insured and uninsured) that are timely and late planted.
- (5) PP acreage is established when insureds report their acreage by the acreage reporting date. See PAR. 166 for acreage reporting information and PAR. 172 for information about verifying eligibility of reported PP acreage and examples thereof.

NEW LP/PP PROVISION INSTRUCTIONS**G Irrigated Practice**

Acreage intended to be planted under an irrigated practice will be limited to the number of acres for which the insured had adequate irrigation facilities prior to the insured cause of loss which prevented the insured from planting.

H Acreage Which is NOT ELIGIBLE for PP Coverage

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

- (1) If at least one contiguous block of PP acreage does not constitute at least 20 acres or 20 percent of the insurable crop acreage in the unit, whichever is less. It will be assumed that any PP acreage within a field that contains planted acreage would have been planted to the same crop that is planted in the field, unless the PP acreage constitutes at least 20 acres or 20 percent of the insurable acreage in the field and the insured can prove that he/she has previously produced both crops in the same field in the same crop year;
- (2) For which the Actuarial documents do not designate a premium rate unless a written agreement designates such premium rate;
- (3) Used for conservation purposes or intended to be left unplanted under any program administered by the USDA;
- (4) On which the insured crop is prevented from being planted, if the insured or any other person receives a PP payment for any crop for the same acreage in the same policy crop year (excluding share arrangements), unless the insured has coverage greater than CAT coverage and has records of acreage and production that are used to determine the insured's approved yield that show the acreage was double-cropped in each of the last 4 years in which the insured crop was grown on the acreage;
- (5) On which the insured crop is prevented from being planted, if any crop from which any benefit is derived under any program administered by the USDA is planted and fails, or if any crop is harvested, hayed, or grazed on the same acreage in the same policy crop year (other than a cover crop which may be hayed or grazed after the final planting date for the insured crop), unless the insured has coverage greater than CAT coverage and has records of acreage and production that are used to determine the insured's approved yield that show the acreage was double-cropped in each of the last 4 years in which the insured crop was grown on the acreage;

NEW LP/PP PROVISION INSTRUCTIONS

- (6) Of a crop that is prevented from being planted if a cash lease payment is also received for use of the same acreage in the same policy crop year (not applicable if acreage is leased for haying or grazing only);
- NOTE: If the insured falsely states that he/she did not cash rent the acreage, and he/she claims a PP payment, the insured is subject to civil and criminal sanctions if they do not return the PP payment.
- (7) For which planting history or conservation plans indicate that the acreage would have remained fallow for crop rotation purposes;
- (8) That exceeds the number of acres eligible for a PP payment;
- (9) That exceeds the number of eligible acres physically available for planting;
- (10) For which the insured cannot provide proof that he/she had inputs available to plant and produce a crop with the expectation of at least producing the yield used to determine the production guarantee or amount of insurance; (See subparagraph F (1) above.)
- (11) Based on an irrigated practice production guarantee or amount of insurance unless adequate irrigation facilities were in place to carry out an irrigated practice on the acreage prior to the insured cause of loss that prevented the insured from planting; or
- (12) Of a crop type or variety that the insured did not plant in at least one of the four most recent policy crop years. Types for which separate price elections, amounts of insurance, or production guarantees are available must be included in the APH data base in at least one of the most recent four policy crop years, or crops that do not require yield certification (crops for which the insurance guarantee is not based on APH) must be reported on the insured's acreage report in at least one of the four most recent policy crop years, except as otherwise allowed and approved on an intended acreage report as specified in F (3) above.

NOTE: Eligible acreage for a crop type or variety is limited to the maximum number of acres certified for APH purposes or reported for insurance in any one of the 4 most recent policy crop years.

For example: The insured's dry bean history in the 4 most recent policy crop years is 10 acres for black turtle beans and 90 acres for navy beans. If the insured reports 100 prevented planting acres of black turtle beans on his/her acreage report, the acreage report should be corrected to reflect 10 acres PP for black turtle beans and 90 acres PP for navy beans. The insured would be eligible for 100 acres of PP since no crop was planted on it, but the PP payment would have to be based on 10 acres of black turtle beans and 90 acres of navy beans.

NEW LP/PP PROVISION INSTRUCTIONS**I PP Coverage for Spring Crops Intended to Follow a Failed Fall Crop**

- (1) A producer may be eligible for a PP guarantee for a spring-planted crop that was intended to be planted, even though a fall-planted crop had been planted on the acreage, if the acreage has a history of double-cropping (not applicable to CAT) or if all of the following apply:
 - (a) The fall-planted crop failed, crop insurance coverage was not available for the fall-planted crop, and the producer is not eligible for any payment associated with the crop loss;
 - (b) Failure of the fall-planted crop occurs prior to the time that planting of spring crops normally begins in the county;
 - (c) The producer does not derive a benefit from the failed fall-planted crop by harvesting it (haying or grazing is allowed); and
 - (d) An insurance policy with PP coverage is in place for the spring crop that is intended to be planted.
- (2) A producer may be eligible for a PP guarantee when he/she intends to destroy an existing forage stand and plant a spring crop on the acreage, if the insured is unable to destroy the forage stand and plant the spring crop due to insurable causes, provided all of the following apply:
 - (a) Insurance coverage was not available for the forage crop and the producer is not eligible for any payment associated with the forage crop;
 - (b) Most of the producers with acreage of similar characteristics in the surrounding area were prevented from planting;
 - (c) The forage crop was not hayed or grazed until after the spring crop's final planting date; and
 - (d) An insurance policy with PP coverage is in place for the spring crop that is intended to be planted.

J Eligibility for a Fall-planted Crop Intended to Follow Spring-planted Crops

A producer may be entitled to a PP guarantee for a fall-planted crop if most producers with acreage of similar characteristics in a surrounding area were prevented from harvesting a mature spring-planted crop due to adverse weather on such acreage, and in turn, the producers were prevented from planting the same fall-planted crop on such acreage. In counties that have crops with only

NEW LP/PP PROVISION INSTRUCTIONS

spring final planting dates or both fall and spring final planting dates (e.g., Small Grains), the insured crop must be prevented from being planted until the spring final planting date in order to be eligible for a PP guarantee.

K Acceptable Cover Crops

- (1) Acceptable cover crops which qualify for a full PP guarantee are the following:
 - Annual, biennial, or perennial grasses and legumes, including sweet sorghum, sorghum grass crosses, sudans, volunteer stands other than weeds and crop residue from using no till or minimum till practices.
 - Barley, oats, rice, wheat, or any other small grains qualify provided they are not harvested for grain or seed.
- (2) The cover crops may be hayed or grazed after the final planting date for the insured crop only if allowed by PP policy provisions, but may not be harvested for grain or seed.
- (3) The above cover crops are commonly recognized in the farming community and are consistent with those previously approved by the Department of Agriculture for ACR and CU acres.
- (4) Corn planted for silage is not considered to be a cover crop. If a crop other than corn is prevented from being planted and corn is subsequently planted, the insured would not be eligible for PP on such acreage. If corn is prevented from being planted and the insured plants corn after the end of the LP period, the corn would be covered under the LP provisions. The LP guarantee would be the same as the per-acre PP guarantee. Production to count would be determined in accordance with all applicable policy provisions.*

***Exception:** In a county where the actuarial documents provide a premium rate for grain only, a variety of corn adapted for silage use only will be considered as uninsurable, unless otherwise allowed by a written agreement. Since the acreage intended for grain type corn was planted to a crop (silage type corn) intended for harvest, a PP payment would not be allowed for such acreage.

NEW LP/PP PROVISION INSTRUCTIONS**165 PREMIUM**

The premium for LP and PP is based upon the original per-acre production guarantee for timely planted acreage, less any premium for acreage deleted (by a revised acreage report) that was not eligible for LP or PP coverage. If the premium amount for acreage that the insured is required to pay (gross premium less FCIC subsidy) for LP or PP acreage exceeds the liability on such acreage, no premium will be due (coverage will not be provided for those acres and no indemnity will be paid for such acreage).

166 ACREAGE REPORTING

The acreage report is the primary tool for implementing the LP and PP provisions, reducing the unit guarantee for LP and PP acreage.

A Insured's Responsibility

With the agent's assistance:

- (1) On or before the final acreage reporting date, report all timely planted, LP, and PP acreage along with any information required to complete an accurate initial acreage report by the final acreage reporting date (also see subparagraph E below for final acreage reporting dates);
- (2) Report any change in status of any PP acreage, including the planting of PP acreage. A revised acreage report must be prepared by the agent as needed. See subparagraph H below for revised acreage report examples.
- (3) Identify on the acreage report (or on an attachment) all uninsurable and non-eligible PP acreage and the factors used in that determination; i.e., acreage planted for an uninsurable use (e.g., planted for pasture, etc.), adjustment of reported acreage due to eligible PP acreage limitations, planted for cover crop to be harvested, etc.

NOTE: Acreage planted to the insured crop after the LP period date (after the final planting date for crops that do not have a late planting period) must be reported appropriately as insured or uninsured acreage.

- If the crop was prevented from planting, due to an insured cause, prior to the final planting date or during the LP period and it is a crop for which PP coverage is available, the crop acreage would be insured and would be reported as LP acreage.
- If it was not prevented from planting, it would be reported as uninsured acreage.

NEW LP/PP PROVISION INSTRUCTIONS**B** Agent/Insurance Provider Responsibility

- (1) Verify eligible PP acres.
- (2) Retain documentation of notification and any actions taken for adjuster verification and review.
- (3) Inform insureds that their actions subsequent to finalizing a claim, such as planting a crop for harvest on PP acreage, harvesting a cover crop (other than haying or grazing), may disqualify them from a PP payment or may affect the PP coverage.

C Loss Adjuster Responsibility

For required acreage report spot checks (as identified by FCIC-14010 (Manual 14) and/or when completing a claim for indemnity, verify eligible PP acreage and whether the correct PP guarantee has been reported and processed.

D Intended Acreage Report

WHEN, IN THE MOST FOUR RECENT POLICY CROP YEARS, AN INSURED HAS NOT PRODUCED ANY CROP FOR WHICH INSURANCE WAS AVAILABLE, the insurance provider must take an intended acreage report prior to or on the sales closing date for the purpose of determining eligible PP acres. This is not to be considered the final acreage report for reported PP acres, nor is it to be confused with the Intended Acreage Report Pilot Program. The final date for reporting PP acres is as stated in subparagraph E below. The eligible PP acres established by an approved intended acreage report, by crop, cannot be altered when acres are reported at acreage reporting time. For example: if the intended acreage report indicates 1,000 acres of corn, the insured cannot later claim 500 acres of PP corn and 500 PP soybean acres. The PP acres must remain as PP corn. Also, see example in subparagraph H below (revised acreage report examples).

E Acreage Reporting Date

- (1) If all insurable acreage is planted by the final planting date, the acreage report is due by the published acreage reporting date for the crop shown in the Special Provisions, unless the insured insures multiple crops. If the insured insures multiple crops, the acreage reporting date for all the insured crops will be the latest applicable acreage reporting date for such crops. Acreage reporting dates for fall-planted crops and spring-planted crops are considered two separate reporting dates.
- (2) For LP, PP, or a combination of timely planted, LP, or PP acreage, the acreage report is due the later of: (1) the date for the crop shown in the Special Provisions, or (2) if multiple crops are insured, the latest applicable reporting date for such crops (fall-planted and spring-planted)

NEW LP/PP PROVISION INSTRUCTIONS

are considered two separate reporting dates), or (3) 5 days after the end of the LP period (no LP period for ELS cotton or winter wheat).

NOTE: Filing acreage reports for LP or PP acreage does not extend the policy- stated acreage reporting period nor the 10-week requirement for acreage data transmission for full commission disbursement.

F Separate line entries are required on the acreage report for the following:

- (1) Basic and optional units, and within each unit, separate line entries for differing practices, types, shares, APH yields, and risk classifications;
- (2) Timely planted acres (full production guarantee);
- (3) LP acres, with a separate line entry for each day of planting during the LP period, or if insurable, acreage planted after the LP period (with a reduced production guarantee based upon the planting date); and
- (4) Eligible PP acres not planted to any crop.

NOTE: For the purpose of determining acreage eligible for PP coverage, the total amount of PP and planted acres cannot exceed the maximum number of acres eligible for PP coverage.

G Identifying PP Acreage on Acreage Report

| For... | Enter: |
|--|--|
| acreage not planted to any crop (can be planted to cover crop not to be harvested (can be hayed or grazed after the final planting date for the insured crop)) | as instructed by the insurance provider, the respective PP coverage codes "P2, PF, or PT" or respective PP coverage percentage. (The appropriate guarantee will be applied by line.) See PP codes in Table in PAR. 171 A. Note: Such acreage will NOT be counted for APH purposes. |

H Revised Acreage Reports

The following revisions are those that should be made by the agent when the insured does something other than the intentions reported on the acreage report ; e.g., (cover crop not harvested, cover crop harvested, or intended crop planted after the LP period). However, if it is discovered during the loss adjustment inspection that the acreage report had not been revised to reflect what was actually done, the adjuster/insurance provider may need to revise the acreage report.

NEW LP/PP PROVISION INSTRUCTIONS

If all the acres reported for the unit are PP acres that are found to be ineligible for PP coverage, the acreage report must be revised. However, if there is a combination of planted and PP acres, revised acreage reports to delete ineligible PP acres do not have to be made by the adjuster/insurance provider at the time the indemnity is worked, unless the insurance provider's claim processing system will not:

- (1) automatically refund excess premium, or
- (2) reduce the liability to the "determined liability" for over reported PP acres."

Example:

The liability calculated from the acreage report for the unit is \$180 (\$100 for LP acreage and \$80 for PP acreage). However, the "determined acres" liability is \$150 (\$100 for LP and \$50 for PP acreage). Premium would be refunded for the over reported PP acres.

NOTE: Revisions to raise liability at loss time are not permitted except as noted in the examples below and as stated in Part 2, Section 3. For example, if there had been an obvious inadvertent error in switching the reported PP and timely planted acres, a revision to raise liability could be made. (The following might be considered an inadvertent error, reported 60 PP acres and 40 timely planted acres, but it was actually just the opposite.)

| IF... | THEN... |
|--|--|
| PP acreage initially reported to be left idle or to be planted to a cover crop not for harvest, but is planted to another crop to be harvested | delete PP acreage. If the planted crop is an insured crop, the insured acreage (and uninsured acreage, if applicable) must be reported, which will also cause a revised acreage report for that crop if it has not previously been reported. |
| PP acreage reported with intent to plant cover crop (not for harvest), but the insured decides to harvest the cover crop | delete the PP acreage. If the insured harvests the cover crop without revising the acreage report and it is subsequently discovered during a loss inspection that the insured harvested the cover crop, the determined PP acreage on the claim form must not reflect this ineligible acreage. |

Continued on next page

NEW LP/PP PROVISION INSTRUCTIONS

(Continued - Subparagraph H - Revised Acreage Reports)

| IF... | THEN... | | | | | | | | | | | | |
|---|---|-----------------------------|----------------|-------|------------------|---------------|----------------|--------------------------------|-------------|-------|----------------|---------------|----------------|
| <p>the insured reported 100 PP acres of black turtle beans, and the insured's dry bean history in the 4 most recent policy crop years shows the maximum acres for types of dry beans are: 10 acres for black turtle beans and 90 acres for navy beans</p> | <p>revise the acreage report to show 10 acres of PP acres for black turtles and 90 acres PP for navy beans.</p> | | | | | | | | | | | | |
| <p>acreage reported as PP is found to not be eligible for PP coverage</p> | <p>delete such acreage from the acreage report.</p> | | | | | | | | | | | | |
| <p>acreage reported as PP acres to be left idle (or planted to a cover crop not for harvest) is planted during or after the LP period to the crop reported as PP</p> | <p>delete the PP acreage. Revise the acreage report with the correct planting dates for the planted acreage.</p> | | | | | | | | | | | | |
| <p>the number of PP and planted acres reported do not match the PP and planted acres that were determined to exist, and the determined liability for the unit (PP and planted) is less than the reported liability for the unit and the PP acres, if increased, does not result in exceeding the eligible PP acres for the crop and/or total eligible PP acres for ALL crops</p> | <p>revise the acreage report to reflect the number of acres of PP and planted acres that were actually determined to exist.</p> <p>EXAMPLE:</p> <table border="0" data-bbox="802 974 1299 1066"> <tr> <td>Reported Acres-100 planted-</td> <td>\$10,000 liab.</td> </tr> <tr> <td> 50 PP</td> <td>- \$ 3,000 liab.</td> </tr> <tr> <td> Total liab. =</td> <td>\$13,000 liab.</td> </tr> </table> <table border="0" data-bbox="802 1100 1299 1192"> <tr> <td>Determined Acres-75 planted-\$</td> <td>7,500 liab.</td> </tr> <tr> <td> 75 PP</td> <td>\$ 4,500 liab.</td> </tr> <tr> <td> Total liab. =</td> <td>\$12,000 liab.</td> </tr> </table> <p>Determined acres liability < reported liability</p> | Reported Acres-100 planted- | \$10,000 liab. | 50 PP | - \$ 3,000 liab. | Total liab. = | \$13,000 liab. | Determined Acres-75 planted-\$ | 7,500 liab. | 75 PP | \$ 4,500 liab. | Total liab. = | \$12,000 liab. |
| Reported Acres-100 planted- | \$10,000 liab. | | | | | | | | | | | | |
| 50 PP | - \$ 3,000 liab. | | | | | | | | | | | | |
| Total liab. = | \$13,000 liab. | | | | | | | | | | | | |
| Determined Acres-75 planted-\$ | 7,500 liab. | | | | | | | | | | | | |
| 75 PP | \$ 4,500 liab. | | | | | | | | | | | | |
| Total liab. = | \$12,000 liab. | | | | | | | | | | | | |
| <p>in the most four recent policy crop years, an insured has not produced any crop for which insurance was available, and the insured reports that he/she intends to plant all his/her cropland acres (1,000 acres) to fall wheat on the intended acreage report prior to the sales closing date for fall wheat, and the insured later reports 500 PP acres for wheat and 500 PP acres for corn by the final acreage reporting date</p> | <p>revise the acreage report to list 1,000 wheat PP acres if it is determined that the insured was prevented from planting all 1,000 acres due to an insurable cause. The acreage report must be revised to 1,000 wheat PP acres because the insured did not have any eligible PP acres for corn due to the eligible acres being established on the intended acreage report in accordance with the Basic Provisions (i.e., eligible PP acres for producer who in the most four recent crop years has not produced any crop for which insurance was available).</p> | | | | | | | | | | | | |
| <p>the insured reported 100 acres that had been prevented from planting as uninsured acreage because it had been planted to a cover crop to be harvested; however, the insured decided not to harvest or was prevented from harvesting, thus, deriving no income from the acreage;</p> | <p>revise the acreage report to show 100 PP acres.</p> | | | | | | | | | | | | |

NEW LP/PP PROVISION INSTRUCTIONS**167 NOTICE REQUIREMENTS**

- A Insured's Requirements. If prevented from planting, the insured must report on or before the acreage reporting date.
- B Acreage Report - Preliminary Notice. Notice of PP acreage through the filing of the acreage report is considered to be a preliminary notice of damage for the insurance unit for a PP Payment Claim. From this notice, an inspection will be conducted later in the crop year as indicated in PAR.'s 168 and 171 D.

168 FIELD INSPECTIONSA General Information

Field inspections are to be performed as needed to document acreage planted to the insured crop, planted to other crops, and/or left as PP acreage.

B Field Inspections for Units Containing PP Acres

On units containing PP acres, at least one field inspection is suggested to be made by the earlier of:

- (1) Fifty-five (55) days after the final planting date (the latest planting date for the crop in the county for spring-seeded barley, oats or wheat) for the insured crop, or
- (2) The general harvest date for the crop in the area. At that time, a revised acreage report must be prepared if necessary (see PAR. 166 H above), and it may be possible to finalize the claim. See PAR. 171 D.

169 REPLANTING PAYMENT ELIGIBILITY

Replanting payment eligibility is determined on a unit planted-acre basis. Acreage initially qualifying for a replanting payment may become non-qualifying if the insured later decides to plant on acres initially reported as PP acres.

A Timely Planted Acres or Acres Planted Within LP Period

Acreage initially planted timely or initially planted within the LP period is eligible if replanted before the end of the LP period (before the final planting date for ELS cotton) when it is considered practical by the insurance provider.

NEW LP/PP PROVISION INSTRUCTIONS**B** Acres Planted After LP Period

Acreage initially planted after the LP period (final planting date for ELS cotton) will be eligible for a replanting payment only if replanting to the insured crop is generally occurring in the area, and the insurance provider considers it practical to replant the crop.

NOTE: Crop acreage that WAS NOT prevented from planting prior to the final planting date or within the late planting period for crops having a late planting period, and/or for which PP is NOT available for the crop, is not insurable.

170 HAIL/FIRE EXCLUSION

To be eligible for Hail/Fire exclusion, the hail and fire policy liability must equal or exceed the Multiple Peril Crop Insurance liability for all acres PLANTED to the insured crop, regardless of whether the crop was timely planted, late planted, or planted after the end of the LP period (final planting date for ELS cotton). The insurance provider must be certain that hail and fire coverage attaches to any insured-crop planted on PP acreage as required. If such coverage does not exist, the contract is not eligible for hail/fire exclusion.

Continued on the next page

NEW LP/PP PROVISION INSTRUCTIONS

171 CLAIMS

A PP Codes for Claims

| PP Codes | Explanation |
|----------------------|--|
| P2 | <p>When the PP coverage for the insured crop stated in the Basic Provisions is applicable and acreage of the insured crop is prevented from planting (left idle or planted to a cover crop (not harvested, but can be hayed and grazed after the final planting date for the insured crop).</p> <p>(Applicable policy percentage is 60 percent coverage for all crops eligible for PP except: hybrid seed corn (50 percent); cotton, ELS cotton, onions, rice, and sugar beets (45 percent); green peas, processing beans, and processing sweet corn (40 percent); and northern potatoes (25 percent).)</p> |
| PF | <p>When the insured has limited or additional coverage and elects a 5 percent increase of the policy stated PP coverage, if provided in the Actuarial Documents, by the sales closing date and acreage of the insured crop is prevented from planting (left idle or planted to a cover crop (not harvested, but can be hayed and grazed after the final planting date for the insured crop).</p> |
| PT | <p>When the insured has limited or additional coverage and elects a 10 percent increase of the policy stated PP coverage, if provided in the Actuarial Documents, by the sales closing date and acreage of the insured crop is prevented from planting (left idle or planted to a cover crop (not harvested, but can be hayed and grazed after the final planting date for the insured crop).</p> |
| PA | <p>Indicates “planted acres;” i.e., not prevented from planting. Used only when a claim is prepared solely as a PP payment.</p> |
| “P2P,” PFP,” or PTP” | <p>Used ONLY on an Indemnity Payment claim (planted acres) when a “PP Payment Claim” was previously paid or prepared via a PP Payment Claim. These codes indicate a prevented planting payment (showing the appropriate PP coverage) was previously paid or will be paid for the acreage shown on that line of the claim form; i.e., if a PP payment for 25 acres of corn at 60% PP coverage was previously paid, the line with the 25 acres would be coded “P2P.”</p> |

NEW LP/PP PROVISION INSTRUCTIONS

B Claim Entry Instructions

With the exception of the instructions for PP acreage in the following table, adjusters are to follow instructions in the appropriate crop handbooks.

| Item Name & Number | Entry Instruction |
|---|--|
| "Date Harvest Completed" column of the claim form | <ul style="list-style-type: none"> • If the insured crop was prevented from being planted to the intended crop and no crop was planted on the insured acreage on the unit, enter P2, PF, or PT as appropriate for the insured's selected PP coverage. • If acreage was planted to the insured crop, determine the entry as instructed in the appropriate crop handbook. |
| "Stage" column of the claim form | <ul style="list-style-type: none"> • When acreage is eligible PP acreage, enter the appropriate PP code. • If the claim is being prepared solely for a PP payment, enter "PA" for any acres that have been planted. • If the claim is being prepared solely for a Indemnity Payment Claim, and there has been a previously prepared PP claim, enter, as appropriate, "P2P," "PFP," or "PTP." <p>See codes in Table in subparagraph A above.</p> |
| "Intended or Final Use" column of the claim form. | <ul style="list-style-type: none"> • If PP code in the "Stage" column is "P2," enter "P2." • If PP code in the "Stage" column is PF, enter "PF." • If PP code in the Stage column is "PT," enter "PT." • If code in the Stage column is "PA," enter "Planted Acres." (USE ONLY ON CLAIMS PREPARED SOLELY FOR PP PAYMENT.) • If code in the Stage column is "P2F," "PFP," or "PTP," enter "Prev. Paid". |

C APH for PP Acreage

PP acreage will NOT be included in APH records when there are planted and PP acres within the same unit; e.g. 100 acres PP and 200 acres planted within the same unit - only the 200 planted acres will be reported on the APH record for the unit. If none of the acreage for the unit was planted, it will be considered a zero-planted year for APH record purposes.

NEW LP/PP PROVISION INSTRUCTIONS**D Indemnity and/or PP Payment Determinations****(1) Planted Acreage (timely or LP)**

- (a) Any harvested or appraised production from the insured crop, regardless of when planted, will be counted against the unit guarantee for timely and/or LP acreage UNLESS it is production from acreage that was planted for an uninsured use, planted on uninsurable land, and/or planted after the LP period and is not insurable - see PAR. 163 A (2). If the crop was planted for an originally insured use (e.g., corn for grain) and:
 - (b) Harvested for such use, the production will be counted on that basis (bushels of grain).
 - (c) Subsequently put to another use, an appraisal must be made on the basis of the original intended use. If notice was not given prior to destruction of the crop or harvest for another use, not less than the appropriate guarantee will be assessed on such acreage.
 - (d) Production from uninsured acreage of the insured crop MUST be kept separate or it will be considered production to count for the insured acreage.

(2) PP Acreage

The guarantees for timely, late, and PP acreage are determined separately. Production from planted acreage (timely and late planted) is not counted against the PP guarantee.

(3) Claims

A claim for a PP payment can be made separate from a claim for timely and late planted acres or they can be combined onto one claim form.

(a) PP Payment Claim

When preparing a separate claim for a PP payment, the PP acreage and PLANTED acres must be shown on the claim form. For example, 70.0 acres were planted and 30.0 acres were prevented. The line with the 70 "planted" acres will show the appropriate entries in the "Stage and "Intended Use" columns as indicated in the tables in subparagraphs A and B above. The line with the 30 PP acres will be coded "P2," "PF," or "PT" respectively in the "Stage" and "Intended Use" columns. The "Total" final acres for the unit will be 100.0 acres. Only the line of PP acres will be transmitted to the RMA Data Acceptance System.

NEW LP/PP PROVISION INSTRUCTIONS

NOTE: The determined liability for the PP acres cannot exceed the reported liability for the PP acres.

(b) Indemnity Payment (planted acres) Claim

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

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

NOTE: The determined liability cannot exceed the reported liability for the planted acres.

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

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

- 1** For all lines of planted acres, follow the instructions in the appropriate crop handbook for making the appropriate claim entries.
- 2** For all lines of PP acres, make the appropriate claim entries as instructed in subparagraph B above.
- 3** The indemnity payment for the planted acres will be determined separately from the PP payment.

NEW LP/PP PROVISION INSTRUCTIONS

- (4) The insurance provider must be reasonably certain that PP acreage is not shared in common between two or more crops insured through different insurance providers before finalizing a claim for indemnity.
- (5) The PP acreage reported on the acreage report for the unit will be considered the PP acres for the unit UNLESS ineligible PP acreage was reported. Verify eligible PP acreage as described in PAR. 172 below.

If ineligible PP acreage is reported, the entry for “determined acres” on the claim form for the PP acres must reflect only the ELIGIBLE PP acres. The acreage report does not need to be revised during loss adjustment except as stated in PAR. 166 H.

E PP Payment Calculation

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

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

F Unit Guarantee for the Claim

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

The unit guarantee is the sum of the planted acres guarantee and the PP guarantee.

- G How Many PP Planting Payments? Only ONE PP payment (excluding share arrangements) can be made for each acre for the crop year for CAT coverage. For additional and limited coverage, only ONE PP payment can be made for each acre for the crop year unless, (not applicable to ELS cotton) the insured provides records showing that the acreage and crop has a history of double-cropping in each of the last four years in which the insured crop was grown on the acreage. Double-cropping must be an insurable practice in the county for the crop.

NEW LP/PP PROVISION INSTRUCTIONS

H Finalizing Claims

DO NOT finalize claims:

- (1) For units **without** PP acreage, until:
 - (a) It is considered impractical to replant damaged acreage; and
 - (b) The entire unit production potential has been accounted for (destroyed, appraised, harvested, or a combination thereof).
- (2) For units **with** PP acreage, until:
 - (a) It is too late to plant any crop on the PP acreage which could be harvested in the same crop year or conditions prohibit soil preparation or seeding the acreage beyond the date any crop could be established to be harvested in the same crop year.
 - (b) You are satisfied with all determinations, including eligible PP acreage. If eligibility of any of the reported PP acreage is questionable, contact the insurance provider.

172 VERIFYING ELIGIBLE PREVENTED PLANTING ACREAGE

- A **Documentation.** Factors used in the determination of eligible acreage must be maintained in the insured's file for review.
- B **Maximum Eligible PP Acres.** Determine the maximum number of eligible PP acres by totaling the number of eligible PP acres for ALL crops in the county in which the insured has a share. Refer to PAR. 164.
- C **Examples of Maximum Eligible Acres for the Contract (County/Crop)**

| EXAMPLE 1 - No Added Land (leased, purchased, or transferred out of CRP) | |
|---|---|
| TOTALS: | Maximum PP Acres by Crop and for ALL CROPS |
| Cropland = 900 acres | Corn = 400 acres |
| Corn History = 400 acres | Soybeans = 400 acres |
| Soybean History = 400 acres | Wheat = 100 acres |
| Wheat History = 100 acres | TOTAL = 900 acres eligible for all crops. |

NEW LP/PP PROVISION INSTRUCTIONS

EXAMPLE 2 - Added Land (purchased, leased, or transferred out of CRP)

Previous Year:

700 acres of cropland acres
farmed the previous year.

350 acres corn history

350 acres soybean history

Added 200 acres of cropland for the current crop year.
(Added land that was purchased, leased, or released for CRP in time to plant
meets the policy provisions for allowing it for eligible PP acres.)

Total cropland to be farmed in current crop year = 900 acres

Calculate the maximum eligible PP acres by crop, as follows:

(1) $\frac{900 \text{ cropland acres (to be farmed the current crop year)}}{700 \text{ cropland acres (farmed the previous crop year)}}$
= 1.286 factor

(2) $350/A \text{ corn history} \times 1.286 = 450.1 \text{ acres}^*$
 $350/A \text{ soybean history} \times 1.286 = 450.1 \text{ acres}^*$

*** NOTE: Since the sum of 450.1 + 450.1 is greater than the cropland acres, the acres will have to be adjusted to equal 900 acres.**

Totals, including new land

900 cropland acres

Maximum PP Acres by Crop and for All Crops

Corn = 450.0 acres

Soybeans = 450.0 acres

TOTAL = 900.0 acres

eligible for ALL crops

Continued on the next page

NEW LP/PP PROVISION INSTRUCTIONS

Continued - Examples of Maximum Eligible Acres for the Contract (County/Crop)

EXAMPLE 3 - Added Land - (leased, purchased, or transferred out of CRP)

Previous Year:

900 acres of crop land acres
farmed the previous year.

400 acres corn history
300 acres wheat history
300 acres soybean history

Added 300 acres of cropland for the current crop year.
(Added land that was purchased, leased, or released for CRP in time to plant
meets the policy provisions for allowing it for eligible PP acres.)

Total cropland to be farmed in current crop year = 1200 acres

Calculate the maximum eligible PP acres by crop, as follows:

- (1) $\frac{1200 \text{ cropland acres (to be farmed the current crop year)}}{900 \text{ cropland acres (farmed the previous crop year)}} = 1.333 \text{ factor}$
- (2) $400/A \text{ corn history} \times 1.333 = 533.2 \text{ acres}$
 $300/A \text{ soybean history} \times 1.333 = 399.9 \text{ acres}$
 $300/A \text{ wheat history} \times 1.333 = 399.9 \text{ acres}$

Totals, including new land

1200 cropland acres

Maximum PP Acres by Crop and for All Crops

Corn = 533.2 acres
 Soybeans = 399.9 acres
Wheat = 399.9 acres
 *TOTAL = 1333.0 acres
 eligible for ALL crops

*The total exceeds the cropland acres, so the maximum eligible acres for corn, soybeans, and wheat for this crop year will have to be based on the insured's intent, limited by the policy limitations and cropland acres. For example, the insured intends to plant 525.0 acres of corn, 375.0 acres of soybeans, and 300.0 acres of wheat, which would be within the maximum eligible PP acres.

NEW LP/PP PROVISION INSTRUCTIONS**D Determining Total Eligible PP Acres**

Determine the total eligible PP acres for the contract (county/crop) as follows:

- (1) Determine the maximum number of eligible acres for the crop/contract.
- (2) Determine the number of tillable* cropland acres in the insured's farming operation (in which the insured has a share) for the current crop year. Total all cropland acres.

*NOTE: PP acres cannot exceed the number of tillable cropland acres by crop/contract or for each unit. Tillable does not exclude a no-till farming practice. It means that the land can be tilled or it means the same as available for planting as indicated in the "NOTE" in PAR. 164 F (1).

- (3) Determine the number of acres actually planted by the final planting date, in the LP period, and after the LP period using the procedures in PAR. 95 for acceptable "determined acres."
- (4) Subtract the number of actual "determined" planted acres from the total eligible tillable PP acres for the crop/contract.
- (5) The result in item (4) above is the total eligible PP acres for the crop/contract, provided the acres do not exceed the tillable cropland acres.

E Determining the Total Number of Acres Eligible for ALL CROPS

- (1) Sum the maximum eligible PP acres for each crop insured.
- (2) Subtract the number of insured and uninsured planted acres for all insured crops from the item (1) result above.
- (3) The result in item (2) above is the total eligible PP acres for ALL crops, provided it does not exceed the tillable cropland acres in the insured's farming operation for the current crop year.

F Determining the Number of Acres Eligible for Each Unit

- (1) The maximum eligible PP acreage for a UNIT is the acres that the insured "intended" to plant on the unit, as reported by the final acreage reporting date, (up to the total acreage allowed for the contract not to exceed the tillable cropland acres for the unit). If the maximum PP acres for the crop/contract is reported on one unit, no other unit for the crop can have eligible PP acres.

NOTE: If the insured reports more than one unit and the eligible acres

NEW LP/PP PROVISION INSTRUCTIONS

exceeds the tillable cropland acres, the insured must choose the eligible acres for each unit. For example: reports 100 PP acres on one unit and 50 PP acres on another unit, but is eligible for only 75 PP acres, the insured must decide how to split the 75 acres between the units.

- (2) Determine that the total reported PP acres on all units does not exceed the maximum for the crop/contract.
- (3) Determine the actual eligible PP acres and the actual planted acres in the unit. If the actual "determined acres" of PP acres are less than what the insured reported for the unit, see revised acreage report examples in PAR. 166 H.

G Examples:

| (1) FSN # 1 (0101) | FSN # 2 (0102) |
|---------------------------------|---|
| 100 corn acres planted timely | 100 corn acres planted timely |
| 50 soybean acres timely planted | 50 soybean acres PP |
| 50 soybean acres LP | 50 soybean acres LP |
| 100 corn acres planted timely | 100 acres soybeans planted after the LP period due to insured cause preventing planting |

FSN # 3 (0103)

FSN # 4 (0104)

4 FSN's with 150 cropland acres each = 600 cropland acres
 100 acre corn history on each FSN= 400 corn history total.
 300 acres soybean history. Insured's potential PP acres was 400 corn and 300 soybeans; however, the combination of the two exceeds the cropland acres, and one of these crop would be limited.

Insured Reports - 300.0 acres corn planted
 250.0 acres soybeans planted
 50.0 acres PP soybeans

Cropland acres 600 minus 550 planted acres = 50 acres eligible PP acres.

The 50 PP soybean acres reported meets all of the PP qualifications and is eligible for PP payment.

Continued on the next page

NEW LP/PP PROVISION INSTRUCTIONS

(3)

| FSN #1 (0101) | FSN # 2 (0102) |
|-------------------------------|----------------------------------|
| 100 PP Wheat acres | 50 corn acres timely planted |
| 100 PP Soybeans (double-crop) | 50 corn LP |
| 100 acres of corn LP | 100 corn acres timely planted |
| 100 corn timely planted | 100 soybean acres timely planted |

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

300 cropland acres in each FSN = 600 total cropland acres

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

| | | |
|------------------|---------------|---|
| Insured reports: | <u>Units:</u> | |
| | 0101 | 100 wheat acres PP 100 corn acres timely planted 100 corn acres LP 100 soybean acres PP (int. double-crop) |
| | 0102 | 150 corn timely planted 50 corn acres LP 100 soybean acres timely planted |
| | TOTAL | 700 acres for both units |

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

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

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

NEW LP/PP PROVISION INSTRUCTIONS

173 (RESERVED)

PART 6 OLD LATE PLANTING AND PREVENTED PLANTING INSTRUCTIONS**FOR SPECIFIED CROPS AND/OR CROPS WITH CONTRACT CHANGE DATES PRIOR TO 11/30/1997****THIS PROCEDURE OBSOLETE FOR THE 1999 AND SUCCEEDING CROP YEARS****174 GENERAL INFORMATION**

This part covers the old late planting (LP) provisions and/or prevented planting (PP) provisions that are applicable to the specified crops and/or crops with contract dates prior to 11/30/97, are listed in paragraphs 175 and 176 below. For some of the listed crops, the policy provides for automatic (not optional) LP coverage. While for other listed crops, the policy provides for LP coverage only if the insured has timely signed a Late Planting Agreement (LPA). For crop policies containing PP provisions, the coverage is automatic (not optional).

NOTE: Specified crops and/or crops with Contract Change Dates of November 30, 1997, or later that are under the NEW LP and PP provisions (contained in the new Basic Provisions) are listed in PART 5.

175 LATE PLANTING COVERAGE**A Crops having automatic LP coverage are:**

Barley ^{1/}, canola/rapeseed ^{1/}, oats ^{1/}, onions ^{1/}, rye ^{1/}, sugar beets ^{2/}, and spring-planted wheat ^{1/}, in counties showing a spring final planting date in the Special Provisions.

- ^{1/} For policies with contract change dates (CCD) prior to 11/30/97. If contract change date is 11/30 or later, refer to Part 5.
- ^{2/} For policies with 11/30/97 CCD or later, refer to Part 5. LP and PP planting coverage not available for state/county with 4/30 CCD and July 15 cancellation date.

B Crops requiring a timely signed LPA before LP coverage is in effect:

- (1) **Applicable Crops.** Peanuts, popcorn, potatoes (Central/Southern) ^{1/}, guaranteed tobacco, and quota tobacco.

- ^{1/} Applicable to all states and counties considered to be in the Central Southern Region; see listing in "Note" below. (If states/counties is in the Northern Region, refer to Part 5 instructions. Part 5 lists states/counties considered to be in the Northern Region.)

NOTE: **The Central/Southern Region is as follows:** Alabama; Arizona; Arkansas; all California counties EXCEPT Humboldt, Modoc, and Siskiyou; Delaware; Florida; Georgia; Kentucky; Louisiana; Maryland; Mississippi; Missouri; New Jersey; New Mexico; North Carolina; Oklahoma, South Carolina; Tennessee; Texas; Virginia; and West Virginia.

OLD LP/PP PROVISIONS INSTRUCTIONS (OBSOLETE for 1999 CY)

- (2) **Verification/Instructions.** If the crop you are inspecting requires an LPA in order for late-planted acreage to be insured and there is **NOT ONE in effect**, but there is late-planted acreage:
- (a) Verify that any late-planted acreage has been reported as uninsured. If late-planted acreage has been reported as insured acreage, revise the acreage report to show such acreage as uninsured under this policy number.
 - (b) Do not include any late-planted acreage in the determined acreage amount on the claim form.
 - (c) Verify that harvested production from the late-planted acreage has been kept separate from the timely planted acreage. If it has not, refer to procedures for commingled production in **PAR. 150**.

C Guarantee Reductions

- (1) For barley, canola/rapeseed, oats, **onions**, rye, sugar beets, and spring-planted wheat in counties showing a spring final planting date in the Special Provisions:

When the crop is planted after the final planting date (regardless of the reason for the delayed planting) but on or before 25 days after the final planting date, the per-acre production guarantee for those acres will be reduced.

NOTE: For canola/rapeseed, the number of days in the LP period is as stated above unless stated otherwise in the Special Provisions.

- (a) For the first 10 days after the final planting date, the per-acre production guarantee for those acres will be reduced 1% for each day delay in planting.
- (b) For the 11th day through the 25th day after the final planting date, the per-acre production guarantee for those acres will be reduced 2 percent for each day delay in planting.

NOTE: The per-acre production guarantee is reduced a maximum of 40 percent for planting 25 days after the final planting date.

- (2) For peanuts, popcorn, potatoes, guarantee tobacco, **and** quota tobacco:

When the crop is planted after the final planting date (regardless of the reason for the delayed planting) but on or before 20 days after the final planting date, the per-acre production guarantee for those acres will be reduced 10 percent for each 5 days planted late or portion thereof.

OLD LP/PP PROVISION INSTRUCTIONS (OBSOLETE for 1999 CY)

For example, if 50 acres were planted 7 days late, the per-acre guarantee would be reduced 20 percent for these 50 acres. If 20 acres were planted 15 days late, the per-acre guarantee for the 20 acres would be reduced 30 percent.

NOTE: The per-acre production guarantee is reduced a maximum of 40 percent for planting 20 days after the final planting date.

176 PREVENTED PLANTING COVERAGE AND ELIGIBLE ACREAGE**A Use the PP procedures for:**

Barley 1/, canola/rapeseed 1/, oats 1/, onions 1/, rye 1/, sugar beets 2/, and wheat 1/.

1/ For policies with contract change dates (CCD) prior to 11/29/97. If contract change date is 11/30/97 or later, refer to Part 5.

2/ For policies with 11/30/97 or later CCD, refer to Part 5. LP and PP coverage not available for state/county with 4/30 CCD and July 15 cancellation date.

B Insurance Period

(1) The insurance period begins:

- (a) For First Year Crop Coverage: on the sales closing date for the insured crop in the county for the crop year the producer's application is accepted.
- (b) For Continuous Crop Coverage (not terminated or canceled for a crop year): on the sales closing date for the prior year. NOTE: Transfer of coverage to a different insurance provider is continuous coverage.

(2) The insurance period ends when the per-unit insured crop coverage ends, as specified in the Crop Provisions.

C PP coverage is provided if:

(1) There is an inability to plant the insured crop with proper equipment by the:

- (a) Final planting date for the crop (latest final planting date for the crop in the county for barley, oats, and wheat), or
- (b) End of the LP period (ELS cotton does not have a LP period).

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- (2) The inability to plant the insured crop with proper equipment was due to an insured cause of loss that prevented the majority of producers in the surrounding area from planting the same crop.

D Production Guarantees

| IF ACREAGE IS PREVENTED FROM PLANTING TO THE INSURED CROP... | THEN THE GUARANTEE IS... |
|--|--|
| <p>, but is planted to a substitute crop (for harvest) 11 days or more after the final planting date for the insured crop, and this provision was not excluded on or before the Sales Closing Date</p> <p>NOTE: The substitute crop PP provision is not applicable to CAT coverage.</p> | <ul style="list-style-type: none"> • 25 percent of the production guarantee of timely planted acres of barley, canola/rapeseed, oats, rye, and wheat. • 17.5 percent of the <u>final stage</u> production guarantee of timely planted acres of <u>onions</u> and sugar beets. |
| <p>, and acreage is left idle or planted to a cover crop not to be harvested (cover crop can be hayed* or grazed - see subparagraph J below for acceptable cover crops)</p> <p>* NOTE: haying includes silage, forage, haylage, and green chop.</p> | <ul style="list-style-type: none"> • 50 percent of the production guarantee of timely planted acres of barley, canola/rapeseed, oats, rye, and wheat. • 35 percent of the <u>final stage</u> production guarantee of timely planted acres of <u>onions</u> and sugar beets. <p>NOTE: The PP guarantee for eligible double-cropped acreage is the same as for PP acreage that is not planted to any crop or planted after the LP period. PP coverage on double-cropped acreage is not applicable to CAT.</p> |
| <p>, but is planted to the insured crop after the LP period</p> | <ul style="list-style-type: none"> • 50 percent of the production guarantee of timely planted acres of barley, canola/rapeseed, oats, rye, and wheat. • 35 percent of the <u>final stage</u> production guarantee of timely planted acres of <u>onions</u> and sugar beets. <p>NOTE: The PP guarantee for eligible double-cropped acreage is the same as for PP acreage that is not planted to any crop or planted after the LP period. PP coverage on double-cropped acreage is not applicable to CAT.</p> |

OLD LP/PP PROVISION INSTRUCTIONS (OBSOLETE for 1999 CY)**E Eligible Acres**

(1) Acreage eligible for prevented planting must be:

- Insurable.
- Available for planting.

NOTE: available for planting means land is free of trees, rocky outcroppings, or other factors that would prevent proper and timely preparation of the seedbed for planting and harvest of the crop for the crop year.

- Acreage for which the insured can provide evidence that there was intent to plant to the insured crop. Evidence of intent may include but is not limited to the following:
- receipts for seed, fertilizer, chemicals, availability of equipment, the date the land was purchased/rented, or other preparatory inputs in the amounts necessary to plant the number of PP acres reported, and seed-bed preparation, etc.

(2) Maximum eligible acreage

(a) Acreage applicable to PP coverage for the contract (county/crop) cannot exceed the TOTAL eligible acreage on ALL FSA FSN's in which the insured has a share, adjusted for any reconstitution that may have occurred on or before the sales closing date. EXCEPT:

- 1 Land which is added after the sales closing date, including Conservation Reserve Program (CRP) acreage that is transferred out of the CRP program after the sales closing date, can be eligible for a PP production guarantee, as follows:
 - a The acreage must be added or transferred out of the CRP program at a time when there is still a reasonable expectation of being able to plant the insured crop;
 - b Land for which the insured has no actual production history can qualify for a PP production guarantee by using the greater of the base acreage attributable to the added land or the number of acres of the applicable PP crop planted the previous year by the previous owner or operator, and any eligible acreage from other land the insured has within the county.

OLD LP/PP PROVISIONS INSTRUCTIONS (OBSOLETE for 1999 CY)

c If added land has no base acreage, no production history, and no acreage planted the previous crop year, there are no eligible acres that can be included in the eligible acreage determination. However, if the insured is eligible for 100 acres of PP coverage for soybeans on the original acreage, he/she may report up to that amount of PP acreage on any of the acreage he/she farms including the added land. Any acreage planted to soybeans on any farm covered under the insured's policy must be subtracted from eligible PP acreage.

2 If a tenant requested an increase in acreage eligible for a PP production guarantee prior to the sales closing date and the insurance provider accepted the request, the landlord will also be eligible for the increased amount if the insurance provider agrees.

NOTE: Except for sugar beets; the maximum eligible PP acreage above the limitations contained in the crop policy can be increased if the insured submits a written request to the insurance provider by the sales closing date for the applicable crop, and the insurance provider approves the request. Insurance providers may not use "estimated" acres listed on an application to increase eligible PP acreage above the policy limitation. The request must list the acreage "intended" to be planted. An approved intended acreage report may be used. Requests must account for all insured crops and the total number of acres requested may not exceed the total tillable cropland acres. The approved request should clearly state that if the total number of acres requested exceeds the tillable cropland acres, the approved requested acres will be reduced proportionately. The approved request should also specify that the maximum eligible acreage limitations contained in the policy will not apply and are superseded by the acres agreed to in writing.

(b) To determine maximum eligible PP acres you first must determine the eligible number of acres for each FSN as outlined in (3) below.

*NOTE: Tillable does not exclude a no-till farming practice. It means that the land can be tilled or it means the same as available for planting as indicated in the "Note" in subparagraph E (1) above.

Continued on the next page

OLD LP/PP PROVISION INSTRUCTIONS (OBSOLETE for 1999 CY)

(3) Acreage eligible for each FSA FSN

| | |
|---|--|
| FOR: | Acreage eligible for each FSA FSN is limited to... |
| Barley, canola/rapeseed, oats, onions, rye, and wheat | <p>the greater of:</p> <ul style="list-style-type: none"> • the number of acres of insured crop which were prevented from planting and which had a PP production guarantee the prior year plus the number of acres planted on the FSA farm serial number the previous crop year without regard as to whether or not the crop was insured, adjusted for any reconstitution which may have occurred prior to the sales closing date; • the FSA base acreage (the base acreage for the last year the FSA established base acreages) reduced by any acreage reduction program requirement (not applicable to FSA non-program crops such as soybeans). Base acreages may include acres that were flexed from another crop, if applicable. Do not use "Contract acres" used under the AMTA program; or <p>NOTE 1: Since participation in another USDA program may not limit crop acreage in the FSN, PP coverage would not attach to more than the base acreage plus any applicable flex or "ghost" acres for the insured crop.</p> <ul style="list-style-type: none"> • 100 percent of the simple average of the number of acres planted and used in the APH database (would include insured acreage prevented from planting) <p>NOTE 2: If acreage and production shown on the APH form is duplicated for more than one FSN, use only the acres that are reflective of the FSN being determined when determining the simple average for that FSN.</p> <p>NOTE 4: See (4) below for a crop insured under one policy, is administered under one FSN, but is located in more than one county.</p> |
| sugar beets | the number of acres required to be grown in the current crop year under a contract executed with a processor. |

OLD LP/PP PROVISIONS INSTRUCTIONS (OBSOLETE for 1999 CY)

- (4) If a crop is insured under one policy number, is administered under one FSN, but land is located in more than one county:

Determine eligible acreage separately for the land in each county. Prorate the base acres for the insured crop between each of the counties based on the number of cropland acres in each county.

Example: 60 percent of cropland in the FSN is located in county A and 40 percent is located in county B. Then, 60 percent of the insured crops base acres would be attributed to county A and 40 percent would be attributed to county B for determining eligible PP acreage for each county.

- (5) PP acreage is established when insureds report their acreage by the acreage reporting date. See PAR. 178 for acreage reporting information and PAR. 184 for information about verifying eligibility of reported PP acreage and examples thereof.

F Irrigated Practice

Acreage intended to be planted under an irrigated practice will be limited to the number of acres for which the insured had adequate irrigation facilities prior to the insured cause of loss which prevented the insured from planting.

G Acreage Which is NOT ELIGIBLE for PP Coverage Includes Acreage:

- (1) Voluntarily idled (not intended for planting) for:
- conservation purposes or,
 - non-cropping purposes such as establishing wildlife habitat, leveling land, constructing waterways, establishing irrigation systems, etc.,
- (2) Intended to be or considered left unplanted to participate in and comply with any USDA administered program.
- (3) For which the crop endorsement does not provide PP coverage (inclusive of acreage in excess of the maximum acreage permitted under the PP provisions) or for which the Actuarial Table does not designate a premium rate (UNLESS the insured submits a written request for coverage on such acreage prior to the sales closing date for the crop and the insurance provider approves the request.) ;
- (4) In excess of the number of acres for which an irrigated practice could be properly performed (for acreage intended to be planted and insured under an irrigated practice);

OLD LP/PP PROVISION INSTRUCTIONS (OBSOLETE for 1999 CY)

(5) For which planting history or conservation plans indicate such acreage would remain unplanted for crop rotation purposes (utilize prior years' records to verify crop rotation history: APH records, Acreage Reports, FSA-424s (FSA-578s), etc.)

(6) That does not constitute at least the lesser of 20 acres or 20 percent of the unit, and

For example: Out of an 80 acre unit, 65 acres were planted and 15 acres were prevented from planting. Twenty percent of the unit (16 acres) is less than 20 acres. Since 15 acres is less than 16 acres, the 15 acres is not considered PP acres. On the other hand, if the insured was prevented from planting 18 acres, the 18 acres would qualify for PP acres since 18 exceeds 16.

(7) On which the insured crop is prevented from being planted, if any other crop is planted and fails, or is planted and harvested, hayed or grazed on the same acreage in the same crop year (other than a cover crop which can be hayed or grazed or a substitute crop allowed for limited and additional coverage), unless:

(a) The insured has limited or additional coverage and provides adequate records of acreage and production showing that the acreage has a history of double-cropping in each of the last four years. This means the insured must have adequate records of acreage and production for eight crops planted in the last four years on the same physical acres.; or

(b) As allowed in subparagraph H or I below.

H PP Coverage for Spring Crops Intended to Follow a Failed Fall Crop

(1) A producer may be eligible for a PP production guarantee for a spring-planted crop that was intended to be planted, even though a fall-planted crop had been planted on the acreage, if the acreage has a history of double-cropping (double-cropping not applicable to CAT), or if all of the following apply:

(a) The fall-planted crop failed, crop insurance coverage was not available for the fall-planted crop, and the producer is not eligible for any payment associated with the crop loss;

(b) Failure of the fall-planted crop occurs prior to the time that planting of spring crops normally begins in the county;

(c) The producer does not derive a benefit from the failed fall-planted crop by harvesting it (haying or grazing is allowed); and

OLD LP/PP PROVISIONS INSTRUCTIONS (OBSOLETE for 1999 CY)

- (d) An insurance policy with PP coverage is in place for the spring crop that is intended to be planted.
- (2) A producer may be eligible for a PP production guarantee when he/she intends to destroy an existing forage stand and plant a spring crop on the acreage, if the insured is unable to destroy the forage stand and plant the spring crop due to insurable causes, provided all of the following apply:
- (a) Insurance coverage was not available for the forage crop and the producer is not eligible for any payment associated with the forage crop;
- (b) A majority of producers in the area were prevented from planting the same spring crop;
- (c) The forage crop was not hayed or grazed until after the spring crop's final planting date; and
- (d) An insurance policy with PP coverage is in place for the spring crop that is intended to be planted.

I Eligibility for a Fall-planted Crop Intended to Follow Spring-planted Crops

A producer may be entitled to a PP guarantee for a fall-planted crop if a mature spring-planted crop could not be harvested because adverse weather prevented harvesting and prevented the producer and other producers in the general area from planting the same fall-planted crop. In counties that have crops with only spring final planting dates or both fall and spring final planting dates (e.g., Small Grains), the insured crop must be prevented from being planted until the spring final planting date in order to be eligible for a PP guarantee.

J Acceptable Cover Crops

- (1) Acceptable cover crops which qualify for a full PP guarantee are the following:
- annual, biennial, or perennial grasses and legumes, including sweet sorghum, sorghum grass crosses, sudans, volunteer stands other than weeds and crop residue from using no till or minimum till practices.
 - Barley, oats, rice, wheat, or any other small grains qualify provided they are not harvested for grain or seed.
- (2) The cover crops may be hayed or grazed only if allowed by PP policy provisions, but may not be harvested for grain or seed.

OLD LP/PP PROVISION INSTRUCTIONS (OBSOLETE for 1999 CY)

- (3) The above cover crops are commonly recognized in the farming community and are consistent with those previously approved by the Department of Agriculture for ACR and CU acres.
- (4) Corn planted for silage is not considered to be a cover crop. If a crop other than corn is prevented from being planted and corn is subsequently planted, the corn would be a substitute crop whether or not it is insurable. If corn is prevented from being planted, and the insured plants corn after the end of the LP period, a PP guarantee would be established and production to count would be determined in accordance with all applicable policy provisions.*

***Exception:** In a county where the actuarial table provides a premium rate for grain only, a variety of corn adapted for silage use only will be considered a substitute crop when an insured reports that corn for grain is prevented from being planted and then plants a silage use only variety.

NOTE: Any insurable substitute crop for which the producer had elected insurance coverage, that is planted on acreage to be reported as PP, must be reported and a premium will be earned (and payable, if the coverage is limited or additional coverage).

K PP Eligibility when a Substitute Crop is Planted

- (1) Verify that the insured did not exclude the substitute crop provision.
- (2) If the substitute crop provision was not excluded, determine whether or not the acreage claimed as PP which was planted to a substitute crop more 11 days or more after the final planting date for the intended crop, could have been planted to the intended crop by the final planting date for the intended crop. When determining if the insured was unavoidably prevented from planting due to an insured cause of loss, consideration must be given to acreage that may have been wetter than other acreage due to the location, topography, and soil drainage characteristics of the acreage, crop rotation, chemical application, etc., that resulted in the insured planting other acreage first.

177 PREMIUM

The premium is based upon the original per-acre production guarantee for timely planted acreage, less any premium for acreage deleted (by a revised acreage report) that was not eligible for PP coverage.

OLD LP/PP PROVISIONS INSTRUCTIONS (OBSOLETE for 1999 CY)**178 ACREAGE REPORTING**

The acreage report is the primary tool for implementing the LP and PP provisions, reducing the unit guarantee for acreage planted within the LP period and for PP acreage. PP acreage is based on how many acres were intended to be planted and where the insured intended to plant. (See PAR. E(1) for information pertaining to insured's intent to plant.)

A Insured's Responsibility

With the Agent's assistance:

- (1) On or before the final acreage reporting date, report all timely planted, late planted, and PP acreage along with any information required to complete an accurate initial acreage report by the final acreage reporting date (also see subparagraph E below);
- (2) Identify on the acreage report (or on an attachment) all uninsurable and non-eligible PP acreage and the factors used in that determination; i.e., acreage planted for an uninsurable use (e.g., planted for pasture, etc.), adjustment of reported acreage due to eligible PP acreage limitations, etc.; and;

(NOTE: Acreage planted to the insured crop after the LP period date must be reported appropriately as insured or uninsured acreage; i.e., if it was the crop intended to be planted but the insured was prevented from planting it, the acreage would be insured and would be reported as PP acreage. If it was not the intended crop or was not intended to be planted, it would be reported as uninsured acreage.);

- (3) Report any change in status of any PP acreage, including the planting of PP acreage. A revised acreage report must be prepared by the agent as needed. See subparagraph H below for revised acreage report examples.

B Insurance Provider's Responsibility

- (1) Verify eligible PP acres.
- (2) Retain documentation of notification and any actions taken for loss adjuster verification and review.
- (3) Inform insured that their actions subsequent to finalizing a claim, such as planting a crop for harvest on PP acreage, harvesting a cover crop (other than haying or grazing), may disqualify them from a PP payment or may affect the PP coverage.

NOTE: When prevented planting is declared, if the insured has FSA base acreages for the FSN for the 1995 crop year, a copy of the insured's FSA-423 or FSA-476

OLD LP/PP PROVISION INSTRUCTIONS (OBSOLETE for 1999 CY)

(NOTICE OF ACREAGE BASES, YIELDS, ALLOTMENTS, AND/OR QUOTAS) for the 1996 crop year or other document showing the base acreages furnished by the FSA must be retained in the insured's insurance file for loss adjuster verification and review. This will furnish evidence of the insured's crop acreage bases. Caution: Other FSA documents for 1996 and succeeding crop years may contain only the "Contract Acres" even though the column may be titled "CABS/CONTRACT" acres. "Contract acres" are not the same as base acreages (CABS).

C Loss Adjuster Responsibility

For required acreage report spot checks and/or when completing a claim for indemnity, verify, eligible PP acreage, and whether the correct PP guarantee has been reported and processed.

D APH for Acreage Planted To The Insured Crop After LP Period

All acreage planted to the insured crop on eligible PP acres to be harvested or intended to be harvested will be considered acceptable for the purpose of determining planted acres for Actual Production History (APH).

E Acreage Reporting Date

- (1) If all insurable acreage is planted by the final planting date, the acreage report is due by the published acreage reporting date.
- (2) For late planted, prevented planted, or a combination of timely planted, late planted, or PP acreage, the acreage report is due the later of the published acreage reporting date or 5 days after the end of the LP period.

NOTE: Filing acreage reports for late planted or PP acreage does not extend the policy stated acreage reporting period nor the 10-week requirement for acreage data transmission for full commission disbursement.

F Separate line entries are required on the acreage report for the following:

- (1) Basic and optional units, and within each unit separate line entries for differing practices, types, shares, APH yields, and risk classifications;
- (2) Timely planted acres (full production guarantee);
- (3) Late planted acres, with a separate line entry for each day of planting during the LP period (with a reduced production guarantee based upon the planting date);
- (4) Eligible PP acres planted to the insured crop after the LP period , by planting date;

OLD LP/PP PROVISIONS INSTRUCTIONS (OBSOLETE for 1999 CY)

- (5) Eligible PP acres not planted to any crop; and
- (6) **PP** acres planted to a substitute crop for harvest (does not apply to cover crop not for harvest) **(The substitute provision is not applicable to CAT coverage and it is not applicable if it has been excluded for limited or additional coverage).**

NOTE: For the purpose of determining acreage eligible for PP coverage, the total amount of PP acres and planted acres cannot exceed the maximum number of acres eligible for PP coverage.

G Identifying PP Acreage on Acreage Report

PP acres are identified by the "date planted" column of the acreage report.

| For... | Enter: |
|---|--|
| acreage not planted to the insured crop, but planted to a substitute crop when this provision has not been excluded. Note: The substitute crop provision is not allowed for CAT coverage. | as instructed by the insurance provider as "P1" or "25%" (or respective percentage for onions and sugar beets). (The appropriate guarantee will be applied by line.) Note: Such acreage will NOT be counted for APH purposes. |
| acreage not planted to any crop (can be planted to cover crop not to be harvested (can be hayed or grazed)) | as instructed by the insurance provider as "P2" or "50%" (or respective percentage for onions and sugar beets). (The appropriate guarantee will be applied by line.) Note: Such acreage will NOT be counted for APH purposes. |
| acreage prevented from planting to the insured crop before or during the LP period, but planted to the insured crop after the LP LP period NOTE: If crop was not prevented from planting before or during the LP period, enter the acreage planted after the LP period in the remarks section as uninsured acreage | the planting date. (The appropriate guarantee will be applied by line.) Note: Such acreage and its production will be counted for APH purposes. |

OLD LP/PP PROVISION INSTRUCTIONS (OBSOLETE for 1999 CY)**H Revised Acreage Reports**

The following revisions are those that should be made by the agent when the insured's intentions (substitute crop, cover crop, or no crop planted) changed after the acreage has already been reported. However, if it is discovered during the loss adjustment inspection that the acreage report had not been revised to reflect what was actually done, the adjuster/insurance provider may need to revise the acreage report.

If all the acres reported for the unit are PP acres that are found to be ineligible for PP coverage, the acreage report must be revised. However, if there is a combination of planted and PP acres, except for revisions to change the PP guarantee, revised acreage reports to delete ineligible PP acres do not have to be made by the adjuster/insurance provider at the time the indemnity is worked, unless the insurance provider's claim processing system will not:

- (1) automatically refund excess premium, or
- (2) reduce the liability to the "determined liability" for over reported PP acres."

Example:

The liability calculated from the acreage report for the unit is \$180 (\$100 for late planted acreage and \$80 for PP acreage). However, the "determined acres" liability is \$150 (\$100 for late planted and \$50 for PP acreage). Premium would be refunded for the over reported PP acres.

NOTE: Revisions to raise liability at loss time are not permitted except as noted in the examples below and as stated in Part 2, Section 3. For example, if there had been an obvious inadvertent error in switching the reported prevented and timely planted acres, a revision to raise liability could be made. (The following might be considered an inadvertent error, reported 60 PP acres and 40 timely planted acres, but it was actually just the opposite.)

Continued on the next page

OLD LP/PP PROVISIONS INSTRUCTIONS (OBSOLETE for 1999 CY)

H (Continued) Revised Acreage Report (Read the text above before applying)

| IF... | THEN... |
|---|--|
| <p>For CAT policies:</p> <p>Prevented planted acreage initially reported to be left idle or to be planted to a cover crop not for harvest, but is planted to a substitute crop to be harvested</p> | <p>Delete the acreage as PP acreage. If the substitute crop is an insured crop, the insured (and uninsured acreage, if applicable) must be reported, which will also cause a revised acreage report for that crop if it has not previously been reported.</p> |
| <p>For Limited or Additional Coverage Policies where "P1" coverage has been excluded</p> <p>PP acreage initially reported to be left idle or to be planted to a cover crop but acreage is planted to a substitute crop</p> | <p>Delete the acreage as PP acreage. If the substitute crop is an insured crop, the insured acreage (and uninsured acreage, if applicable) must be reported, which will also cause a revised acreage report for that crop if it has not previously been reported.</p> |
| <p>For Limited or Additional coverage:</p> <p>PP acreage initially reported with no crop planted (or cover crop to be planted), but the prevented planted acreage is planted to a substitute crop after the 10th day of final planting date for the insured crop</p> | <p>Revise the acreage report to change the PP acreage guarantee from the higher guarantee to the lower guarantee.</p> <p>If the substitute crop is an insured crop, the insured and uninsured acreage, if applicable) must be reported, which will also cause a revised acreage report for that crop if it has not previously been reported.</p> |
| <p>For Limited or Additional coverage:</p> <p>PP acreage initially reported with no crop planted (or cover crop to be planted, not to harvest) but the prevented planted acreage is planted to a substitute crop on or before the 10th day of final planting date for the insured crop</p> | <p>Delete the prevented acreage. If the substitute crop is an insured crop, the insured and uninsured acreage, if applicable, must be reported (which will also cause a revised acreage report for that crop if it has not previously been reported).</p> |
| <p>For limited or Additional coverage:</p> <p>The prevented planted acreage is reported with the intention of planting a substitute crop, but no crop is ever planted or the PP acreage is planted to a coverage crop not for harvest (and not harvested).</p> | <p>Revise the acreage report to reflect the higher PP guarantee for such acreage. Note: Increases in liability are allowed to accommodate this change.</p> |

OLD LP/PP PROVISION INSTRUCTIONS (OBSOLETE for 1999 CY)

| IF... | THEN... |
|---|---|
| <p>For all coverages: PP acreage reported with intent to plant cover crop (not for harvest), but the insured decides to harvest the cover crop.</p> | <p>Delete the PP acreage. If the insured harvests the cover crop without revising the acreage report and it is subsequently discovered that the insured harvested the cover crop during a loss inspection, the determined PP acreage on the claim form must not reflect this ineligible acreage.</p> |
| <p>For all coverages: acreage reported as prevented planting is found to not be eligible for PP coverage.</p> | <p>Delete such acreage from the acreage report.</p> |
| <p>For all coverages: For any reason not listed above, the acreage report needs to be changed to reflect the correct guarantee</p> | <p>As appropriate, delete or revise the PP acreage shown on the acreage report to reflect the correct acres and/or correct PP guarantees.</p> |

179 NOTICE REQUIREMENTS

- A Insured's Requirements. If prevented from planting, the insured must report on or before the acreage report date.
- B Acreage Report - Preliminary Notice. Notice of PP acreage through the filing of the acreage report is considered to be a preliminary notice of damage for the insurance unit. From this notice, a PP claim will be cleared (if no indemnity due) or finalized (if an indemnity is due later in the crop year as indicated in PAR. 183 D).

180 FIELD INSPECTIONS

- A General Information

Field inspections are to be performed as needed to document acreage planted to the insured crop, planted to other crops, and/or left as PP acreage.

OLD LP/PP PROVISIONS INSTRUCTIONS (OBSOLETE for 1999 CY)**B Field Inspections for Units Containing PP Acres**

On units containing PP acres, at least one field inspection is suggested to be made by the earlier of:

- (1) Fifty-five (55) days after the final planting date (the latest planting date for the crop in the county for spring-seeded barley, oats or wheat) for the insured crop, or
- (2) The general harvest date for the crop in the area. At that time, a revised acreage report must be prepared if necessary (see PAR. 178 H above).

181 REPLANTING PAYMENT ELIGIBILITY

Replanting payment eligibility is determined on a unit planted-acre basis and remains unchanged. Acreage initially qualifying for a replanting payment may become non-qualifying if the insured later decides to plant on acres initially reported as PP acres.

A Timely Planted Acres or Acres Planted Within Late-Planting Period

Acreage initially planted timely or initially planted within the LP period is eligible if replanted before the end of the LP period when it is considered practical by the insurance provider.

B Acres Planted After LP Acreage

Acreage initially planted after the LP period will be eligible for a replanting payment only if the insurance provider considers it practical to replant the crop.

182 HAIL/FIRE EXCLUSION

To be eligible for Hail/Fire exclusion, the hail and fire policy liability must equal or exceed the Multiple Peril Crop Insurance liability for all acres PLANTED to the insured crop, regardless of whether the crop was timely planted, late planted, or planted after the end of the LP period. The servicing representative AND the loss adjuster must be certain that hail and fire coverage attaches to any insured crop planted on PP acreage as required. If such coverage does not exist, the contract is not eligible for hail/fire exclusion.

Continued on the next page

OLD LP/PP PROVISION INSTRUCTIONS (OBSOLETE for 1999 CY)

183 CLAIMS

A PP Codes and LP Codes for Claims

| PP Codes | Explanation |
|----------|--|
| P1 | <p>Acreage that was prevented from planting to the insured crop but was planted to a substitute crop for harvest 11 days or later after the final planting date for the insured crop and this provision was not excluded on or before the Sales Closing Date.</p> <p>NOTE: This provision is not applicable to CAT.</p> <p>(The PP guarantee is 25 percent of the production guarantee of timely planted acres for all crops having PP provisions, except onions and sugar beets (17.5 percent of final stage production guarantee).</p> |
| P2 | <p>Acreage prevented from planting to the insured crop but left idle or planted to a cover crop (not harvested). Cover crops can be hayed and grazed.</p> <p>(The PP guarantee is 50 percent of the timely planted production guarantee for all crops eligible for PP, except onions and sugar beets (35 percent of the final stage production guarantee).</p> |
| U3 | <p>Unharvested acreage from acreage planted to the insured crop after the LP period that had been prevented from planting before or during the LP period.</p> <p>(The PP guarantee is 50 percent of the timely planted production guarantee for all crops eligible for PP, except onions and sugar beets (35 percent of the final stage guarantee).</p> <p>Note: When this entry is applicable, follow the instructions in the applicable crop handbook for entering a per-acre appraisal in the "potential column" of the claim.</p> |
| H3 | <p>Harvested acreage from acreage planted to the insured crop after the LP period that had been prevented from planting before or during the LP period.</p> <p>(The PP guarantee is 50 percent of the timely planted production guarantee for all crops eligible for PP, except onions and sugar beets (35 percent of the final stage guarantee).</p> |

OLD LP/PP PROVISIONS INSTRUCTIONS (OBSOLETE for 1999 CY)

| PP Codes | Explanation |
|----------|---|
| PU | <p>Acreage prevented from planting before or during the LP period but that was planted to the insured crop and such acreage was:</p> <ul style="list-style-type: none"> • abandoned without consent, • destroyed without consent, • damaged solely by uninsured causes, or • for which the insured failed to provide acceptable records of production. <p>(The PP guarantee is 50 percent of the timely planted production guarantee for all crops eligible for PP, except onions and sugar beets (35 percent of the <u>final stage</u> guarantee).</p> <p>Note: When this entry is applicable, follow the instructions in the applicable crop handbook for entering a per-acre appraisal for uninsured causes of loss in the "Uninsured Causes" column of the claim form.</p> |

B Claim Entry Instructions

With the exception of the instructions for PP acreage in the following table, adjusters are to follow instructions in the appropriate crop handbooks.

| Item Name & Number | Entry Instruction |
|---|---|
| "Date Harvest Completed" column of the claim form | <ul style="list-style-type: none"> • If the insured crop was prevented from being planted to the intended crop and no insured acreage was planted to the intended crop on the unit, enter "PP." • If acreage was planted to the insured crop, determine the entry as instructed in the appropriate crop handbook. |
| "Stage" column of the claim form | <ul style="list-style-type: none"> • When acreage is eligible PP acreage, enter the appropriate PP code. See codes in Table in subparagraph 183 A above. |

OLD LP/PP PROVISION INSTRUCTIONS (OBSOLETE for 1999 CY)

| Item Name & Number | Entry Instruction |
|--|--|
| <p>“Intended or Final Use” column of the claim form.</p> | <p>(NACAT→</p> <ul style="list-style-type: none"> • If PP code in the “Stage” column is “P1,” enter “P1.” • If PP code in the “Stage” column is P2, enter “P2”. • If PP code in the “Stage” column is: <ul style="list-style-type: none"> • U3, enter the intended or final use; e.g., “plow.” • H3, enter “H.” (“H” designates that the acreage was harvested.) • PU, enter as appropriate “SU,” “WOC,” or “ABA” <p>Note 1: “SU” means solely uninsured causes of loss; “WOC” means acreage destroyed without consent; and “ABA” means acreage abandoned without consent. For each line with these codes, an entry of not less than the per-acre PP production guarantee is required in “Uninsured Causes” column. See the crop handbook for more details.</p> <p>Note 2: If acreage is unharvested or there are uninsured causes, appraisals must be entered in the appropriate columns for appraisals as instructed in the crop handbook.</p> |
| <p>NOTE: Separate line entries are required for:</p> <ul style="list-style-type: none"> • each day planted in the LP period (with appropriate acres), • timely planted acreage, and • prevented planted acreage. | |

C APH for PP Acreage

- (1) Acreage designated “U3,” “H3,” or “PU” WILL be included as “Planted acres” in APH records. However, the per-acre appraisals from acreage designated as “PU” will not be counted as production for APH purposes.
- (2) Acreage designated “P1” or “P2” will NOT be included in APH records.

OLD LP/PP PROVISIONS INSTRUCTIONS (OBSOLETE for 1999 CY)**D** Indemnity Determinations

- (1) Any harvested or appraised production from the insured crop, regardless of when planted, will be counted against the unit guarantee UNLESS it is production from acreage which was planted for an uninsured use or planted on uninsurable land. If the crop was planted for an originally insured use and:
 - (a) Harvested for such use, the production will be counted on that basis (bushels of grain).
 - (b) Subsequently put to another use, an appraisal must be made on the basis of the original intended use. If notice was not given prior to destruction of the crop or harvest for another use, not less than the appropriate guarantee will be assessed on such acreage.
- (2) Production from uninsured acreage of the insured crop MUST be kept separate or it will be considered production to count for the insured acreage.
- (3) Eligible PP acreage will not automatically result in an indemnity. Harvested and appraised production from timely-planted, late-planted, or PP acreage (planted to the insured crop after the LP period) may cause the unit production-to-count to exceed the unit guarantee, resulting in no indemnity due, even though the unit contained acreage eligible for PP coverage.
- (4) The insurance provider must be reasonably certain that PP acreage is not shared in common between two or more crops insured through different insurance providers before finalizing a claim for indemnity.
- (5) The "PP" acreage reported on the acreage report for the unit will be considered the PP acres for the unit UNLESS ineligible acreage was reported for PP. Verify eligible PP acreage as described in PAR. 184 below.

If ineligible acreage is reported, the entry for "determined acres" on the claim form for the PP acres must reflect only the ELIGIBLE PP acres. The acreage report does not need to be revised during loss adjustment except as stated in PAR. 178 H.

- E** Unit Production Guarantee. The unit production guarantee for the claim will reflect the total of the guarantees, by line, of the timely planted, late planted, and PP acres constituting the unit.

OLD LP/PP PROVISION INSTRUCTIONS (OBSOLETE for 1999 CY)

- F How Many PP Planting Payments? Only ONE PP payment can be made for each acre for the crop year for CAT coverage. For additional and limited coverage, only ONE PP payment can be made for each acre for the crop year unless, the insured can provide that the acreage and crop has a history of double-cropping in each of the last four years. Double-cropping must be an insurable practice in the county for the crop.
- G Finalizing Claims
- DO NOT finalize claims until:
- (1) For units **without** PP acreage:
 - (a) It is considered impractical to replant damaged acreage; and
 - (b) The entire unit production potential has been accounted for (destroyed, appraised, harvested, or a combination thereof).
 - (2) For units **with** PP acreage:
 - (a) All appraised/harvested production within the unit is counted from any acreage in the unit that has been planted to the insured crop, and/or
 - (b) It is too late to plant any crop on the PP acreage which could be harvested in the same crop year or conditions prohibit soil preparation or seeding the acreage beyond the date any crop could be established to be harvested in the same crop year.
 - (c) You are satisfied with all determinations, including eligible PP acreage. If eligibility of any of the reported PP acreage is questionable, contact your next level of supervision.

184 VERIFYING ELIGIBLE PREVENTED PLANTING ACREAGE

- A Documentation. Factors used in the determination of eligible acreage must be maintained in the insured's file for review.
- B Maximum Eligible PP Acres. Determine the maximum number of eligible acres by totaling the number of eligible PP acres in ALL FSN's in which the insured has a share. Refer to PAR. 176.

Continued on the next page

OLD LP/PP PROVISIONS INSTRUCTIONS (OBSOLETE for 1999 CY)

C Examples of Maximum Eligible Acres for the Contract (County/Crop)

EXAMPLE 1 - No new land, no transferred CRP acres

FSN 124 300 acres cropland
300 acre potato history

FSN 126 400 acres cropland
200 acres barley base
200 acres wheat base

FSN 128 200 acres cropland
200 acres wheat base

| | | |
|-------------------------|--|--|
| <u>TOTALS:</u> | | <u>Maximum PP Acres for the Contract</u> |
| Cropland = 900 acres | | Barley = 200 acres |
| Barley base = 200 acres | | Wheat = 400 acres |
| Wheat base = 400 acres | | Potato = 300 acres |
| | | TOTAL = 900 acres |

NOTE: This example depicts a county in which CCD's for barley and wheat are prior to 11/30/97, and the potatoes are insured in the Southern Region.

EXAMPLE 2 - 1st Year Farmed

FSN - 123

PP Acres limited to:

- For program crops, the greater of:
 - the number of acres planted on the FSN the previous crop year. (previous year 200 acres of wheat planted).
 - base acres for the crop, unless the insurance provider has accepted a written request for additional acreage. (wheat base = 200 acres).
- Non-Program Crops:
 - No acres eligible, unless the insurance provider has accepted a written request for additional acreage, or
 - the new producer's land was planted the previous year by another producer. The new producer is limited to the number of acres planted on the FSN the previous crop year (previous year 200 potatoes acres).

| | |
|----------------------------|--------------------------------------|
| Cropland acres = 400 acres | <u>Maximum PP Acres for Contract</u> |
| Wheat Base = 200 acres | Wheat = 200 acres |
| | Potatoes = 200 acres |
| | TOTAL = 400 acres |

NOTE: This example depicts a county in which the CCD's for canola and wheat are prior to 11/30/97, and the potatoes are insured in the Southern Region.

OLD LP/PP PROVISION INSTRUCTIONS (OBSOLETE for 1999 CY)

Continued - Examples of Maximum Eligible Acres for the Contract (County/Crop)

| | | |
|---|-------|---|
| EXAMPLE 3 - Added Land (Potato history -300 A for FSN 1 and 2.) | FSN 1 | 400 acres cropland 200 acres wheat base |
| | FSN 2 | 300 acres cropland 100 acres wheat base |
| | FSN 3 | <u>Added Land:</u> 300 acres cropland 200 acres wheat base |
| Previous year- previous owner of added land planted 300 acres of potatoes and 0 acres of wheat. | | |
| <u>Totals, including new land</u> 1,000 acres of cropland 500 acre wheat base | | <u>Maximum PP for contract</u> Wheat = 500 acres potatoes = 600 acres *Total = 1,100 acres |
| *The total exceeds the cropland acres, so the maximum eligible acres for wheat and potatoes for this crop year will have to be based on the insured's intent, limited by the policy limitations and cropland acres. For example, the insured intends to plant 500 acres of wheat and 500 acres of potatoes which would be within the maximum eligible PP acres. | | |
| NOTE: This example depicts a county in which the CCD for wheat is prior to 11/30/97, and the potatoes are insured in the Southern Region. | | |

| | | |
|--|---|--|
| EXAMPLE 4: - Acreage transferred out of CRP after Sales Closing Date Reasonable expectation that the crop could be planted. | | |
| Prev. CRP Ground 200 acres | FSN 1 | 400 acres cropland 200 acre barley base 150 acre wheat base |
| | FSN 2 | 300 acres cropland 100 acre barley base 100 acre wheat base |
| Potato History 200 acres | FSN 3 | <u>Prev. CRP Ground:</u> 200 acres cropland 100 acre barley base 50 acre wheat base |
| | <u>TOTAL</u> Cropland = 900 acres Barley base = 400 acres Wheat base = 300 acres | |
| | | <u>Maximum PP for the Contract</u> Barley = 400 acres Wheat = 300 acres Potatoes = 200 acres Total = 900 acres |
| NOTE: This example depicts a county in which CCD's for barley and wheat are prior to 11/30/97, and the potatoes are insured in the Southern Region. | | |

OLD LP/PP PROVISIONS INSTRUCTIONS (OBSOLETE for 1999 CY)**D Determining Total Eligible PP Acres**

Determine the total eligible PP acres for the contract (county/crop) as follows:

- (1) Determine the maximum number of eligible acres for the contract.
- (2) Determine the number of tillable* cropland acres for each FSN in which the insured has a share. Total all cropland acres.

*NOTE: PP acres cannot exceed the number of tillable cropland acres by contract or for each unit. Tillable does not exclude a no-till farming practice. It means that the land can be tilled or it means the same as available for planting as indicated in the "NOTE" in PAR. 176 E (1).

- (3) Determine the number of acres actually planted by the final planting date and in the late-planting period using the procedures in PAR. 95 for acceptable "determined acres."
- (4) Subtract the number of actual "determined" planted acres from the total eligible PP acres for the contract.
- (5) The result in item (4) is the total eligible PP acres for the contract, provided they do not exceed the tillable cropland acres.

E Determining the Number of Acres Eligible for Each Unit.

- (1) The maximum eligible PP acreage for a UNIT is the acres that the insured "intended" to plant on the unit, as reported by the final acreage reporting date, (up to the total acreage allowed for the contract not to exceed the tillable cropland acres for the unit. If the maximum PP acres for the crop/contract is reported on one unit, no other unit for the crop can have eligible PP acres.
- (2) Determine that the total reported PP acres on all units does not exceed the maximum for the contract.
- (3) Determine the actual eligible prevented planted acres and the actual planted acres in the unit. If the actual "determined acres" of PP acres are less than what the insured reported for the unit, see revised acreage report examples in PAR. 178 H.

Continued on the next page

OLD LP/PP PROVISION INSTRUCTIONS (OBSOLETE for 1999 CY)

F Examples:

(1)

| | | |
|---|--|---|
| <p style="text-align: center;">UNIT 0100</p> <p>Tenant's Farm (Smith) 100 % share 600 acres 200 acres wheat base</p> <p>Tenant can report 300 corn PP acres on Unit 0100. (200 acres at 100% share and 100 acres at 100% share.</p> | | <p style="text-align: center;">UNIT 0200</p> <p>Landlord's Farm (Jones)</p> <p>60/40 Share with Smith 100 acres wheat base</p> <p>Landlord can report 100 wheat PP acres on Unit 0200 at 40 percent share.</p> <p>NOTE: Tenant cannot claim PP for Unit 0200 as tenant's 100 eligible PP acres from unit 0200 was used as PP for unit 0100.</p> |
| <p>NOTE: This example depicts a county in which CCD for wheat is prior to 11/30/97.</p> | | |

(2)

| | |
|--------------------------------|---|
| FSN # 1 (0101) | FSN # 2 (0102) |
| 100 wheat acres planted timely | 100 wheat acres planted timely |
| 50 barley acres timely planted | 50 barley acres timely planted |
| 50 barley acres timely planted | 50 barley acres timely planted |
| 100 wheat acres planted timely | 100 acres timely planted soybeans substituted more than 11 days after wheat FPD |
| FSN # 3 (0103) | FSN # 4 (0104) |

4 FSN's with 150 cropland acres each = 600 cropland acres
 100 acres wheat base on each FSN = 400 wheat base total.
 50 acres barley base on each FSN= 200 barley base total.

Insured Reports - 300 acres wheat planted
 100 acres wheat PP (planted to soybeans as substitute crop)
 200 acres barley planted
 100 acres soybeans planted (100 acres of the soybean acreage was substitute acreage and declared PP wheat).

It was verified and determined that the PP acreage was tillable and was prevented from planting. All PP acreage reported is eligible. With a substitute crop, it is permissible for the total planted/prevented acreage to exceed the cropland acres. Both wheat and barley have CCD's prior to 11/30/97.

OLD LP/PP PROVISIONS INSTRUCTIONS (OBSOLETE for 1999 CY)

(3)

| FSN #1 (0101) | FSN # 2 (0102) |
|---|--|
| 100 wheat acres timely planted | 50 barley acres timely planted |
| | ----- Substituted 50 acres of soybeans (timely planted) for wheat more than 11 days after wheat FPD |
| Substituted 50 acres of soybeans (timely planted) for wheat more than 11 days after wheat FPD | 100 wheat timely planted |
| 150 barley acres timely planted | 100 barley acres timely planted |

2 FSN's (each FSN represent an optional unit)
 300 cropland acres in each FSN = 600 total cropland acres
 150 acre wheat base on each FSN = 300 total wheat acre base
 150 acre barley base on each FSN = 300 total barley acre base

Insured reports: 200 acres wheat planted (100 acres after LP Period)
 100 acres soybeans planted (soybeans substitute crop for PP wheat.)
 300 acres barley planted

100 PP wheat (substitute crop (soybeans) planted)
 700 acres total acreage

Units:

| | | |
|------|-----------------|---|
| 0101 | Wheat | 100 acres full guarantee 50 acres PP 25% guarantee |
| 0101 | Barley | 150 acres full guarantee |
| 0101 | <u>Soybeans</u> | <u>50 acres full guarantee</u> (50 acres substitute crop) 350 acres total eligible PP & timely planted acreage |
| 0102 | Wheat | 100 acres full guarantee 50 acres PP 25% guarantee |
| | Soybeans | 50 acres full guarantee (50 acres as sub. crop) |
| | Barley | <u>150 acres full guarantee</u> 350 acres total eligible PP & timely planted acreage |

NOTE: The barley and wheat have CCD's prior to 11/30/97.

OLD LP/PP PROVISION INSTRUCTIONS (OBSOLETE for 1999 CY)

- (4) FSN 100: Smith owns and operates (100 percent share). 100 wheat base acres, 300 cropland acres.

FSN 200: Smith (tenant with 50 percent share) and Jones (landlord with 50 percent share). 100 wheat base acres, 100 cropland acres.

FSN 300: Smith (tenant with 50 percent share) and Brown (landlord with 50 percent share). 100 wheat base acres, 100 cropland acres.

- Smith's maximum eligible wheat PP acreage would be limited to 300 base acres.

Smith could claim all 300 wheat acres as PP on FSN 100 and by doing so would not be entitled to any PP wheat acres on either FSN 200 or 300.

- Landlord Jones could claim 100 wheat acres PP on FSN 200 at 50 percent share if planting was actually prevented due to insured causes.
- Landlord Brown could claim 100 wheat acres PP on FSN 300 at 50 percent share if planting was prevented due to an insured cause.

NOTE 1: Although individual acreage report line entries will not match for the tenant and landlords in the above example, the intended acreage information for FSN 200 and 300 should be listed on Smith's acreage report in the remarks section or on a Special Report. Jones or Brown cannot declare prevented planting solely on the basis of Smith's PP acreage ineligibility on FSN 200 or 300.

NOTE 2: This example depicts a county in which the CCD for wheat is prior to 11/30/97.

OLD LP/PP PROVISIONS INSTRUCTIONS (OBSOLETE for 1999 CY)

(RESERVED)

DEFINITIONS

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|---|---|
| Abandonment | See PAR. 92. |
| Acceptable Determined Acres. | See PAR. 95. |
| Acreage Report (A/R) or Raisin Tonnage Report | An insurance document submitted annually by the policyholder used to establish the premium, and amount of coverage for the crop(s) insured by reporting the number of acres planted (tonnage laid down for raisins), share, location, practice, type, planting date, and any other information required for the crop. |
| Actual Production History (APH) | An individual crop insurance yield program in which the producer furnishes or certifies acreage and production records to qualify for a production guarantee calculated from a base period. A transitional or FCIC determined yield is used if production records are not available. |
| Actuarial | The statistical computation of probable risks and rates according to recorded facts. Includes all related documents. |
| Actuarial Documents | The material for the crop year which is available for public inspection in the agent's office, and which shows the premium rates, price elections, levels of coverage, production guarantees, amount of insurance, exceptions to the policy, and insurance program dates for a state, county, and crop program. |
| Actual Yield | The yield for a crop year based on the producer's records of planted acreage and total production (harvested and appraised) for a crop. Total crop production divided by the number of planted acres for the crop is the actual yield for the crop year. |
| Additional Coverage | A plan of crop insurance coverage providing a level of coverage greater than 65% of the applicant's/insured's approved yield indemnified at 100% of the expected market price, or an equivalent coverage. |
| Adjuster | A person under contract with or employed by the insurance provider and who is authorized to perform loss adjustment and related activities. Also known as Loss Adjustment Contractor, Loss Adjuster, or Claims Adjuster. |
| Administrative Fee | A fee the policyholder must pay on a per crop and county basis for catastrophic and limited coverage annually. Also, an administrative fee charged for each crop under "Additional Coverage." |
| Agent | A person who is authorized by a reinsured company provider to solicit, and service crop insurance contracts for a set commission fee, and who meets the licensing requirements set by individual states and/or requirements set by FCIC for such activities. |

DEFINITIONS

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| Another Use, notice of | The written notice required when the insured wishes to put acreage to another use (see definition of other use). |
| Agreement in Writing | An agreement between two or more parties that is applicable to all coverages. For example, an agreement in writing approved by the insurance provider to increase the eligible amount of prevented planting acres. Written agreements are different from agreements in writing. See Written Agreement definition. |
| Application | The form used to apply for multiple peril crop insurance coverage in a specific state and county which identifies the applicant, entity of applicant, crop, endorsements (options) to the crop provisions, types, coverage levels, and price elections selected by the applicant. This form must be completed and filed in the agent's office not later than the sales closing date of the initial insurance year for each crop for which insurance coverage is requested. |
| Appraised Production | Production from unharvested acreage determined by the insurance provider that reflects potential production for the crop at the time of appraisal. (Appraised production can also be production assessed (harvested or unharvested acreage) for uninsured causes, destroying or putting acreage to another use without consent, abandoned acreage, or the insureds failure to provide records of production that are acceptable.) |
| Appraisal Worksheet | A form used by an adjuster to enter appraisal information such as plant counts, tillers, sample weights, etc., to compute appraisals on unharvested or damaged crop acreage. |
| Approved APH Yield | The yield approved by the authorized verifier (which is taken from the APH form, or the transitional or determined yield table) that is used to determine the production guarantee. (Coverage level percent selected X approved APH yield = production guarantee.) |
| Area Yield Plan | See GRP. |
| Assignment of Indemnity | A form signed by the insured which transfers any named crop indemnity payment to a lender or lending agency. (Commonly referred to as "collateral assignment.") |
| Assuming Agent | An insurance provider office who assumes the contracts that were previously serviced by another insurance provider. |
| Assuming Company | An insurance provider office that assumes the contracts that were previously serviced by another insurance provider. |
| Authorized Representative | A party that is authorized by the applicant/insured via a properly executed Power of Attorney to represent and sign crop insurance documents for the applicant/insured. |

DEFINITIONS

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| Basic Provisions | The multiple peril crop insurance policy which provides basic policy provisions common to all crops. Crop provisions that are specific to the crop are found in the crop provisions or crop endorsements. |
| Beneficiary | The entity determined by the insurance provider to receive indemnity payments, in the event of the death of the original policyholder. |
| Cancellation Date | The last date that an insured or insurance provider may cancel insurance coverage for the next crop year for a crop in a specific county or area as specified in the Actuarial Documents and crop policy/endorsement/ crop provisions. |
| Carryover Insured | An entity who was insured the previous crop year without respect to the carrier or agent and is determined by crop policy (by county). |
| CAT | Acronym for Catastrophic Risk Protection. It is the minimum level of Federal crop insurance coverage a producer can obtain. |
| Ceding Agent | A reinsured company agent who cedes or transfers a contract (that the agent previously serviced) to another reinsured company agent. |
| Ceding Company | The reinsured company that cedes or transfers a contracts (that the company previously serviced) to another company). |
| Certification Form | See PAR. 77. |
| Circumference | The distance around the outer boundary of a circular structure, such as a grain bin. |
| Claim Form | An insurance document used to record appraisals of potential or assessed production, unharvested and harvested production to count, guarantees, and acres by practice and type from which an indemnity will be computed. |
| Claim for Indemnity | Loss and contract information documented on a claim form for the insured due to damage or loss to an insured crop unit and required by the Basic Provisions to be submitted to the insurance provider no later than 60 days after the end of the insurance period. |
| Claims Adjuster | See Adjuster. |
| Classified Land (Insurable Land) | Land on which both a coverage and rate have been established in the County Actuarial Documents, making crops shown on the table which are grown on the land eligible for insurance. |

DEFINITIONS

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| Collateral Assignment | See Assignment of Indemnity. |
| Commingled Production | See PAR. 150. |
| Conical Pile | A quantity of crop whose base is a circle and whose sides taper evenly up to a point. |
| Companion Contracts | Multiple peril crop insurance contracts of individuals having a share in the same crop/crop units for the crop year. |
| Company | As used in the context of this handbook, Company refers to insurance providers. |
| Consent | Approval in writing by the insurance provider allowing the insured to take a specific action; e.g., putting a damaged crop to another use. |
| Continuous Coverage | Insurance coverage not canceled or terminated for a crop year. Transfer of coverage to a different insurance provider is still continuous coverage. |
| Continuous Production Report | Production reports submitted by a producer for each consecutive APH crop year (within the base period) and must include the most recent APH crop year in the base period. |
| Contract | See Insurance Contract or Policy. |
| Contract Changes | The form used to make changes to or cancel an existing crop insurance contract. |
| Contract Change Date | The calendar date by which FCIC makes any policy changes available for inspection in the agent's office. |
| Contract File | See Policyholder File. |
| Contract Number | A number assigned by the insurance provider to identify insureds' specific contracts. Also known as policy number. |
| Contract Provisions | All the provisions that make up the contract. See insurance contract. |
| Controlled Substance Violation | See PAR. 61. |
| Corrected Claim | A claim form used to revise or correct indemnity information on a previously processed claim. |

DEFINITIONS

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| County (Parish in Louisiana) | The county, parish, or other political subdivision of a state shown on the accepted application, including acreage in a field that extends into an adjoining county if the county boundary is not readily discernible. |
| County Crop Program | The offering of insurance coverage by FCIC on a crop in a specified county or parish as approved by FCIC's Board of Directors. |
| Coverage (Guarantee) | The amount of insurance protection against insured loss of production or value, by unit as shown on the insured's summary of coverage. |
| Coverage Begins Date | The calendar date insurance begins on the insured crop, as contained in the Crop Provisions, or the date planting begins on the unit. |
| Crop Endorsement | An adjunct to the General Crop Insurance Policy or Basic Provisions that contains crop-specific provisions. |
| Crop Handbooks | The FCIC-approved crop-specific procedures which must be used to perform loss adjustment. They contain appraisal methods, forms completions instructions, and any other loss adjustment instructions specific to the crop. |
| Crop Loss Adjustment Standards (CLAS) | The required crop-specific instructions and methods (standards) that must be utilized during loss adjustment. The insurance provider must comply with these standards when performing loss adjustment. |
| Crop of Economic Significance | A crop that has either contributed in the previous crop year, or is expected to contribute in the current crop year 10 percent (10%) or more of the total expected value of the producer's share of all crops grown in the county. However, a crop will not be considered a crop of economic significance if the expected liability under the CAT Endorsement is equal to or less than the administrative fee (\$50) required for the crop. |
| Crop Provisions | An adjunct to the Basic Provisions which contains crop-specific provisions (appraisal of production, production to count, indemnity calculations, definitions, etc.) |
| Crop Year | The period within in which the insured crop is normally grown and designated by the calendar year in which the insured crop is normally harvested. |
| Damage | Injury, deterioration, or loss of production of the insured crop from insured and/or uninsured causes. |

DEFINITIONS

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| Delayed Claim | A claim for indemnity form signed by the insured later than the time required in the applicable policy. |
| Delayed Notice | A notice of damage or loss filed by the insured after the time required in the policy. |
| Destroyed Without Consent | A determination made by an adjuster that an insured has altered the condition of a crop (without permission) so that an accurate appraisal cannot be made. |
| Diameter | A straight line measurement passing through the center of a circle. Normally an inside measurement when measuring the volume of a round storage structure. |
| Earliest Planting Date | See Initial Planting Date. |
| Employee | A person who works for FCIC or insurance provider in return for wages or salary. |
| End of Insurance Period | The date upon which the insured's crop insurance coverage ceases for the crop year. |
| Farm Serial Number (FSN) | A number assigned by the FSA County Office to identify a specific tract of land. Also known as FSN. |
| Farming Organization | One or more individuals who participate in establishing a yield history; corporations, partnerships, and family operations are included under this title. |
| FCIC | An acronym for Federal Crop Insurance Corporation. A wholly owned government corporation under the control of the USDA and administered by the Risk Management Agency. |
| FCIC-approved Policies | Multiple Peril Crop Insurance (MPCI) policies, (including endorsements and amendments) approved by FCIC for use by the insurance provider to sell and service MPCI insurance. |
| Final Acreage Reporting Date | For each insured in the county on or before the acreage reporting date contained in the Special Provisions for the insured except as follows: (1) if multiple crops are insured that have final planting dates on or after August 15 but before December 31, the acreage report must be submitted for all such crops on or before the latest applicable acreage reporting date for such crops; (2) if multiple crops are insured that have final planting dates on or after December 31 but before August 15, the acreage report must be submitted for all such crops on or before the latest applicable acreage reporting date for such crops; (3) If the Special Provisions designate separate planting periods for a crop, the acreage report |

DEFINITIONS

for each planting period must be submitted on or before the acreage reporting date contained in the Special Provisions for the planting period; and (4) If planting of the insured crop continues after the final planting date or is prevented from planting during the late planting period, the acreage reporting date will be the later of: (a) the acreage reporting date contained in the Special Provisions or applicable date described in (1) or (2) above if there are multiple insured crops; or (b) Five days after the end of the late planting period for the insured crop, if applicable. (See Late-Filed Acreage Reports for acreage reports filed after this date.)

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| Final Claim | An FCIC-approved claim form insurance document submitted by the insured after a final inspection has been completed which records the amount of production to count, guarantee, and acres by practice and type from which an indemnity will be computed. Also, used to record and pay replant payments. |
| Final Inspection | An inspection that requires all of the production and acreage to be accounted for on a unit prior to processing a claim for indemnity or replant payment. |
| Final Planting Date | The latest date (as shown in the Actuarial Documents) established by FCIC to plant and expect a normal crop to be produced. Crops initially planted after this date are not insurable unless the planting date is extended by a timely signed Late Planting Agreement or is extended by the crop provisions. |
| Food Security Act | A law passed by Congress in 1985 which included provisions to discourage the planting of agricultural commodities on converted wetlands or land of predominately highly erodible soils. |
| FSA | Acronym for Farm Service Agency, an agency of the USDA. |
| FSA-424 | See PAR. 69 and Exhibit 7. |
| FSA-425 | See PAR. 69 and Exhibit 7. |
| FSA-426 | See PAR. 68 and Exhibit 7. |
| Group Risk Plan (GRP) | A plan of insurance offered for certain crops in specific counties and states which compares an expected county average yield to the county yield for the insured year. A form of insurance coverage that provides protection against loss of crop production which affects an area rather than individual producers. |
| Harvest | To combine, thresh, cut, pick, dig, or otherwise remove the crop from the crop acreage. See crop policy/endorsement/crop provisions for specific harvest definition for the crop. |

DEFINITIONS

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| High-Risk Land | Land that has a loss frequency and severity potential that cannot be rated adequately on the standard rate table, such as a flood plain, high sand content soil, high aluminum toxicity soil, high sodium content soil, high alkali soil, peat soil, soil with high or low pH, etc. |
| Indemnity | The dollar amount paid in the event of an insured loss. |
| Indemnity Summary | A computer-generated document showing the insured's dollar amount of indemnity payment by crop and unit number. |
| Initially Planted | The first occurrence of planting the insured crop on insurable acreage for the crop year. |
| Initial Planting Date | The earliest calendar date that a crop may be planted under the replanting payment provisions. If planted prior to this date, the crop is not eligible for a replanting payment but is still insurable. |
| Insurable Acreage | Either: (1) the land classified as insurable by FCIC and shown as such on the County Actuarial Map or appropriate land identification list, or (2) the land owned or operated by a person to whom a farm classification is assigned by FCIC or as otherwise provided on the actuarial table. |
| Insurance Contract | A binding written agreement between the insurance provider and the insured producer specifying the terms and conditions under which each will operate. The insurance contract includes the application for insurance, the General Crop Insurance Policy or Basic Provisions, crop policy or endorsement or Crop Provisions, Catastrophic Risk Protection Endorsement, if applicable, Special Provisions, the published actuarial documents, any applicable option forms, and applicable regulations published at 7 CFR Chapter IV. |
| Insurance Period | The period during which liability for loss due to insured causes is assumed according to the applicable endorsement or policy. |
| Insurance Policy | Defines the rights and responsibilities of the insured and FCIC. See Insurance Contract. |
| Insurance Premium | The dollar amount paid for insurance. (Does not include administrative fees.) |
| Insurance Provider | USDA offices or private insurance companies approved to provide insurance coverage to producers participating in the Federal crop insurance program. |

DEFINITIONS

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| Insurance Provider Inspection | An inspection initiated by the insurance provider. These inspections may be initiated where misrepresentation is suspected or where routine spot checks are being performed. |
| Insured Cause of Loss | An unavoidable cause of loss defined in the policy or endorsement for which an indemnity can be paid. |
| Interplanted | Acreage on which two or more crops are planted in a manner that does not permit separate agronomic maintenance or harvest of the insured crops. |
| Irrigated Practice | See PAR. 51. |
| Kansas City (RMA) Office | The national office responsible for the acceptance and processing of electronically transmitted data for the Federal crop insurance program, for issuing actuarial documents, for issuing approved underwriting and loss adjustment standards/procedures, and for approving reinsured company policies, forms and completion instructions, and procedures. |
| Late-Filed Acreage Report | Any original acreage report obtained from the policyholder after the final acreage reporting date established by the Actuarial Documents . |
| Late-Filed Application | Any original application for insurance signed by the producer after the sales closing date established by the Actuarial Document Book. |
| Late-Filed Claim | See Delayed Notice. |
| Late Planted | Acreage initially planted after the final planting date or as provided in some crop provisions, during the late planting period. |
| Late Planting Agreement | See PAR. 175. |
| Late Planting Coverage | See PAR. 163 and 175. |
| Late Planting Period | For crop provisions providing automatic late-planting coverage, this is the period that begins the day after the final planting date for the insured crop and ends twenty-five days after the final planting date, unless otherwise specified in the Special Provisions. (Not applicable for fall-planted wheat.) |
| Legal Description | A specified section, township, and range (or parts thereof) as identified by a land survey. |
| Legal Entity or Person | See PAR. 12. |

DEFINITIONS

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| Level Election | The percentage of coverage selected by the insured from those offered by FCIC which is used to determine the production guarantee, premium, and dollar amount of insurance. |
| Liability | Based on the insured's acreage reported, guarantee, price election and share, the maximum dollar amount the insurance provider assumes in the event of a complete loss on an insurable crop unit. |
| Limited Coverage | A plan of insurance offering coverage that is equal to or greater than 50 percent of the producer's approved yield indemnified at 100 percent of the expected market price but less than 65 percent of the producer's approved yield indemnified at 100 percent of the expected market price or a comparable coverage as established by FCIC. |
| Loss Adjustment Contractor (LAC) | A person under a personal contract with the insurance provider who is authorized to perform loss adjustment and/or contract service activities and is reimbursed for services rendered. |
| Loss Ratio | The ratio of paid indemnities to net premium expressed as a percentage (i.e., 1.10, etc.). |
| Market Price Election | The price election offered by FCIC that represents expected market prices on specific crops. It is computed annually from the Chicago Board of Trade average market price for a set period of time (see Price Election). |
| Multiple Peril Crop Insurance (MPCI) | Crop insurance policies which generally cover more than one cause of loss and which are sold and serviced by reinsured companies. |
| NAP | An acronym for Non-Insured Assistance Program. NAP covers noninsured commercial crops or other agricultural commodities (except livestock) for which CAT Coverage is not available and that is produced for food or fiber. NAP provides coverage similar to what CAT coverage would be if the crop were insurable under multiple peril crop insurance. |
| National Resources Conservation Services (NRCS) | Formerly the Soil Conservation Service. See SCS. |
| NCS | An acronym for Non-Standard Classification System. A generalized system, applicable to most crops, for assigning insurance rates and coverages on an individual basis for producers with abnormally high loss ratios and loss frequencies. Insurance offers are modified by coverage and premium rate adjustments to reflect the proven risks associated with each insurance contract. |

DEFINITIONS

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| New Crop Program | The offering of insurance or reinsurance coverage by FCIC on a crop which has not previously been entitled to insurance or reinsurance coverage. |
| Next Level Supervision | A person authorized by the insurance provider to supervise employees, agents, contractors, or other functions as assigned by the insurance provider. |
| Non-contiguous | Any two or more tracts of land whose boundaries do not touch at any point, except that land separated only by a public or private right-of-way, waterway, or an irrigation canal will be considered as contiguous. |
| Not Rated Land | Land which is not rated on the actuarial map or actuarial listing, requiring a Written Agreement (FCI-2) (sometimes known as unclassified or uninsurable). |
| Notice of Acceptance | See Policy Confirmation. |
| Notice of Damage or Loss | A responsibility of the insured, as stated in the crop endorsement, to notify his/her service office representative (agent) of any probable crop damage or loss within the time frame identified in the policy provisions. |
| Nurse Crop | Sometimes called companion crop. It is a crop planted into the same acreage as another crop, that is intended to be harvested separately, and which is planted to improve growing conditions for the crop with which it is grown. |
| Official File | Hard copy of all original documents for each insured maintained by the insurance provider in their headquarters or as otherwise specified in their agreement. |
| Operator or Tenant | See PAR. 15. |
| Original Acreage Report, or Raisin Tonnage Report, | The initial report filed for a crop year, by crop, used to determine the liability, amount of coverage, and premium. (See Acreage Report). |
| Other Use | Using insured acreage in a manner that is different from the original intended use as provided in the insurance provisions for the crop. |
| Palmer Drought Severity Index | A meteorological index calculated by the National Weather Service to indicate prolonged and abnormal moisture deficiency or excess. |
| Person | See PAR. 12. |

DEFINITIONS

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| Planted Acreage | Land in which seed, plants, or trees have been placed appropriate for the insured crop and planting method, at the correct depth, into a seedbed that has been properly prepared for the planting method and production practice. |
| Policy | See Insurance Contract. |
| Policy Confirmation | A form or document issued to the insured indicating that the application, cancellation, etc., has been accepted. |
| Policyholder | The individual or entity listed on the application and who has been accepted and issued coverage by the insurance provider. |
| Policyholder File | The file maintained for each insured. The file contains copies of documents such as application, appraisal worksheets, claims, etc. (Also known as insured's contract file.) |
| Policy Number | See Contract Number. |
| Posted County Price | The price established by the Commodity Credit Corporation for the crop, by county. It is used in the calculation of a quality adjustment factor for any of the small grain crops or coarse grain crops when, due to an insured cause, the grain suffers one of the stated quality damages listed in the Special Provisions for which there is not an established discount factor. |
| Power of Attorney | A document signed by the insured naming another party to act on behalf of the insured. For crop insurance purposes, this document may be specific to only certain transactions or all transactions involved with the crop insurance contract. |
| Practical to Replant | See PAR. 76. |
| Practice | A special farming procedure or method, such as irrigation, summer fallow, continuous crop, etc., shown on the Actuarial Documents for which a separate premium rate and/or yield has been established. |
| Preliminary Inspection | A farm visit by an adjuster in which an appraisal is usually made on a part of an insured crop unit, and in some instances, written permission is given to make other use of or destroy the affected crop. |
| Preliminary Yield | The nonbinding APH yield calculated and quoted by the agent prior to its being approved. |

DEFINITIONS

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| Premium Adjustment | A premium cost adjustment applicable to some policies, based on continuous favorable insurance experience or unfavorable insurance experience for the crop (also referred to as Experience Adjustment Factor). |
| Premium Discount | A reduction in the base premium rate for unit consolidation. The discount as defined in the actuarial data for optional/guideline unit consolidation, which is identified by the second two characters of the unit number. If the second two characters are "00", the premium discount is applicable. If the characters are greater than "00" and acreage is not planted on more than one optional/guideline unit for the same basic/policy unit (designated by the first two characters), then a premium discount is applicable. |
| Premium Subsidy | The portion of the base premium paid by FCIC for the level elected as authorized by law. |
| Prevented Planting | See PART.'s 5 and 6. |
| Previous Crop Year | The crop year immediately preceding the current crop year. |
| Price Election | The dollar value selected by the insured from those offered by FCIC which is used to establish the dollar amount of insurance coverage and premium due under a crop contract. |
| Prior Crop Year | Two or more crop years preceding the current crop year. |
| Prior APH Yield | The approved APH yield from the previous year's APH form. |
| Producer Premium | The insurance premium that a policyholder must pay after the subsidy is deducted. |
| Production Guarantee (Per Acre) | The number of pounds, bushels, tons, cartons, or other applicable units of measure determined by multiplying the approved APH yield per acre by the coverage level percentage selected by the insured. |
| Production Not to Count | Harvested production of the same crop which is subtracted from the unit's production before the indemnity is computed. |
| Production Report | Written record showing the insured crop's planted acreage (including acres prevented from planting) and annual production. It is used to determine the insured's actual yields for insurance purposes. |
| Production Reporting Date | The last date production reports will be accepted for inclusion in the base period to be used to calculate an approved APH yield for the current crop year, and is the earlier of the acreage reporting date or 45 days after the earliest sales closing date for the current crop year. |

DEFINITIONS

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| Production to Count | Harvested and/or appraised quantities of a crop produced (including appraised production from uninsured causes of loss) from a unit which are subtracted from the unit's production guarantee in computing an indemnity. |
| Quality Assurance | An established review process maintained by the insurance provider to inspect and document the performance of its operations, employees, and adjusters. (This review process is also known as quality control.) |
| Quality Adjustment Factor | A factor used to reduce production to count when the policy allows for reduction of production to count and the production grades at or lower than the specified quality stated in the policy. |
| Raisin Tonnage Report | See Acreage Report. |
| Range | One of the six-section north/south rows of a township identified as being east or west of the principal meridian. |
| Recognized Good Farming Practices | The cultural practices generally in use in the county for the insured crop to make normal progress toward maturity and produce at least the yield used to determine the production guarantee and are those recognized by the local Cooperative Extension Service as compatible with agronomic and weather conditions in the area. |
| Regional Service Office (RSO) | Regional Service Office(s) of the Risk Management Agency. For the assigned states the RSO performs program and underwriting services for the crop insurance program. |
| Regionally Constructed Price | A price established by the Commodity Credit Corporation (CCC) for sunflower seed, by county. It is used in the calculation of a quality adjustment factor when due to an insured cause, the sunflower seed suffers one of the stated quality damages listed in the Special Provisions for which there is not an established discount factor. |
| Reinsured Company | Private insurance companies selling and adjusting multiple peril crop insurance reinsured by FCIC. Also known as insurance provider. |
| Relative | A person connected with another by blood or marriage. |
| Releasing Agent | See ceding agent. |
| Replant Claim | An insurance document submitted by the insured after an inspection which records the number of acres replanted, not replanted, and the cost of replanting any damaged acres from which a replant indemnity will be computed. |

DEFINITIONS

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| Replanting | Performing the cultural practices necessary to replace the seed or plants of the same insured crop, and replacing the seed or plants for the same crop in the insured acreage with the expectation of producing at least the yield used to determine the production guarantee. |
| Replant Payment | The payment received when acreage qualifies for a replanting payment in accordance with the policy/endorsement/crop provisions. |
| Reported Damage or Loss | A responsibility of the insured to promptly notify the Service Office Representative (agent) of any probable crop damage or loss. |
| Representative | Any person authorized by the insurance provider to work in the field or in an office to carry out in whole or in part the Federal crop insurance marketing, contract servicing, or loss adjustment functions for new applicants or present policyholders. See Agent. |
| Representative Sample Areas | See PAR. 104. |
| Representative Strips (Sample) | Strips of the unharvested crop that the insured is required, in accordance with policy provisions, to leave if damage is initially discovered within 15 days of or during harvest. |
| Revised Acreage Report or Raisin Tonnage Report | Completed when changes and/or corrections are made to the original acreage or tonnage report. Revised acreage reports prepared after the acreage reporting date, must be approved by the insurance provider before they are processed. |
| RMA | An acronym for Risk Management Agency. RMA administers the Federal Crop Insurance Program. |
| Sales Closing Date | The last date for the crop year that a producer may apply for insurance on a crop in a specific county and the last date by which an insured may change the crop insurance coverage for a crop year. |
| Section | See PAR. 58. |
| Sketch Map | A diagram showing where fields or production are located. |
| Special Provisions | The part of the policy (contained in the Actuarial documents) that contains specific provisions of insurance for each insured crop that may vary by geographic area; e.g, planting dates, rotational requirements, exclusions to the policy, etc. |

DEFINITIONS

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| Special Report | A form used to record facts; e.g., used as an attachment to claims or acreage reports when there is not enough room in the narrative to record required documentation and for additional documentation regarding controversial claims, unusual cases, uninsured causes, not following good farming practices, etc. |
| Standard Reinsurance Agreement | The agreement between a reinsured company and FCIC by which the insurer cedes to FCIC certain liabilities arising from the insurer's sales of insurance policies in return for a portion of premium monies and administrative expense reimbursements. |
| SSN or EIN | The social security number or Employer Identification Number used on insurance application forms to track an insured entity's insurance history. Insurance coverage cannot be offered if the SSN or EIN is not provided by the prospective insured. |
| State Premium Subsidy | The portion of the premium paid by the state, when applicable. |
| Sub-field | A part of a field where damage is so variable within the field that smaller divisions of the field are necessary in order to make accurate appraisals. |
| Substantial Beneficial Interest (SBI) | A legal share or interest amounting to ten percent or more held by an individual in any crop insurance policy insured or reinsured by FCIC. |
| Successor-In-Interest Entity | A successor entity who is entitled to receive all of the experience earned by the previous entity, as determined by the insurance provider. |
| Summary of Coverage | Hard copy notification to the insured of premium and guarantee amounts, by unit, resulting from processing of acreage or tonnage report data. |
| Timely Planted | Planted on or before the final planting date designated in the Special Provisions for the insured crop in the county. |
| Termination for Indebtedness Date | The date specified in the crop policy or endorsement on which the insurance contract is subject to termination because of failure of the insured to pay the premium and/or administrative fee in full prior to this date. |
| Township | A tract of land approximately 6 miles square containing approximately 36 sections each 1 mile square. |
| Transfer of Indemnity | A form signed by the insured which transfers the right to an indemnity payment to another party when land ownership or interest has been transferred on part or all of a unit. |

| | |
|-----------------------------|---|
| Transfer of Coverage | See Transfer of Indemnity. |
| Transfer of Contract/Policy | Transfer of a contract or policy to another reinsured company. |
| Transferee | One who receives an insured right to an indemnity from another party. |
| Transferor | An insured who transfers an insured right to an indemnity to another party. |
| Unit | An identifiable, insurable segment of land on which an insurable crop is grown and separate production records have been kept, and meets other guidelines defined in the policy, endorsement, and/or actuarial documents. |
| USDA | An acronym for United States Department of Agriculture. |
| Varying Share | A landlord-tenant agreement which allows for different crop shares within the same unit. |
| Verifier | Individual or organization authorized by FCIC to verify APH records and data furnished by the insured to the insurance provider in order to calculate and determine the approved APH yield. |
| Verify | To confirm data by an on-site inspection or by checking records that an insured must furnish to the insurance provider. |
| Written Agreement | A written agreement between the insurance provider and the insured that alters designated terms of a policy as authorized by the policy. |

DEFINITIONS

(RESERVED)

EXHIBIT 2
1998 CROP POLICY INFORMATION

| Crops | Crop Codes | FCIC | | NCIS | | APH or Dollar (\$) | Late Planting Prov. | Prev. Planting Prov. | ** Replant Payment Prov. | ** Optional(O) Basic (B) Unit | ** High-Risk Land Ex. Opt. |
|---|------------|---------|--------------------------|-------------------|------------------|--------------------|---------------------|----------------------|--------------------------|-------------------------------|----------------------------|
| | | *Policy | *Endorsement /Crop Prov. | *Basic Provisions | *Crop Provisions | | | | | | |
| Almonds | 0028 | 92B1 | 98-028 | 700-B | 719 | APH | | | | B/O | |
| Apples | 0054 | 92-054 | | 700 | 721 | APH | | | | B/O | |
| Avocados (Pilot - California Only) | 0019 | 92B1 | 98-019 | 700-B | 711 | \$ | | | | B/O | |
| Avocado & Mango Tree (Pilot - Florida Only) | | 92B1 | 98-212 | 700-B | 804 | \$ | | | | B/O | |
| Avocado | 0212 | | | | | | | | | | |
| Mango | 0214 | | | | | | | | | | |
| Blueberries (Pilot) | 0012 | 92B1 | 97-012 | 700-B | 794 | APH | | | | B | |
| Beans (Processing) | 0046 | 98-B1 | 98-046 | 700-B | 704 | APH | Yes 1/ | Yes 1/ | | B by type/O | |
| Canola/Rapeseed (Pilot) | 0015 | 92B1 | 97-015 | 700-B | 1997-795 | APH | Yes 1/ | Yes 1/ | Yes | B/O | |
| Canola/Rapeseed | 0015 | 98-B1 | 98-015 | 700-B | 1998-795 | APH | Yes 1/ | Yes 1/ | Yes | B/O | |
| Citrus (AZ & CA) | | 92B1 | 98-001 | 700-B | 731 | APH | | | | B by type/O | |
| Grapefruit | 0201 | | | | | | | | | | |
| Lemons | 0202 | | | | | | | | | | |
| Minneola Tangelos | 0206 | | | | | | | | | | |
| Navel Oranges | 0215 | | | | | | | | | | |
| Sweet Oranges | 0216 | | | | | | | | | | |
| Valencia Oranges | 0217 | | | | | | | | | | |
| Orlando Tangelos | 0237 | | | | | | | | | | |
| Kinnow Mandarins | 0239 | | | | | | | | | | |
| Citrus (Florida) | | 92B1 | 98-002 | 700-B | 724 | \$ | | | | B by type/O | |
| Citrus I | 0245 | | | | | | | | | | |
| Citrus II | 0246 | | | | | | | | | | |
| Citrus III | 0247 | | | | | | | | | | |
| Citrus IV | 0248 | | | | | | | | | | |
| Citrus V | 0249 | | | | | | | | | | |
| Citrus VI | 0250 | | | | | | | | | | |
| Citrus VII | 0251 | | | | | | | | | | |
| Citrus Fruit (Texas) | | 92B1 | 98-049 | 700-B | 733 | APH | | | | B/O | |
| Early & Midseason Oranges | 0224 | | | | | | | | | | |
| Late Oranges | 0225 | | | | | | | | | | |
| All Other Grapefruit | 0226 | | | | | | | | | | |
| Ruby Red Grapefruit | 0228 | | | | | | | | | | |
| Rio Red & Star Ruby Grapefruit | 0238 | | | | | | | | | | |

1/ Refer to respective Part 5 or 6 for additional LP and PP instructions.

*Current, up to signature date of this handbook.

**Applies to limited and additional coverage ONLY

NOTE: The Basic Provisions (98-B1) represents the FCIC version. The 98-B1 is referred to as the 98-BR for industry purposes and is maintained on the RO Server.

EXHIBIT 2
1998 CROP POLICY INFORMATION

| Crops | Crop Codes | FCIC | | NCIS | | APH or Dollar (\$) | Late Planting Prov. | Prev. Planting Prov. | ** Replant Payment Prov. | ** Optional(O) Basic (B) Unit | ** High-Risk Land Ex. Opt. |
|--|--|---------|--------------------------|-------------------|------------------|--------------------|---------------------|----------------------|--------------------------|-------------------------------|----------------------------|
| | | *Policy | *Endorsement /Crop Prov. | *Basic Provisions | *Crop Provisions | | | | | | |
| Citrus Trees (Texas) Citrus Trees I Citrus Trees II Citrus Trees III Citrus Trees IV Citrus Trees V | 0240 0241 0242 0243 0244 | 92B1 | 98-046 | 700-B | 737 | \$ | | | | B/O | |
| Coarse Grains Corn Grain Sorghum Soybeans | 0041 0051 0081 | 98-B1 | 98-041 | 700-B | 702 | APH | Yes <u>2/</u> | Yes <u>2/</u> | Yes | B/O | Yes <u>1/</u> |
| Cotton | 0021 | 98-B1 | 98-021 | 700-B | 703 | APH | Yes <u>2/</u> | Yes <u>2/</u> | | B/O | Yes <u>1/</u> |
| Cotton (ELS) | 0022 | 98-B1 | 98-022 | 700-B | 745 | APH | | Yes <u>2/</u> | | B/O | Yes <u>1/</u> |
| Cranberries | 0058 | 98-B1 | 98-029 | 700-B | 742 | APH | | | | B/O | |
| Dry Beans | 0047 | 98-B1 | 98-047 | 700-B | 712 | APH | Yes <u>2/</u> | Yes <u>2/</u> | Yes | B/O | Yes <u>1, 3/</u> |
| Figs | 0060 | 92B1 | 94-060 | 700-B | 792A | APH | | | | B by type/O | |
| Florida Fruit Tree Orange Trees Grapefruit Trees Lemon Trees Lime Trees All Other Citrus Trees Carambola Trees | 0207 0208 0209 0210 0211 0213 | 92B1 | 96-014 | 700-B | 748 | \$ | | | | B by type/O | |
| Forage Production | 0033 | 92B1 | 98-033 | 700-B | 729 | APH | | | | B | |
| Forage Seeding | 0032 | 92B1 | 98-032 | 700-B | 730 | \$ | | | Yes | B/O | |
| Grapes | 0053 | 92B1 | 98-053 | 700-B | 717 | APH | | | | B/O Variety <u>4/</u> | |
| Grapes, Table | 0052 | 92B1 | 98-052 | 700-B | 741 | APH | | | | B/O Variety <u>4/</u> | |
| Hybrid Seed (Corn) | 0062 | 98-B1 | 98-062 | 700-B | 738 | \$ | Yes <u>2/</u> | Yes <u>2/</u> | | B/O | |
| Hybrid Sorghum Seed | 0050 | 98-B1 | 98-050 | 700-B | 797 | \$ | Yes <u>2/</u> | Yes <u>2/</u> | | B/O | |

1/ Require Insured's Signature

2/ Refer to respective Part 5 or 6 for additional LP and PP instructions.

3/ Not available in Idaho, Oregon, Utah, and Washington

4/ Basic unit by variety in CA/Optional units by non-contiguous land only - All other states B/O units

*Current, up to signature date of this handbook.

** Applies to limited and additional Coverage ONLY

NOTE: The Basic Provisions (98-B1) represents the FCIC version. The 98-B1 is referred to as the 98-BR for industry purposes and is maintained on the RO Server.

EXHIBIT 2
1998 CROP POLICY INFORMATION

| Crops | Crop Codes | FCIC | | NCIS | | APH or Dollar (\$) | Late Planting Prov. | Prev. Planting Prov. | ** Replant Payment Prov. | ** *Optional(O) Basic (B) Unit | ** High-Risk Land Ex. Opt. |
|-----------------------------|--------------|----------------|--------------------------|-------------------|------------------|--------------------|---------------------|----------------------|--------------------------|--------------------------------|----------------------------|
| | | *Policy | *Endorsement/ Crop Prov. | *Basic Provisions | *Crop Provisions | | | | | | |
| Macadamia Nuts | 0023 | 92B1 | 99-023 | 700-B | 790 | APH | | | | B/O | |
| Macadamia Trees | 0024 | 92B1 | 98-024 | 700-B | 791 | \$ | | | | B/O | |
| Millet (Pilot) | 0017 | 98-B1 | 98-017 | 700-B | 789 | APH | Yes 2/ | | | B/O | |
| Nursery | 0056 | 92B1 | 96-056 | 700-B | 782 | Unique | | | | 5 mile radius | |
| Onions | 0013 | 92B1 | 98-013 | 1995-700-B | 1998-709 | APH | Yes 2/ | | | B/O by type | |
| Onions 5/ | 0013 | 98-B1 | 98-013 (rev.) | 1998-700-B | 1998-709 | APH | Yes 2/ | Yes 2/ | | B/O by type | |
| Peaches | 0034 | 92B1 | 98-034 | 700-B | 720 | APH | | | | B/O | |
| Peanuts | 0075 | 93-075 | | 700-A | 718 | APH | Yes 2/ | | Yes 2/ | FSN | |
| Pears | 0089 | 92B1 | 98-057 | 700-B | 715 | APH | | | | B/O | |
| Peas Dry Green | 0067 0064 | 98-B1 98-B1 | 98-067 98-064 | 700-B 700-B | 713-D 713-G | APH APH | Yes 2/ Yes 2/ | Yes 2/ Yes 2/ | | B/O B/O/T | |
| Pecans (Pilot) | 0020 | 92B1 | 98-020 | 700-B | 802 | \$ | | | | | |
| Peppers | 0083 | 92B1 | 98-10 | 700-B | 740 | \$ | | | Yes | B/O | |
| Plums | 0092 | 98-B1 | 98-090 | 700-B | 706 | APH | | | | B/O | |
| Popcorn | 0043 | 87-38 | | 700 | 744 | APH | Yes 2/ | | Yes | B/O | Yes 1/ |
| Potatoes (Central/Southern) | 0084 | 86-28 | | 700 | 734 | APH | Yes 2/ | | | B/O | |
| Potatoes (Northern) | 0084 | 98-B1 | 98-184 | 700-B | 734N | APH | Yes 2/ | Yes 2/ | | B/O | |
| Prunes | 0036 | 92-B1 | 98-036 | 700-B | 747 | APH | | | | B/O 3/ | |
| Raisins | 0037 | 98-B1 | 98-017 | 700-B | 723 | \$ | | | | B by variety /O | |
| Rice | 0018 | 98-B1 | 98-018 | 700-B | 716 | APH | Yes 2/ | Yes 2/ | Yes | B/O | Yes 1/ |
| Safflower Seed | 0049 | 92B1 | 98-049 | 700-B | 749 | APH | | | Yes | B/O | Yes 4/ |
| Safflower Seed 6/ | 0049 | 98-B1 | 98-049 (rev.) | 700-B | 749 (rev.) | APH | Yes 2/ | Yes 2/ | Yes | B/O | Yes 4/ |

1/ Require Insured's Signature

2/ Refer to respective Part 5 or 6 for additional LP and PP instructions.

3/ Optional if provided by the Actuarial

4/ Not available in Utah or Idaho

5/ For counties with a 11/30 or later contract change date

6/ For counties with a 11/30 or later contract change date

*Current, up to signature date of this handbook.

** Applies to limited and additional Coverage ONLY

NOTE: The Basic Provisions (98-B1) represents the FCIC version. The 98-B1 is referred to as the 98-BR for industry purposes and is maintained on the RO Server.

EXHIBIT 2
1998 CROP POLICY INFORMATION

| Crops | Crop Codes | FCIC | | NCIS | | APH or Dollar (\$) | Late Planting Prov. | Prev. Planting Prov. | ** Replant Payment Prov. | ** *Optional(O) Basic (B) Unit | ** High-Risk Land Ex. Opt. |
|---|--|---------|--------------------------|-------------------|------------------|--------------------|---------------------|----------------------|-------------------------------|--------------------------------|----------------------------|
| | | *Policy | *Endorsement /Crop Prov. | *Basic Provisions | *Crop Provisions | | | | | | |
| Small Grains Barley Flax Oats Rye Wheat | 0091 0031 0016 0094 0011 | 92B1 | 96-011 | 700-B | 1996-714 | APH | Yes <u>2/</u> | Yes <u>2/</u> | Yes <u>3/</u> (Wheat Only) | B/O | Yes <u>1/</u> |
| Small Grains <u>6/</u> Barley Flax Oats Rye Wheat | 0091 0031 0016 0094 0011 | 98-B1 | 98-011 | 700-B | 1998-714 | APH | Yes <u>2/</u> | Yes <u>2/</u> | Yes <u>3/</u> (Wheat Only) | B/O | Yes <u>1/</u> |
| Stonefruit Fresh Apricots Processing Apricots Fresh Nectarine Processing Cling Peaches Processing Freestone Peaches Fresh Freestone Peaches | 0218 0219 0220 0221 0222 0223 | 88-G | 88-51 | 700-A | 796 | APH | | | | B by type /O | |
| Sugar Beets | 0039 | 92B1 | 97-039 | 1995-700-B | 1997-707 | APH | Yes <u>2/</u> | Yes <u>2/</u> | Yes | B/O | Yes <u>1, 4/</u> |
| Sugar Beets <u>6/</u> | 0039 | 98-B1 | 98-039 | 1998-700-B | 1998-707 | APH | Yes <u>2/</u> | Yes <u>2/</u> | Yes | B/O | Yes <u>1, 4/</u> |
| Sugarcane | 0038 | 92B1 | 96-038 | 700-B | 732 | APH | | | | B/O | |
| Sunflower Seed | 0078 | 98-B1 | 98-070 | 700-B | 708 | APH | Yes <u>2/</u> | Yes <u>2/</u> | Yes | B/O | Yes <u>1/</u> |
| Sweet Corn (Processing) | 0042 | 98-B1 | 98-042 | 700-B | 728 | APH | Yes <u>2/</u> | Yes <u>2/</u> | | B/O | Yes <u>1/</u> |
| Sweet Corn (Fresh Market) | 0044 | 92B1 | 98-011 | 700-B | 746 | \$ | | | Yes | B/O | |
| Sweet Potatoes | 0085 | 98-B1 | 98-085 | 700-B | 806 | APH | | | | B/O <u>5/</u> | Yes <u>1/</u> |
| Tobacco, Guaranteed Production Flue Cured Fire Cured Maryland Dark Air Cigar Filler Cigar Binder Cigar Wrapper | 0229 0230 0232 0233 0234 0235 0236 | 88-G | 90-035 | 700-A | 736 | APH | Yes <u>2/</u> | | | B by type/ O by FSN | |

1/ Require Insured's Signature 2/ Refer to respective Part 5 or 6 for additional LP and PP instructions 3/ Not available for fall planted wheat
 4/ Not available in Colorado 5/ Optional units by type (only in California) 6/ For counties with a 11/30 or later contract change date
***Current, up to signature date of this handbook. ** Applies to limited and additional Coverage ONLY**

NOTE: The Basic Provisions (98-B1) represents the FCIC version. The 98-B1 is referred to as the 98-BR for industry purposes and is maintained on the RO Server.

EXHIBIT 2
1998 CROP POLICY INFORMATION

| Crops | Crop Codes | FCIC | | NCIS | | APH or Dollar (\$) | Late Planting Prov. | Prev. Planting Prov. | ** Replant Payment Prov. | ** *Optional(O) Basic (B) Unit | ** High-Risk Land Ex. Opt. |
|--|------------|-----------|--------------------------|-------------------|------------------|--------------------|---------------------|----------------------|--------------------------|--------------------------------|----------------------------|
| | | *Policy | *Endorsement /Crop Prov. | *Basic Provisions | *Crop Provisions | | | | | | |
| Tobacco (Quota) Burley | 0231 | 85-036 | | 700-A | 710 | \$ | Yes <u>1/</u> | | | B by FSN | |
| Tomatoes (Fresh Market Guar. Production) | 0086 | 98-B1 | 98-186 | 700-B | 722 | APH | | | Yes | B/O | |
| Tomatoes (Fresh Market Dollar Plan) | 0086 | 92B1 | 98-009 | 700-B | 739 | \$ | | | Yes | B/O | |
| Tomatoes (Processing) | 0087 | 98-B1 | 98-087 | 700-B | 1998-727 | APH | | | | B/O | |
| Walnuts | 0029 | 92B1 | 98-029 | 700-B | 743 | APH | | | | B/O | |
| Catastrophic Risk Protection Endorsement (Contract Change Date After August 30, 1996) | | <u>2/</u> | 97-CAT | <u>2/</u> | 1997-777 | | | | | | |

1/ Refer to respective Part 5 or 6 for additional LP and PP instructions

2/ Endorsement attaches to specific crop policies or endorsements when CAT coverage is selected by the insured.

*Current, up to signature date of this handbook.

** Applies to limited and additional Coverage ONLY

Continued on next page

EXHIBIT 2
1998 CROP POLICY INFORMATION

| Group Risk Plan (GRP) Crops | Crop Codes | FCIC | | NCIS | | Expected County Yield | Late Planting Prov. | Prev. Planting Prov. | ** Replant Payment Prov. | Unit of Measure | Unit by County/ Basic (B)/ Optional (O) Enterprise (E) Whole Farm (WF) | ** High-Risk Land Exclusion Option |
|---|------------|----------|------------------------|-------------------|------------------|-----------------------|---------------------|----------------------|--------------------------|-----------------|--|------------------------------------|
| | | * Policy | Endorsement/Crop Prov. | *Basic Provisions | *Crop Provisions | | | | | | | |
| Corn 1/ | 0041 | 97-102 | 97-141 | 950 | 954 | Yes | | | | bu. | Yes (C) | |
| Cotton 1/ | 0021 | 97-102 | 97-121 | 950 | 956 | Yes | | | | lbs. | Yes (C) | |
| Forage Production | 0033 | 97-102 | 97-133 | 950 | 942 | Yes | | | | tons | Yes (C) | |
| Grain Sorghum 1/ | 0051 | 97-102 | 97-151 | 950 | 962 | Yes | | | | bu. | Yes (C) | |
| Peanuts 1/ | 0075 | 97-102 | 97-175 | 950 | 960 | Yes | | | | lbs. | Yes (C) | |
| Soybeans 1/ | 0081 | 97-102 | 97-181 | 950 | 964 | Yes | | | | bu. | Yes (C) | |
| Wheat 1/ | 0011 | 97-102 | 97-111 | 950 | 941 | Yes | | | | bu. | Yes (C) | |
| PILOT INSURANCE PLANS (Selected States/Counties) | | | | | | APH/ Dollar (\$) | | | | | | |
| Income Protection (IP) | | | | | | | | | | | | |
| Corn | 0041 | 92B1 | 96-341 | 700-B | 702C-IP | APH/\$ | Yes 2/ | Yes 2/ | 1/ | bu./\$ | Yes (E) | |
| Cotton | 0021 | 92B1 | 96-321 | 700-B | 703-IP | APH/\$ | Yes 2/ | Yes 2/ | 1/ | lbs./\$ | Yes (E) | |
| Wheat | 0011 | 92B1 | 96-311 | 700-B | 714-IP | APH/\$ | Yes 2/ | Yes 2/ | 1/ | bu./\$ | Yes (E) | |
| Soybeans | 0081 | 92B1 | 97-381 | 700-B | 702S-IP | APH/\$ | | | 1/ | bu./\$ | Yes (E) | |
| Grain Sorghum | 0051 | 92B1 | 97-351 | 700-B | 702G-IP | APH/\$ | | | 1/ | bu./\$ | Yes (E) | |
| Crop Revenue Coverage (CRC) | | | | | | | | | | | | |
| Corn 1/ | 0041 | | | 700B-CRC | 702-CRC | APH/\$ | Yes 2/ | Yes 2/ | Yes | bu./\$ | Yes (B/O/E) 5/ | Yes 3/ |
| Soybeans 1/ | 0081 | | | 700B-CRC | 702-CRC | APH/\$ | Yes 2/ | Yes 2/ | Yes | bu./\$ | Yes (B/O/E) 5/ | Yes 3/ |
| Grain Sorghum 1/ | 0051 | | | 700B-CRC | 702-CRC | APH/\$ | Yes 2/ | Yes 2/ | Yes | bu./\$ | Yes (B/O) | Yes 3/ |
| Cotton 1/ | 0021 | | | 700B-CRC | 703-CRC | APH/\$ | Yes 2/ | Yes 2/ | No | lb./\$ | Yes (B/O) | Yes 3/ |
| Wheat 1/ | 0011 | | | 700B-CRC | 714W-CRC | APH/\$ | Yes 2/ | Yes 2/ | Yes | bu./\$ | Yes (B/O) | Yes 3/ |
| Revenue Assurance Cov. (RA) | | | | | | | | | | | | |
| Corn 4/ | 0041 | | | 700B-RA | 702RA | APH/\$ | Yes 2/ | Yes 2/ | Yes | bu./\$ | Yes(B/O/E/WF) 5/ | Yes 3/ |
| Soybeans 4/ | 0081 | | | 700B-RA | 702RA | APH/\$ | Yes 2/ | Yes 2/ | Yes | bu./\$ | Yes(B/O/E/WF) 5/ | Yes 3/ |

1/ ONLY available for Limited or Additional Coverage

2/ Refer to respective Part 5 or 6 for additional LP and PP instructions

3/ Requires insured's signature

4/ ONLY available for Additional Coverage

5/ Enterprise units available only for corn and soybeans

*Current, up to signature date of this handbook. ** Applies to limited and additional Coverage ONLY

GRP, IP, CRC and RA insurance plans, if elected, meet the FSA linkage requirements.

| CAUSE OF LOSS NAMES AND CODES | | |
|--|------|---|
| LOSS CAUSE | CODE | APPLICABLE TO: |
| NO INDEMNITY | (00) | ALL CROPS |
| DECLINE OF PRICE | (01) | ALL CROPS INSURED UNDER INCOME PROTECTION, CROP REVENUE COVERAGE, AND REVENUE ASSURANCE POLICIES. ALSO INCLUDES AVOCADOS. THIS IS APPLICABLE WHEN THE HARVEST PRICE FALLS BELOW THE PROJECTED PRICE (BASE PRICE FOR CRC POLICIES) AND IS THE PRIMARY OR SECONDARY CONTRIBUTOR OF THE LOSS. |
| DROUGHT | (11) | ALL CROPS EXCEPT : Almonds, Avocados and Mango Trees, Texas Citrus Fruit, Texas Citrus Trees, Florida Fruit & Tropical Trees, Macadamia Trees, Nursery, Peppers, Raisins, Rice, Stonefruit, FM Sweet Corn, FM Tomatoes (\$ Plan), AND any crop insured under an irrigated practice. |
| HEAT | (12) | ALL CROPS EXCEPT : Apples, Avocados and Mango Trees, Florida Citrus, Texas Citrus Fruit, Texas Citrus Trees, Florida Fruit & Tropical Trees, Macadamia Trees, Peaches, Peppers, Raisins, FM Sweet Corn, and FM Tomatoes (\$ Plan). |
| FIS (Failure of irrigation (water) supply) | (13) | ALL CROPS EXCEPT : Avocados and Mango Trees, Florida Citrus, Florida Fruit & Tropical Trees, Macadamia Trees, and Raisins. |
| FIE (Failure of irrigation equipment) | (14) | ONLY : CRANBERRIES. |
| HAIL | (21) | ALL CROPS EXCEPT : Avocados and Mango Trees, Florida Fruit & Tropical Trees, Macadamia Trees, Raisins. |
| EXCESS SUN | (22) | ONLY : Apples when Sunburn Option in effect |
| EXCESS MOISTURE/PRECIP/RAIN | (31) | ALL CROPS* EXCEPT : Apples, Florida Citrus, Macadamia Trees, and Peaches. |
| FROST | (41) | ALL CROPS EXCEPT : Avocados and Mango Trees, Florida Citrus, Florida Fruit & Tropical Trees, Macadamia Trees, FM Tomatoes (\$ Plan), FM Sweet Corn, Peppers, and Raisins. |
| FREEZE | (42) | ALL CROPS EXCEPT : Macadamia Trees and Raisins. |
| COLD WINTER | (43) | ALL CROPS EXCEPT : Apples, Avocados and Mango Trees, Florida Citrus, Texas Citrus Fruit, Texas Citrus Trees, Florida Fruit & Tropical Trees, Macadamia Trees, Peaches, Pears, Peppers, Raisins, FM Sweet Corn, and FM Tomatoes (\$ Plan). |

NOTE: Some crop provisions may contain specific cause of loss definitions; e.g., wind. Please refer to the crop provisions for any such specifics.

Continued on the next page

| CAUSE OF LOSS NAMES AND CODES | | |
|-------------------------------|------|--|
| LOSS CAUSE | CODE | APPLICABLE TO: |
| COLD WET WEATHER | (44) | ALL CROPS EXCEPT : Apples, Avocados and Mango Trees, Florida Citrus, Texas Citrus Fruit, Texas Citrus Trees, Florida Fruit & Tropical Trees, Macadamia Trees, Peaches, Peppers, Raisins, FM Sweet Corn, and FM Tomatoes (\$ Plan). |
| ICH (Insufficient Chill hrs.) | (45) | ONLY the following : Blueberries, Peaches, Plums, and California Stonefruit. |
| FLOOD | (51) | ALL CROPS EXCEPT : Apples, Avocados and Mango Trees, Florida Citrus, Texas Citrus Fruit, Texas Citrus Trees, Florida Fruit & Tropical Trees, Macadamia Trees, Peppers, FM Sweet Corn, and FM Tomatoes (\$ Plan), and Raisins. |
| GRP CROPS ONLY | (55) | CROPS INSURED UNDER THE GRP PLAN OF INSURANCE. |
| WIND/EXCESS WIND | (61) | ALL CROPS EXCEPT : Florida Citrus, Peppers, FM Tomatoes (\$ Plan) and Raisins. |
| HOT WIND | (62) | ALL CROPS EXCEPT : Apples, Avocados and Mango Trees, Florida Citrus, Texas Citrus Fruit, Texas Citrus Trees, Macadamia Trees, Peaches, Peppers, Raisins, FM Sweet Corn, and FM Tomatoes (\$ Plan). |
| CYCLONE | (63) | ALL CROPS EXCEPT : Apples, Avocados and Mango Trees, Florida Citrus, Texas Citrus Fruit, Texas Citrus Trees, Macadamia Trees, Peppers, Raisins, and FM Sweet Corn, FM Tomatoes (\$ Plan). |
| TORNADO | (64) | ALL CROPS EXCEPT : Apples, Avocados and Mango Trees, Florida Fruit & Tropical Trees, Macadamia Trees, and Raisins. |
| INSECTS* | (71) | ALL CROPS EXCEPT : Apples, Avocados and Mango Trees, Blueberries, AZ-CA Citrus, Florida Citrus, Texas Citrus Trees, Florida Fruit & Tropical Trees, Figs, Macadamia Nuts, Grapes, Macadamia Trees, Macadamia Trees, Peppers, Plums, Prunes, Table Grapes, Raisins., Stonefruit, FM Sweet Corn, FM Tomatoes (\$ Plan). |
| PLANT DISEASE * | (81) | ALL CROPS EXCEPT : Avocados and Mango Trees, Apples, Blueberries, AZ-CA Citrus, Florida Citrus, Texas Citrus Trees, Florida Fruit & Tropical Trees, Figs, Macadamia Nuts, Grapes, Macadamia Trees, Macadamia Trees, Peppers, Plums, Prunes, Table Grapes, Raisins., Stonefruit, FM Sweet Corn, FM Tomatoes (\$ Plan). |

NOTE: Some crop provisions may contain specific cause of loss definitions; e.g., wind. Please refer to the crop provisions for any such specifics.

*** Some policies may be limited or restricted for this cause of loss; see the individual crop provisions for specifics.**

Continued on the next page

| CAUSE OF LOSS NAMES AND CODES | | |
|--|------|---|
| LOSS CAUSE | CODE | APPLICABLE TO: |
| MYCOTOXIN (e.g., AFLATOXIN) | (82) | ALL CROPS* EXCEPT: Almonds, Apples, Avocados and Mango Trees, Blueberries, AZ-CA Citrus, Florida Citrus, Texas Citrus, Texas Citrus Trees, Florida Fruit & Tropical Trees, Figs, Grapes, Macadamia Nuts, Macadamia Trees, Peaches, Pears, Peppers, Plums, Prunes, Table Grapes, Raisins, California Stonefruit, FM Sweet Corn, FM Tomatoes (\$ and GP Plans), and Walnuts. |
| FORCE FIRE | (90) | ONLY: Tobacco. |
| FIRE* | (91) | ALL CROPS EXCEPT: Avocado and Mango Trees, Florida Fruit & Tropical Trees and Raisins. |
| HURRICANE OR TROPICAL DEPRESSION | (92) | ALL CROPS EXCEPT: Apples, Avocado and Mango Trees, Texas Citrus Fruit, Texas Citrus Trees, Florida Fruit & Tropical Trees, Macadamia Trees, Peaches, Raisins, and FM Sweet Corn. |
| WILDLIFE* | (93) | ALL CROPS EXCEPT: Apples, Avocados and Mango Trees, Florida Citrus, Florida Fruit & Tropical Trees, Fresh Market Sweet Corn, Fresh Market Tomatoes (\$ Plan), Macadamia Trees, Pears, Peppers, Raisins, and Texas Citrus Trees. |
| HOUSE BURN/POLE BURN | (95) | ONLY: Tobacco |
| FRUIT SET FAILURE | (96) | ONLY: Apples. |
| EARTHQUAKE | (97) | ALL CROPS EXCEPT: Apples, Avocado and Mango Trees, Florida Citrus, Texas Citrus Fruit, Texas Citrus Trees, Florida Fruit & Tropical Trees, Macadamia Trees, Peppers, Raisins, FM Sweet Corn, and FM Tomatoes (\$ Plan). |
| VOLCANIC ERUPTION | (98) | ALL CROPS EXCEPT: Apples, Avocao and Mango Trees, Florida Citrus, Texas Citrus Fruit, Texas Citrus Trees, Florida Fruit & Tropical Trees, Macadamia Trees, Peppers, Raisins, FM Sweet Corn, and FM Tomatoes (\$ Plan). |
| OTHER (Snow, Lightning, Etc.) | (99) | ALL CROPS EXCEPT: Apples, Avocao and Mango Trees, Florida Fruit & Tropical Trees, Macadamia Trees, Peppers, Raisins, FM Sweet Corn, and FM Tomatoes (\$ Plan). |

NOTE: Some crop provisions may contain specific cause of loss definitions; e.g., wind. Please refer to the crop provisions for any such specifics.

*** Some policies may be limited or restricted for this cause of loss; see the individual crop provisions for specifics.**

| UNITS OF MEASURE OF PRODUCTION *, BY CROP | |
|--|---------------------------------------|
| CROP NAME | UNIT OF MEASURE |
| Almonds | Pounds |
| Apples (Eastern) | Bushels (42 lbs.) |
| Apples (Colorado) | Bushels (40 lbs.) |
| Apples (Western) | Boxes (35 lbs. lose/field box) |
| Avocados | Pounds |
| Barley | Bushels (48 lbs.) |
| Barley (Malting) | Bushels (48 lbs.) |
| Beans (Processing) | Tons *** |
| Blueberries | Pounds |
| Canola | Pounds |
| Citrus (AZ-CA) (Navel, Valencia, Sweet Oranges) | Cartons (38 lbs.) |
| Citrus (AZ-CA) (Lemons) | Cartons (40 lbs.) |
| Citrus (AZ-CA) (Grapefruit) | Cartons (32 lbs.) |
| Citrus (AZ-CA) (Tangerines, Tangelos, Mandarin Oranges) | Cartons (25 lbs.) |
| Citrus (FL) | Boxes (85 or 90 lbs.-depends on type) |
| Citrus (TX) | Tons |
| Texas Citrus Trees | % Tree Damage/Dollar * |
| Corn (Grain)** | Bushels (56 lbs.) |
| Corn (Silage) | Tons *** |
| Cotton | Pounds |
| Cotton, ELS | Pounds |
| Cranberries | Barrels (100 lbs.) |
| Dry Beans | Pounds (60 lbs. per bu) |
| Figs | Pounds |

* For Tree Crops the loss measurement is first based on the % of tree damage, and then the dollar loss is determined from this.

** To convert weight of ear corn to equivalent bushels of shelled corn divide by 70.

*** Tons = 2,000 pounds

| UNITS OF MEASURE OF PRODUCTION*, BY CROP | |
|--|--------------------------|
| CROP NAME | UNIT OF MEASURE |
| Flaxseed | Bushels (56 lbs.) |
| Florida Fruit Trees | % Stand/Dollar * |
| Forage Production | Tons *** |
| Forage Seeding | % Stand/Dollar * |
| Grain Sorghum | Bushels (56 lbs.) |
| Grapes | Tons *** |
| Table Grapes | Lugs (22-23 lbs.**) |
| Hybrid Corn Seed | Bushels (56 lbs.) |
| Hybrid Sorghum Seed | Bushels (56 lbs.) |
| Macadamia Nuts | Pounds |
| Macadamia Trees | % Tree damage/Dollar * |
| Millet | Pounds |
| Nursery Stock | Dollar |
| Oats | Bushels (32 lbs.) |
| Onions | Hundredweight |
| Peaches | Bushels (50 lbs.) |
| Peanuts | Pounds |
| Pears | Tons *** |
| Peas, dry | Pounds (60 lbs. per Bu.) |
| Peas, green | Pounds |
| Peppers | 1 1/9 bushels (per box) |
| Plums, Fresh | Lugs (28 lbs.) |
| Popcorn | Pounds |
| Potatoes | Hundredweight |
| Prunes | Tons *** |
| Raisins | Tons *** |

* For Forage Seeding, the loss measurement is first based on the % of stand, and then the dollar loss is determined from this. For Tree Crops the loss measurement is first based on the % of tree damage, and then the dollar loss is determined from this.

** 22 lbs. in Coachella Valley, CA district; 23 lbs. in all other CA districts.

*** Ton = 2, 000 pounds

| UNIT OF MEASURE OF PRODUCTION, BY CROP | |
|---|--------------------------|
| CROP NAME | UNIT OF MEASURE |
| Rice | Pounds (45 lbs. per bu.) |
| Rye | Bushels (56 lbs.) |
| Safflowerseed | Pounds |
| Soybeans | Bushels (60 lbs.) |
| Stonefruit (Apricots) | Lugs (24 lbs.) |
| Stonefruit (Nectarines) | Lugs (25 lbs.) |
| Stonefruit (Freestone Peaches) | Lugs (22 lbs.) |
| Stonefruit (Processing apricots and Processing Peaches) | Tons * |
| Sugar Beets | Tons * |
| Sugarcane | Pounds |
| Sugarcane (Hawaiian) | Pounds |
| Sunflower Seed (Oil) | Pounds (29 lbs. per bu.) |
| Sunflower Seed (Non-oil) | Pounds (25 lbs. per bu.) |
| Sweet Corn (Processing) | Tons * |
| Sweet Corn (Fresh) | Crates (42 lbs.) |
| Tobacco (Guarantee & Quota) | Pounds |
| Tomatoes (Processing) | Tons * |
| Tomatoes (Fresh & Fresh Guarantee) | Cartons (25 lbs.) |
| Walnuts | Pounds |
| Wheat | Bushels (60 lbs.) |

* Ton = 2,000 pounds

ENTITIES AND DOCUMENTATION CHART

| ENTITY | APPLICATION | *SIGNATURE(S) REQUIRED | DOCUMENTATION NEEDED | ID NUMBER |
|---|--|--|--|---|
| INDIVIDUAL | John C. Doe | John C. Doe | None | Individual EIN or SSN <u>1</u> |
| INDIVIDUAL | Northam Land Company c/o James T. Anderson | Northam Land Company By James T. Anderson, Sole Owner | None | EIN or SSN of The Owner <u>1</u> |
| INDIVIDUAL (Female) | Anna M. Smith (Not Mrs. John C. Smith) | Anna M. Smith (Not Mrs. John C. Smith) | None | EIN or SSN of Individual <u>1</u> |
| INDIVIDUAL (Undivided Interests) | John J. Smith (Named Insured) | John J. Smith | Agreement naming responsible person. Proof of undivided interest in the Land | Individual EIN or SSN of named insured <u>2</u> |
| INDIVIDUAL (Joint & Survivor & Interest) | John W. Doe or Mary C. Doe | (Both must sign) John W. Doe Mary C. Doe | If they are not spouses, statements signed by both parties showing authority of one to act for the other | EIN or SSN of Individual <u>3</u> |
| INDIVIDUAL (Minor, Natural Guardian) | John Doe, (minor) by Fred Doe, Guardian | Fred Doe, Guardian for John Doe | Statement signed by minor and guardian showing qualifications as separate entity | EIN or SSN of Minor <u>1</u> |
| INDIVIDUAL (Minor Unable To Enter Into Contracts & Incompetent Court-Appointed Guardian) | Frank W. Doe c/o John H. Doe, Guardian | John H. Doe Guardian for Frank W. Doe, | Statements signed by court-appointed guardian showing where court decree can be verified | EIN or SSN of Minor or Incompetent <u>1</u> |
| INDIVIDUAL (Tobacco Marketing Card Agreement) | Ralph A. Doe (Named Insured) | Ralph A. Doe | May insure 100% of the tobacco crop listed on marketing card. All shareholders must agree in writing. | EIN or SSN of named insured <u>2</u> |
| INDIVIDUAL (Authorized Signature) | John C. Doe c/o Richard C. Roe, Authorized Representative | John C. Doe By Richard C. Roe, Under Power of Attorney | Power of Attorney | Individual EIN or SSN of insured <u>1</u> |
| CO-OWNERS JOINT OPERATORS | James L. Smith and John A. Brown, Co-Owners James L. Smith and John A. Brown, Joint Operators | (All must sign) James L. Smith John A. Brown | None, if all sign, Or Power of Attorney authorizing signature | Joint Interest EIN or SSN's <u>2</u> |
| CORPORATION | ABC Company, Inc. c/o Richard Roe, (Title) First National Bank of Dallas c/o John H. Doe, (Title) | ABC Company, Inc. By Richard Roe, (Title) First National Bank of Dallas By John H. Doe, (Title) | Statements where articles of incorporation are on file. Application must be signed by authorized officer of the Corporation. | EIN For the Corporation <u>3</u> |
| ESTATE | Estate of Richard Roe, Deceased, c/o John H. Doe, Executer (or Administrator) | Estate of Richard Roe, Deceased, by John H. Doe Executer (or Administrator) | Statement advising where authority can be found | Estate EIN Or Deceased SSN or EIN |

| ENTITY | APPLICATION | *SIGNATURE(S) REQUIRED | DOCUMENTATION NEEDED | ID NUMBER |
|--|--|---|---|--|
| TRUST (BIA) (Irrevocable) (Revocable) | John H. Doe Trust, c/o Richard Roe, Trustee or Administrator | John H. Doe, Trust by Richard Roe, Trustee or Administrator | Statement advising where authority can be found | EIN for Trust Or SSN Reported for the Trust <u>4</u> |
| | Jones, Brown, Smith c/o Richard Roe, Trustee | Jones, Brown, Smith By Richard Roe, Trustee | | EIN of Trust or SSN Reported for the Trust <u>4</u> |
| | (Name of Trust) BIA Trust 0016 | BIA Trust 0016 by John Doe Trustee or Power of Attorney | | State County BIA# Example: 01 201 0016 |
| | Ralph R. Doe, Trust, c/o Richard Roe, Trustee or Administrator | Ralph R. Doe Trust, c/o Richard Roe, Trustee or Administrator | Statement advising where authority can be found | EIN for Trust or SSN Reported for the Trust <u>4</u> |
| | John H. Doe, Trust, c/o Richard Roe, Trustee or Administrator | John H. Doe, Trust, c/o Richard Roe, Trustee or Administrator | Statement advising where authority can be found | EIN for Trust or SSN Reported for the Trust <u>4</u> |
| RECEIVER OR LIQUIDATOR | XYZ Company c/o John H. Doe, Receiver (or Liquidator) | XYZ Company By John H. Doe, Receiver or Liquidator & Court-Appointed | Statement advising where authority can be found | EIN of Named Insured or Correspondent's EIN and/or SSN |
| PUBLIC AGENCY (a state, a political subdivision of a state (county or parish), or any agency thereof) | Brown County Farms c/o Richard R. Roe Farm Manager | Brown County Farms By Richard R. Roe, Farm Manager (Other Authorized Title Acceptable) | Statement advising where authority can be found | EIN if issued |
| | State of Ohio, Board of Aeronautics, c/o John H. Doe, Director | State of Ohio, Board of Aeronautics, By John H. Doe, Director (Other Authorized Title Acceptable) | | |
| | Fairtown Farms c/o I.M. Boss, City Mgr. | Fairtown Farms By I.M. Boss, City Mgr. (Other Authorized Title Acceptable) | | |
| ASSOCIATION, CLUB OTHER TAX-EXEMPT ORGANIZATION | Park and Recreation Association c/o John H. Doe, Treasurer | Park and Recreation Association By John H. Doe, Treasurer | Statement advising where authority can be found | EIN for the Organization |
| PARTNERSHIP (Written or Verbal) | Jones and Smith, A Partnership c/o Sam Jones | Jones and Smith, A Partnership By Sam Jones, A Partner | Statement signed by all partners certifying they are members of the partnership | Partnership EIN <u>3</u> |

1 If EIN, Individual MUST be listed as SBI and SSN provided
2 All ENTITIES/PERSONS Insured must be listed as SBI and EIN or SSN provided
3 SSN or EIN of anyone holding a 10% or more interest
4 SSN or EIN of ALL BENEFICIARIES

HAIL/FIRE EXCLUSION APPRAISAL FACTOR CHART

The following table lists the appraisal factors for the following levels of coverage when the percent of hail/fire loss exceeds the difference between 100% and the level of coverage percent.

| HAIL/FIRE EXCLUSION APPRAISAL FACTOR CHART | | | | | | |
|--|-------|-------|-------|-------|-------|-------|
| % Hail Damage | 50% | 55% | 60% | 65% | 70% | 75% |
| 25% | 0 | 0 | 0 | 0 | 0 | 0 |
| 26% | 0 | 0 | 0 | 0 | 0 | .0133 |
| 27% | 0 | 0 | 0 | 0 | 0 | .0267 |
| 28% | 0 | 0 | 0 | 0 | 0 | .0400 |
| 29% | 0 | 0 | 0 | 0 | 0 | .0533 |
| 30% | 0 | 0 | 0 | 0 | 0 | .0667 |
| 31% | 0 | 0 | 0 | 0 | .0143 | .0800 |
| 32% | 0 | 0 | 0 | 0 | .0286 | .0933 |
| 33% | 0 | 0 | 0 | 0 | .0429 | .1067 |
| 34% | 0 | 0 | 0 | 0 | .0571 | .1200 |
| 35% | 0 | 0 | 0 | 0 | .0714 | .1333 |
| 36% | 0 | 0 | 0 | .0154 | .0857 | .1467 |
| 37% | 0 | 0 | 0 | .0308 | .1000 | .1600 |
| 38% | 0 | 0 | 0 | .0462 | .1143 | .1733 |
| 39% | 0 | 0 | 0 | .0615 | .1286 | .1867 |
| 40% | 0 | 0 | 0 | .0769 | .1429 | .2000 |
| 41% | 0 | 0 | .0167 | .0923 | .1571 | .2133 |
| 42% | 0 | 0 | .0333 | .1077 | .1714 | .2267 |
| 43% | 0 | 0 | .0500 | .1231 | .1857 | .2400 |
| 44% | 0 | 0 | .0667 | .1385 | .2000 | .2533 |
| 45% | 0 | 0 | .0833 | .1538 | .2143 | .2667 |
| 46% | 0 | .0182 | .1000 | .1692 | .2286 | .2800 |
| 47% | 0 | .0364 | .1167 | .1846 | .2429 | .2933 |
| 48% | 0 | .0545 | .1333 | .2000 | .2571 | .3067 |
| 49% | 0 | .0727 | .1500 | .2154 | .2714 | .3200 |
| 50% | 0 | .0909 | .1667 | .2308 | .2857 | .3333 |
| 51% | .0200 | .1091 | .1833 | .2462 | .3000 | .3467 |
| 52% | .0400 | .1273 | .2000 | .2615 | .3143 | .3600 |
| 53% | .0600 | .1455 | .2167 | .2769 | .3286 | .3733 |
| 54% | .0800 | .1636 | .2333 | .2923 | .3429 | .3867 |
| 55% | .1000 | .1818 | .2500 | .3077 | .3571 | .4000 |
| 56% | .1200 | .2000 | .2667 | .3231 | .3714 | .4133 |
| 57% | .1400 | .2182 | .2833 | .3385 | .3857 | .4267 |
| 58% | .1600 | .2364 | .3000 | .3538 | .4000 | .4400 |
| 59% | .1800 | .2545 | .3167 | .3692 | .4143 | .4533 |
| 60% | .2000 | .2727 | .3333 | .3846 | .4286 | .4667 |
| 61% | .2200 | .2909 | .3500 | .4000 | .4429 | .4800 |
| 62% | .2400 | .3091 | .3667 | .4154 | .4571 | .4933 |
| 63% | .2600 | .3273 | .3833 | .4308 | .4714 | .5067 |
| 64% | .2800 | .3455 | .4000 | .4462 | .4857 | .5200 |
| 65% | .3000 | .3636 | .4167 | .4615 | .5000 | .5333 |
| 66% | .3200 | .3818 | .4333 | .4769 | .5143 | .5467 |
| 67% | .3400 | .4000 | .4500 | .4923 | .5286 | .5600 |
| 68% | .3600 | .4182 | .4667 | .5077 | .5429 | .5733 |
| 69% | .3800 | .4364 | .4833 | .5231 | .5571 | .5867 |
| 70% | .4000 | .4545 | .5000 | .5385 | .5714 | .6000 |
| 71% | .4200 | .4727 | .5167 | .5538 | .5857 | .6133 |
| 72% | .4400 | .4909 | .5333 | .5692 | .6000 | .6267 |

| HAIL/FIRE EXCLUSION APPRAISAL FACTOR CHART | | | | | | |
|--|--------|--------|--------|--------|--------|--------|
| % Hail Damage | 50% | 55% | 60% | 65% | 70% | 75% |
| 73% | .4600 | .5091 | .5500 | .5846 | .6143 | .6400 |
| 74% | .4800 | .5273 | .5667 | .6000 | .6286 | .6533 |
| 75% | .5000 | .5455 | .5833 | .6154 | .6429 | .6667 |
| 76% | .5200 | .5636 | .6000 | .6308 | .6571 | .6800 |
| 77% | .5400 | .5818 | .6167 | .6462 | .6714 | .6933 |
| 78% | .5600 | .6000 | .6333 | .6615 | .6857 | .7067 |
| 79% | .5800 | .6182 | .6500 | .6769 | .7000 | .7200 |
| 80% | .6000 | .6364 | .6667 | .6923 | .7143 | .7333 |
| 81% | .6200 | .6545 | .6833 | .7077 | .7286 | .7467 |
| 82% | .6400 | .6727 | .7000 | .7231 | .7429 | .7600 |
| 83% | .6600 | .6909 | .7167 | .7385 | .7571 | .7733 |
| 84% | .6800 | .7091 | .7333 | .7538 | .7714 | .7867 |
| 85% | .7000 | .7273 | .7500 | .7692 | .7857 | .8000 |
| 86% | .7200 | .7455 | .7667 | .7846 | .8000 | .8133 |
| 87% | .7400 | .7636 | .7833 | .8000 | .8143 | .8267 |
| 88% | .7600 | .7818 | .8000 | .8154 | .8286 | .8400 |
| 89% | .7800 | .8000 | .8167 | .8308 | .8429 | .8533 |
| 90% | .8000 | .8182 | .8333 | .8462 | .8571 | .8667 |
| 91% | .8200 | .8364 | .8500 | .8615 | .8714 | .8800 |
| 92% | .8400 | .8545 | .8667 | .8769 | .8857 | .8933 |
| 93% | .8600 | .8727 | .8833 | .8923 | .9000 | .9067 |
| 94% | .8800 | .8909 | .9000 | .9077 | .9143 | .9200 |
| 95% | .9000 | .9091 | .9167 | .9231 | .9286 | .9333 |
| 96% | .9200 | .9273 | .9333 | .9385 | .9429 | .9467 |
| 97% | .9400 | .9455 | .9500 | .9538 | .9571 | .9600 |
| 98% | .9600 | .9636 | .9667 | .9692 | .9714 | .9733 |
| 99% | .9800 | .9818 | .9833 | .9846 | .9857 | .9867 |
| 100% | 1.0000 | 1.0000 | 1.0000 | 1.0000 | 1.0000 | 1.0000 |

Instructions for using the "Decimal Part of a Percent" chart below: Add the whole number to the decimal %.
 Example: 58.7 hail damage @ Level 2 (.3542 + .0108) = .3650 appraisal factor
 .3650 X guarantee per acre = appraisal for uninsured causes.

| DECIMAL PART OF A PERCENT | | | | | | |
|---------------------------|-------|-------|-------|-------|-------|-------|
| | .50% | 55% | 60% | 65% | 70% | 75% |
| .1 | .0020 | .0018 | .0017 | .0015 | .0014 | .0013 |
| .2 | .0040 | .0036 | .0033 | .0031 | .0029 | .0027 |
| .3 | .0060 | .0055 | .0050 | .0046 | .0043 | .0040 |
| .4 | .0080 | .0073 | .0067 | .0062 | .0057 | .0053 |
| .5 | .0100 | .0091 | .0083 | .0077 | .0071 | .0067 |
| .6 | .0120 | .0109 | .0100 | .0092 | .0086 | .0080 |
| .7 | .0140 | .0127 | .0117 | .0108 | .0100 | .0093 |
| .8 | .0160 | .0145 | .0133 | .0123 | .0114 | .0107 |
| .9 | .0180 | .0164 | .0150 | .0138 | .0129 | .0120 |

FSA-424

| Form FSA-424 (11-07-95) | United States Department of Agriculture Farm Service Agency Any County FSA Office | MM-DD-YY | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
|---|---|--|-----------|-----------|---------|---------|----------|-----------|-------------|---------------|-----------------|-----------|-----------|-----------|-----------|-----------|-----------|---------|---------|----------|-----------|-------------|---------------|-----------------|-----------|------|---|----|------|--|---|----|--|---|---|-------|-----|-------|------|---|----|-------|-----|--|----|---|--|---|-------|-----|-------|------|---|----|-------|-----|--|----|---|--|---|------|-----|-------|------|---|----|-------|-----|--|----|---|--|---|-------|-----|--------|------|----|----|-------|-----|--|----|--|---|---|--------|---------|--------|------|----|----|-------|-----|--|----|--|---|---|-------|--------|-------|
| ***19YY*** CROP INSURANCE TRACT DATA | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Requester: Roger Rabbit 444 Hiphop Lane Any Town, AS 65738 | Producer: Ivan Hoe 222 Lillyfield Any Town, AS 65738 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Multicounty Producer? N | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| The 6-CP Eligibility Indicator for 1997 is? Y | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| The 6-CP Eligibility Indicator for the prior year (1996) is ? Y | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Farm No. 1901 | Requested Producer is : OPERATOR Other Owner's name: LILLY SMITH | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Tract Farm- No. land 1520 520.0 | Crop- land 175.0 | Photo/grid and Legal Description D-6,2B, N1\2NE1\2 N1\2 S1\2 NE1\2 32-27-14 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Multitract No. ***** | Tract No. ***** | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| <table border="1" style="width:100%; border-collapse: collapse;"> <thead> <tr> <th>TRACT NUM</th> <th>FIELD NUM</th> <th>CROP YEAR</th> <th>CROP DESC</th> <th>VAR/ TYPE</th> <th>IRR PRC</th> <th>INT USE</th> <th>LAND USE</th> <th>PLNT PRAC</th> <th>CROP STATUS</th> <th>REPORTED ACRE</th> <th>DETERMINED ACRE</th> <th>SHARE PCT</th> </tr> </thead> <tbody> <tr> <td>1520</td> <td>1</td> <td>97</td> <td>CORN</td> <td></td> <td>I</td> <td>GR</td> <td></td> <td>2</td> <td>I</td> <td>11.90</td> <td>.00</td> <td>.3333</td> </tr> <tr> <td>1520</td> <td>2</td> <td>97</td> <td>GRASS</td> <td>OTH</td> <td></td> <td>GZ</td> <td>C</td> <td></td> <td>I</td> <td>10.10</td> <td>.00</td> <td>.5000</td> </tr> <tr> <td>1520</td> <td>3</td> <td>97</td> <td>GRASS</td> <td>OTH</td> <td></td> <td>GZ</td> <td>C</td> <td></td> <td>I</td> <td>6.20</td> <td>.00</td> <td>.5000</td> </tr> <tr> <td>1520</td> <td>4</td> <td>97</td> <td>GRASS</td> <td>OTH</td> <td></td> <td>GZ</td> <td>C</td> <td></td> <td>I</td> <td>10.10</td> <td>.00</td> <td>1.0000</td> </tr> <tr> <td>1520</td> <td>5A</td> <td>97</td> <td>WHEAT</td> <td>HRW</td> <td></td> <td>GR</td> <td></td> <td>3</td> <td>I</td> <td>125.00</td> <td>125 .00</td> <td>1.0000</td> </tr> <tr> <td>1520</td> <td>5B</td> <td>97</td> <td>WHEAT</td> <td>HRW</td> <td></td> <td>GR</td> <td></td> <td>3</td> <td>I</td> <td>11.90</td> <td>11 .90</td> <td>.6667</td> </tr> </tbody> </table> | | | | | | | | | | | | | TRACT NUM | FIELD NUM | CROP YEAR | CROP DESC | VAR/ TYPE | IRR PRC | INT USE | LAND USE | PLNT PRAC | CROP STATUS | REPORTED ACRE | DETERMINED ACRE | SHARE PCT | 1520 | 1 | 97 | CORN | | I | GR | | 2 | I | 11.90 | .00 | .3333 | 1520 | 2 | 97 | GRASS | OTH | | GZ | C | | I | 10.10 | .00 | .5000 | 1520 | 3 | 97 | GRASS | OTH | | GZ | C | | I | 6.20 | .00 | .5000 | 1520 | 4 | 97 | GRASS | OTH | | GZ | C | | I | 10.10 | .00 | 1.0000 | 1520 | 5A | 97 | WHEAT | HRW | | GR | | 3 | I | 125.00 | 125 .00 | 1.0000 | 1520 | 5B | 97 | WHEAT | HRW | | GR | | 3 | I | 11.90 | 11 .90 | .6667 |
| TRACT NUM | FIELD NUM | CROP YEAR | CROP DESC | VAR/ TYPE | IRR PRC | INT USE | LAND USE | PLNT PRAC | CROP STATUS | REPORTED ACRE | DETERMINED ACRE | SHARE PCT | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 1520 | 1 | 97 | CORN | | I | GR | | 2 | I | 11.90 | .00 | .3333 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 1520 | 2 | 97 | GRASS | OTH | | GZ | C | | I | 10.10 | .00 | .5000 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 1520 | 3 | 97 | GRASS | OTH | | GZ | C | | I | 6.20 | .00 | .5000 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 1520 | 4 | 97 | GRASS | OTH | | GZ | C | | I | 10.10 | .00 | 1.0000 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 1520 | 5A | 97 | WHEAT | HRW | | GR | | 3 | I | 125.00 | 125 .00 | 1.0000 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 1520 | 5B | 97 | WHEAT | HRW | | GR | | 3 | I | 11.90 | 11 .90 | .6667 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| <p>--Disregard entries of "0.0" in the determined acreage column, --Fields with "P" in the Land Use column are used for conserving use for payment and cannot be harvested.</p> | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |

FSA DOCUMENTS

FSA-424

FORM FSA-424

OTHER PRODUCER'S SHARE

-----Farm Level Shares-----

| | |
|----------|-------|
| Producer | Share |
| ***** | ***** |

-----Field Level Shares-----

| Tract Num | Field Num | Crop | Int Use | Irr Prac | Crop Status | Producer | Share |
|--------------|--------------|-------|------------|-------------|----------------|-------------|-------|
| 1520 | 1 | Corn | GR | I | I | Lilly Smith | .6667 |
| 1520 | 5B | Wheat | GR | | I | Lilly Smith | .3333 |
| 1520 | 2 | Grass | GZ | | I | Lilly Smith | .5000 |
| 1520 | 3 | Grass | GZ | | I | Lilly Smith | .5000 |

FSA-425

Form FSA-425
(11-07-95)

United States Department of Agriculture
Farm Service Agency
Any County FSA Office

MM-DD-YY

BURLEY TOBACCO AND PEANUT INFORMATION

Requester:
JONES, JULIUS
BOX 243
BIRD CITY, NC 27847

Producer:
SAMUEL SMITH
2333848 S
SMITHVILLE, NC 27892

Multicounty Producer? N

6-CP eligibility indicator for 1997 is: Y

6-CP eligibility indicator for the prior year (1996) is: Y

FARM TRACT, BASE, AND YIELD INFORMATION

Farm No. 1991 Requested Producer is: OWNER
Other Owner's Name: ALICE A. SMITH
Other Owner's Name: BART B. SMITH
Other Owner's Name: CHARLES C. SMITH
Other Owner's Name: DONALD D. SMITH

| Tract No. | Farm land | Crop land | Photo/grid and Legal description |
|-----------|-----------|-----------|----------------------------------|
| 1987 | 13.0 | 3.4 | M2 4C/ |
| 1988 | 32.0 | 13.8 | M2 5C/ |
| 1989 | 13.0 | 6.0 | N1 5E/ |
| 1990 | 135.0 | 92.0 | N3 2C/ |
| 1991 | 10.0 | 7.6 | 01 2D/ |
| 1992 | 155.0 | 99.9 | 01 3A/ |
| 1993 | 94.0 | 23.9 | 02 2A/ |

| Crop Name | Crop Year | Farm Yield | Effective Quota | Total Prev Year Mkt. | Carryover Lb. Qty |
|-----------|-----------|------------|-----------------|----------------------|-------------------|
| BURTS | 97 | 2,070 | 1,200 | 1,528 | 1,000 |
| PNUTS | 97 | 1,285 | 79,924 | | |

Note: A line of asterisks indicates there is no burley tobacco or peanuts on the farm.

FSA DOCUMENTS

FSA-426

| | | | | | | |
|---|--|-----------------|---|---|---------------------|----------|
| Reproduce Locally: Include form number and date on reproduction | | | | | | |
| FSA-426 U.S. DEPARTMENT OF AGRICULTURE (xx-xx-xx) Farm Service Agency MPCI/FCIC INFORMATION REQUEST WORKSHEET | | | 1. COUNTY OFFICE NAME, ADDRESS AND TELEPHONE NO. (Include area code) Anywhere County FSA Office (XXX) XXX-XXXX P.O. Box 555 City, State XXXXX-XXXX | | | |
| | | | 2. Program Year 19YY | | 3. Date MM-DD-YY | |
| TO BE COMPLETED BY REQUESTER | | | | | | |
| 4. REQUESTER'S NAME <i>I. M. Adjuster</i> | | | A. ID NUMBER XXX-XX-XXXX | | B. ID TYPE XXX | |
| PRODUCER'S NAME 5. | | ID NUMBER 6. | ID TYPE 7. | 8. INFORMATION REQUESTED Check appropriate box(es) that are applicable to producer | | |
| | | | | FSA-423 | FSA-424 | FSA-425 |
| | | | | | Map Photocopies | |
| <i>I. M. Insured</i> | | xxx-xx-xxxx | xxx | | ✓ | ✓ |
| | | | | | | |
| | | | | | | |
| | | | | | | |
| | | | | | | |
| | | | | | | |
| | | | | | | |
| | | | | | | |
| | | | | | | |
| 9. INFORMATION WILL BE: () MAILED (✓) PICKED UP | | | ADDRESS, IF MAILED | | | |
| 10. REMARKS | | | | | | |
| 11. REQUESTER'S SIGNATURE <i>I. M. Adjuster</i> | | | | | | |
| TO BE COMPLETED BY FSA ONLY | | | | | | |
| DATE RECEIVED | | DATE FURNISHED | | WORKLOAD DATA | | INITIALS |
| This program or activity will be conducted on a nondiscriminatory basis without regard to race, color, religion, national origin, age, sex, marital status, or handicap | | | | | | |

FSA ABBREVIATIONS ON AERIAL PHOTOS

| FSA AERIAL PHOTO ABBREVIATIONS | MEANING |
|---------------------------------------|--|
| HEL | Highly erodible land |
| NHEL | Not highly erodible land |
| W | Wetland |
| NW | Nonwetland |
| CW | Wetland converted before 11/28/90 |
| CWA | Wetland converted after 11/28/90 Example: "CW95" to indicate that the conversion occurred in 1995. |
| FW | Farmed wetland |
| PC | Wetland converted before 12/23/85 |
| AW | Artificial wetland or irrigated wetland |
| MW | Converted wetlands determined to have a minimal effect |
| MG | A prior converted wetland is restored to replace a frequently cropped wetland that is converted |
| | A prior converted wetland is restored to replace a non-frequently cropped wetland |
| RW | Restored wetland that was converted before 11/28/90 |
| | Restored wetland that was converted after 11/28/90 |
| | Wetland that was restored under a good faith agreement |
| CWTE | Wetlands determined by NRCS to be exempt because of technical error |
| CWNA | Wetlands converted for non-agricultural uses |
| FW | Wetland granted a commenced conversion or third party exemption that allows a maintenance of the current system |
| PC | Wetland granted a commenced conversion or third party exemption that does not restrict any drainage activities on the land |
| NC | Noncropland pasture and acreage reclassified as noncropland. |
| CRP | Land that is being devoted on a nonagricultural use (Land is under Conservation Reserve Program contract). |
| BCSYR | Fields approved for early release from the Conservation Reserve Program. The "YR" is the year the CRP contract is scheduled to expire. CRP will have been lined through. When the originally expired date is reached the CRPBSCYR will be lined through and "Expired" will be shown beside it. Example Expired." |
| FSN | Farm Serial Number. It is place in the upper-left corner of the farm on the photo. |
| T | T followed by numbers is the assigned "Tract number;" e.g., "T1520." |
| 1... | An assigned number to identify the field, i.e., "1" or "2." When a field is subdivided a number followed by a letter suffix, such as "1A" is shown. |

FSA CODES USED ON FSA-424 (FSA-578)

| CROP STATUS CODES | | | | | |
|-------------------|--|------------------|------------------------------|-----------------|--------------------------------------|
| First Character | | Second Character | | Third Character | |
| I | Initial (1st crop) | I | Intended | M | Multiple plantings on the same field |
| D | Double crop (2nd crop) | P | Prevented Planting | | |
| S | Subsequent crop (3rd or later crop) | F | Failed | | |
| A | After prevented planted or failed | A | Abandoned (Only for Peanuts) | | |
| E | Experimental (Not counted as a crop) | “ ” | Means planted | | |
| R | Repeat (same crop) | | | | |
| B | Program crop behind a contract commodity or minor oilseed. | | | | |

Examples: II-Initial Intended

DF- Double crop failed

I- Initial Planted

| INTENDED USE CODES | | | | | | | |
|--------------------|--|---------------------------|--|--------------|--|------------------------|--|
| Abbreviation | | Explanation | | Abbreviation | | Explanation | |
| BR | | Brooders | | JU | | Juice | |
| CN | | Canning | | LV | | Leaves | |
| DE | | Dry edible | | ML | | Molasses | |
| DS | | Destroyed without benefit | | OL | | Oil | |
| EG | | Eggs | | PP | | Processing for pellets | |
| FD | | Fodder | | PR | | Processed | |
| FF | | Foodfish | | RS | | Rootstock | |
| FG | | Forage | | RT | | Root(s) | |
| FH | | Fresh | | SD | | Seed | |
| FN | | Fingerlings | | SE | | Sets | |
| FZ | | Freezing | | SG | | Silage | |
| GC | | Greenchop | | SK | | Stockers | |
| GR | | Grain | | SO | | Sod | |
| GZ | | Grazing | | ST | | Storage | |
| GM | | Green Manure | | | | | |
| GN | | Greens | | GP | | Green peanuts | |
| HY | | Hay | | HP | | Hogged peanuts | |
| HG | | Haylage | | NP | | Nut peanuts | |

FSA CODES USED ON FSA 424- (FSA-578)

| LAND USE FLAG | | | | |
|----------------------|---|--|---------------------|--------------------|
| Abbreviation | Explanation | | Abbreviation | Explanation |
| F | Fruit or Vegetables | | N | No Credit |
| O | Other cropland (not counted for program purposes) | | | |

FSA CODES AND ABBREVIATIONS

| PLANTING PRACTICE CODES USED ON FSA-424 (FSA-578) |
|---|
| The planting practices on the FSA-424 (FSA-578) are FCIC planting codes. Refer to the FCI-35 for the code and code explanation. |

CLAIM CHECKLIST**A** General Information for insurance provider

- (1) It is recommended that insurance providers provide this or a similar checklist to adjusters for them to complete during each loss inspection. (The insurance provider may choose to develop a similar checklist that has been modified to fit their region and the crops insured.)
- (2) The checklist is to be used as a tool to assist the adjuster in determining that important verifications have been made. It may be utilized for other purposes, such as review of adjusters' work, etc.
- (3) If the insurance provider chooses to use this checklist, be aware that this checklist was designed to be used nationwide. There may be some items that are not applicable to a particular geographical area or crop. On the other hand, there may be items that are not included on this list because they are specific to ONLY certain geographical areas or crops. Therefore, at the bottom of this checklist, space has been provided to add additional items that may be needed but have not been included.

B Adjuster completion instructions

- (1) Enter the insured's name, claim number, contract number, crop(s) and units inspected during the farm visit, and purpose of farm visit; e.g., acreage report review inspection, preliminary inspection, growing season inspection, final inspection, etc.
- (2) With a check mark, indicate "Yes" or "No" for each item on the checklist. If the item cannot be answered with a "Yes" or "No," explain on the line provided by each item or on the back of the checklist if more space is needed. Be sure to appropriately identify any comments made on the reverse side.
- (3) Signature is optional unless otherwise locally instructed; however, it is recommended that adjusters sign the form to facilitate any necessary follow-up action.

NOTE: An indication that a particular item has been verified, such as "Special Option endorsements verified" is intended to be an indication that you not only verified that the insured had the option, endorsement, etc., but that you also verified the insured's eligibility for such option, etc., and that all applicable provisions have been met and applied properly in the adjustment of the loss.

Distribution

Place the completed checklist in the insured's contract folder. No other copies are required to be distributed unless otherwise instructed by the insurance provider.

CLAIM CHECKLIST

| | | Insured's name | Claim number | Policy number |
|-----|----|-----------------|---|---------------|
| | | Crop(s)-Unit(s) | | |
| YES | NO | | | |
| G | G | 1 | Insured Present | _____ |
| G | G | 2 | Insurable Entity Verified | _____ |
| G | G | 3 | Timely Notice | _____ |
| G | G | 4 | Share Verified | _____ |
| G | G | 5 | Companion Contract Verified (if applicable) | _____ |
| G | G | 6 | Legal Description Verified | _____ |
| G | G | 7 | Practice(s) Insurability Verified | _____ |
| G | G | 8 | Insurable Type/Variety Verified | _____ |
| G | G | 9 | Planting Dates Verified | _____ |
| G | G | 10 | Unit/Unit Division Verified | _____ |
| G | G | 11 | Risk Area Verified | _____ |
| G | G | 12 | Insurable Cause Of Loss | _____ |
| G | G | 13 | Similar Damage | _____ |
| G | G | 14 | Reasonable APH | _____ |
| G | G | 15 | Insurable Acreage | _____ |
| G | G | 16 | Sharing Interests | _____ |
| G | G | 17 | Options/Endorsements | _____ |
| G | G | 18 | Review Previous Reports | _____ |
| G | G | 19 | Previous Appraisals | _____ |
| G | G | 20 | Quality Adjustment Eligibility Verified | _____ |
| G | G | 21 | Acreage Determined/Method | _____ |
| G | G | 22 | Acreage Replanted | _____ |
| G | G | 23 | Replanting Payment | _____ |
| G | G | 24 | Certification Form | _____ |
| G | G | 25 | Sold Production Verified | _____ |
| G | G | 26 | Farm Stored Production Verified | _____ |
| G | G | 27 | Commingled Production | _____ |
| G | G | 28 | Fed Production Verified | _____ |
| G | G | 29 | Other Names/Entities for Production Verified | _____ |
| G | G | 30 | All Production Accounted For | _____ |
| G | G | 31 | Unusual/Controversial Circumstances | _____ |
| G | G | 32 | Reviewed Completed Claim with Insured or Insured's Representative | _____ |
| G | G | 33 | Obtained Signatures | _____ |
| G | G | 34 | Other | _____ |
| G | G | 35 | Other | _____ |

Adjuster's Signature _____

Date _____

CERTIFICATION FORM AND COMPLETION INSTRUCTIONS

CERTIFICATION FORM AND COMPLETION INSTRUCTIONS

Refer to paragraph 75 for detailed information pertaining to uses of this form.

Complete the following entries:

- A Items 1 thru 12 and items 17 (intended use), 21, 22 and 23.
- B The insured will complete the following entries: Items 13, 14, 15, 16, 17 (actual use), 18, 19 and 20.
- C Item numbers below apply to replant, crop with no market value (such as aflatoxin-infected corn), and final inspections (unless otherwise designated) and correspond with item numbers on the Certification Form.

Item No. Completion instructions:

- 1 Contract number exactly as shown on the most recent policy confirmation.
- 2 Name of insured PRINTED exactly as shown on the most recent policy confirmation.
- 3 Date originated (inspection date).
- 4 Name of crop.
- 5 Farm Serial Number from the acreage report after verification.
- 6 Name of the individual (or office) and address of where the completed Certification Form will be mailed.
- 7 Unit number from acreage report after verification.
- 8 Total acres, to tenths, of crop on the unit. Account for all crop acreage on the unit.
- 9 Enter Crop Year.
- 10 Identification symbol for each field (corresponds to the entry for this item on the claim form. Leave items 10 thru 17 blank when completed for special delayed claims (see PAR. 80).
- 11 Intended use of the acreage in the field. Make separate line entries for different intended uses of fields or subfields ("plow-under," "cut for hay," "destroy aflatoxin-infected corn," "destroy zero-value production", etc).
- 12 Acres, to tenths, of the intended use. (The acreage of all fields and subfields, must equal the total acres in the unit as shown in item 8.)

COMPLETION INSTRUCTIONS FOR THE CERTIFICATION FORM (Continued)Item No. Completion instructions:

- 13 Actual use of the acreage in the field (when completed). Make separate line entries for different actual uses.
- 14 Acres, to tenths, of actual use. (The acreage of all fields and subfields must equal the total acres in the unit as shown in item 8.)
- 15 Date that any acreage was replanted, crop with no market value (such as aflatoxin-infected corn) was destroyed, OR that each field in the ENTIRE unit was put to another use.
- 16 For replant payments only: Insured's actual cost per acre for replanting.
- 17 Total acreage of intended use and actual use, respectively.
- 18 Enter any remarks necessary to explain any entries on the form. (Method(s) used to destroy aflatoxin-infected corn or production records available).
- 19 Signature of the insured or insured's authorized representative, if applicable, after the actual use and after the Certification Form, has been completed. If the landlord and tenant are both insured, the operator's (tenant's) certification can be used for both the landlord and operator.
- 20 Date of signature by the insured.
- 21 Acceptance or rejection as signified by a check mark in the corresponding box. If the Certification Form is rejected, refer to paragraph 104.

NOTE: A second field inspection is required for:

- (1) mycotoxin infected crops that are infected at a level which Federal or State law require destruction of the production.
 - (2) special delayed claims to verify information reported.
- 22 Code number and signature by the adjuster or supervisor who accepted (or rejected) the completed form.
 - 23 Date of signature by the adjuster or field representative.

DISTRIBUTION: Unless otherwise instructed by the insurance provider distribute copies as follows:

- Original and one copy to the insured.
- One copy to the contract folder.

| CERTIFICATION FORM | | | | | | |
|--|--|--------------------------------|----------------|-----------|---------------------------------------|---------------------------|
| Complete and mail this form within five (5) days after: All acreage in the unit has been put to another use, or completion of replanting on the unit for replanting payment <u>1/</u> | | | | | | |
| 1. CONTRACT NO. XX-XX-XXXXX | | 2. INSURED I.M. INSURED | | | 3. DATE ORIGINATED 06/15/YY | |
| 4. CROP Soybeans | | 5. FARM SERIAL NO. 1264 | | | 6. MAIL TO: INSURANCE PROVIDER | |
| 5. UNIT NO. 00100 | 8. UNIT ACRES 85 0 | 9. YEAR 19YY | | | ANY STREET ADDRESS | |
| Replant/Other Use of acreage Identified above was completed on the dates(s) shown: | | | | | ANY TOWN, STATE XXXXX | |
| 10. FIELD ID | 11. INTENDED USE | 12. ACRES | 13. ACTUAL USE | 14. ACRES | 15. DATE | 16. REPLANT COST PER ACRE |
| A | To Replant | 20 0 | Replanted | 20 0 | 6/30/YY | 18.00 |
| A | Not Replanted | 20 0 | Not Replanted | 20 0 | | |
| B | Not Replanted | 45 0 | Not Replanted | 45 0 | | |
| | | | | | | |
| | | | | | | |
| | | | | | | |
| 17. TOTALS | | 85 0 | | 85 0 | | |
| 18. REMARKS | | | | | | |
| 1/ Refer to the crop policy qualifications for replanting payments. | | | | | | |
| I submit this report pursuant to the requirements of my above-identified crop insurance contract, and I certify that to the best of my knowledge and belief the information shown above is correct and that such information can be used for processing the claim which I previously signed. | | | | | | |
| 19. INSURED'S SIGNATURE <i>I. M. Insured</i> | | | | | 20. DATE 6/30/YY | |
| 21. <input checked="" type="checkbox"/> ACCEPTED <input type="checkbox"/> REJECTED | 22. CODE NO. AND FIELDPERSON'S SIGNATURE XXXXX I . M. A djuster | | | | 23. DATE 7/5/YY | |
| ORIGINAL | | | | | | |

SELF-CERTIFICATION REPLANT WORKSHEET AND COMPLETION INSTRUCTIONS

SELF CERTIFICATION REPLANT WORKSHEET COMPLETION INSTRUCTIONS

The following items correspond with the item number on the Self-Certification Replant Worksheet Form example in this exhibit. Complete items as follows:

Item
No.

- 1 Insurance provider's name.
- 2 Insured's name as shown on the most recent Policy Confirmation.
- 3 Policy number from the most recent Policy Confirmation.
- 4 Crop year and crop; e.g., 1998 Soybeans.
- 5 Claim Number.
- 6 Insured's share to THREE decimal places. (If shares vary on same UNIT, all shares must be listed and the acreage associated with each share must be identified.)
- 7 Unit number from the acreage report.
- 8 FSA Farm Serial Number for the replanted acreage.
- 9 Total number of insurable acres in the unit.
- 10 Total number of replanted acres.
- 11 Legal description(s) where acreage is replanted.
- 12 Insured cause of damage.
- 13 Month plus the year, during which MOST of the insured damage occurred. Include the specific DATE where applicable; e.g., JUN 1-YY.
- 14 Date acreage was originally planted.
- 15 Date acreage was replanted.
- 16 Sketch of the field and replanted acreage (shaded as instructed on worksheet).
- 17 Initial type/practice and the type/practice used for the replanted acreage (indicate by placing a check mark by the applicable practice). Write in practice or type if not listed. Write in tillage method used for the original planting and tillage method used for the replanted acreage.

SELF-CERTIFICATION REPLANT WORKSHEET AND COMPLETION INSTRUCTIONSItem
No.

- 18 Insured's estimate of yield potential per acre on acres to be replanted.
- 19 Mark "YES or "NO" as indicated.
- 20 Mark "landlord", "tenant", or "owner/operator" to indicate insured entity.
- Insured's TOTAL ACTUAL cost to replant the acreage. (Only the dollar amount the insured paid or is liable for.)
- 21 Indicate whether an agreement exists with any other insured party to incur the entire cost of replanting or to receive all replant payments. If question in item 19 is answered "yes" include documentation of the agreement. If such provision is not shown in the policy, replant payments are limited to the insured's actual cost times the share no matter what agreement is in effect.
- 22 Insured's signature and date, certifying to information on the worksheet.
- 23 Adjuster's signature, code number, and date (after reviewing and determining worksheet is correctly completed and crop acreage is eligible for a replanting payment.)

GENERAL RANDOM REVIEW (AUDIT) INFORMATION.

- (a) Items 24-31 of the worksheet are to be completed when a random review (audit) is done.
- (b) Use a **Special Report** when there is not room in item 23 for documenting additional information or reasons for differences found during the review.
- (c) As part of the random review determine the unit acreage. If the determined acreage does not agree with what is on the worksheet, enter this fact in item 23 or on a **Special Report**.
- (d) Any information recorded on the Self-Certification Replant Worksheet or on the claim form that is found to be incorrect, line through the incorrect information, enter the correct information, and have the insured initial the change. (If you find it necessary or if instructed by the **insurance provider**, prepare a new claim form and void the original.)

SELF-CERTIFICATION REPLANT WORKSHEET AND COMPLETION INSTRUCTIONS

Item
No.

- 24 Enter information pertinent to audit. If additional room is needed, use a **Special Report** and write appropriately, "See attached (Title or number of form used for documentation purposes)." in item 23.
- 25 Enter the reviewer code number and the date of review.
- 26 Enter "O.K." if you verify that the number of acres actually replanted agree with the entry in item 10. If you verify that the number of acres do not agree with item 10, enter the correct number of acres replanted.
- 27 Enter "O.K." if you verify that the date of damage agrees with the entry in item 13. If you verify that the date of damage does not agree with the entry in item 13, determine the correct date and enter.
- 28 Enter "O.K." if you verify that the cause of damage is insurable and agrees with the entry in item 12. If you verify that the entry does not agree with the entry in item 12, enter the cause of damage you have determined. If the cause of damage is not insurable, identify as such.
- 29 Enter "O.K." if you verify that the type or practice used for replanted acreage agrees with the entry in item 17. If you verify that the practice replanted does not agree with item 17, enter the practice you have determined.
- 30 Enter "Yes" or "No" to indicate whether the acreage recorded in item 10 and 26 appears to qualify for the replanting payment. If you answered no, document why the acreage did not qualify for the replant payment in item 24 or on a **Special Report**.
- 30 Enter "O.K." after you have verified with the insured or insured's authorized representative that the total cost incurred by the INSURED for the replanting operation (without regard to crop share and substantiated by receipts) is the same as the entry in item 20. If you verify that the total cost incurred by the INSURED in item 20 does not agree with your determination, enter the total cost you have determined and explain the difference in item 24 or on a **Special Report**.

DISTRIBUTION:

Adjuster:

- 1 Transmit partially completed original and two copies to the insured to be completed by the insured.

SELF-CERTIFICATION REPLANT WORKSHEET AND COMPLETION INSTRUCTIONS

- 2 Attach the completed original and copies (with receipts showing replanting costs) to all copies of the completed claim form and transmit in accordance with instructions from your insurance provider.

After Self-Certified Replant approved for processing, the **minimum distribution is as follows:**

- 1 Original attached to original claim to the office designated by the insurance provider to maintain insureds' file of original documents.
- 2 One copy to the insured along with a legible copy of the claim.

| SELF-CERTIFICATION REPLANT WORKSHEET | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
|---|-------------------|---|--|----------------------------------|---------------------------|--|----------|---------|---------|--|--|-----------|--|--|-----------------|--|--|-------|---|---|---------------|--|--|----------------|--|--|-------|--|--|
| <p>GUIDELINES: The self-certification Replant Worksheet may be used when the acreage to be replanted is 50 acres or less for a unit. Per policy provisions, in order to qualify for a replant payment, the number of acres to be replanted must be at least the lesser of 20 acres or 20% (10 acres or 10% for peanuts) of the unit. The potential for the acres to be replanted must not exceed the amount stated in the crop policy. A replant payment may be made only once on acreage in the same location for the same crop. The maximum replant payment for eligible crops is your actual cost not to exceed the amount indicated in your policy.</p> | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| <p>INSTRUCTIONS: Please fill out the following information completely.</p> | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 1. COMPANY ABC | | 2. INSURED'S NAME I.M. Insured | | 3. POLICY NUMBER XX-XXX-XXXXX | 4. CROP Corn | | | | | | | | | | | | | | | | | | | | | | | | |
| 5. CLAIM NUMBER xxxxx | 6. SHARE 1.000 | 7. UNIT NO. 0 0100 | 8. FSA FSN 1234 | 9. UNIT ACRES 100.0 | 10. REPLANT ACRES 20.0 | | | | | | | | | | | | | | | | | | | | | | | | |
| 11. LEGAL DESCRIPTION E ½ 6 8 10 Section Township Range | | 12. CAUSE OF DAMAGE Excess Precipitation | 13. DATE OF DAMAGE MM-YY | 14. ORIGINAL PLANT DATE MM-DD | 15. REPLANT DATE MM-DD | | | | | | | | | | | | | | | | | | | | | | | | |
| 16. Draw the field where the crop is planted. Shade the area actually replanted. | | | 17. Indicate the practice/type utilized. | | | | | | | | | | | | | | | | | | | | | | | | | | |
| FIELD DIAGRAM | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| | | | <table border="1" style="width:100%; border-collapse: collapse;"> <thead> <tr> <th></th> <th style="text-align: center;">ORIGINAL</th> <th style="text-align: center;">REPLANT</th> </tr> </thead> <tbody> <tr><td>Drilled</td><td></td><td></td></tr> <tr><td>Broadcast</td><td></td><td></td></tr> <tr><td>Airplane-seeded</td><td></td><td></td></tr> <tr><td>Rowed</td><td style="text-align: center;">✓</td><td style="text-align: center;">✓</td></tr> <tr><td>Dry bean type</td><td></td><td></td></tr> <tr><td>Tillage method</td><td></td><td></td></tr> <tr><td>Other</td><td></td><td></td></tr> </tbody> </table> | | | | ORIGINAL | REPLANT | Drilled | | | Broadcast | | | Airplane-seeded | | | Rowed | ✓ | ✓ | Dry bean type | | | Tillage method | | | Other | | |
| | ORIGINAL | REPLANT | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Drilled | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Broadcast | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Airplane-seeded | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Rowed | ✓ | ✓ | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Dry bean type | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Tillage method | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Other | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 18. My yield potential for the acres to be replanted is <u>100.0 bu.</u> per acre. 19. The damage on my farm is similar to other farms in the area. YES <input checked="" type="checkbox"/> NO <input type="checkbox"/> (explain) | | | 20. The following represent my ACTUAL REPLANT COSTS as landlord _____ tenant _____ owner/operator <input checked="" type="checkbox"/> MY TOTAL COST FOR REPLANTED ACRES: SEED \$ <u>XX.XX</u> (Attach seed receipt) CLEANING \$ _____ (Bin run seed) HERBICIDE \$ <u>XX.XX</u> (Attach receipt) labor \$ <u>XX.XX</u> \$ <u>XXX.XX</u> (other) <u> </u> TOTAL EXPENSE <u> </u> 21. I have an agreement with the other insured party(ies) to incur the entire cost of replanting or to receive all replant payments as provided by policy provisions. YES _____ NO <u>X</u> (If yes, provide documentation) | | | | | | | | | | | | | | | | | | | | | | | | | | |
| I certify the information provided above to the best of my knowledge, to be true and complete and that it will be used to determine my replanting payment, if any, for damage to the above crop. I also understand that this Worksheet and supporting papers are subject to audit and approval by the insurance provider, that my signature herein authorizes the insurance provider to process a replanting payment in accordance with the terms of my insurance contract. False claims or false statements made on a matter within the jurisdiction of the Federal crop Insurance Corporation may subject the maker to criminal and civil penalties under various Federal statutes including the provisions of 18 U.S.C. 1006, 1014, 7 U.S.C. 1506; 31 U.S.C. 3729, 3730, 3801, 3812. | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 22. I. M. Insured (Insured's Signature) _____ (Date) | | 23. I.M. Adjuster (Adjuster's Signature and Code No.) _____ (Date) | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| REMARKS -For Office Use ONLY | | AUDIT INFORMATION | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 24. | | 25. Reviewer code/Date | 26. Actual/Replant Acres | 27. Date of Damage | 28. Cause of Damage | | | | | | | | | | | | | | | | | | | | | | | | |
| | | 29. Replant Practice | 30. Did acreage appear to qualify? | 31. Actual Cost | | | | | | | | | | | | | | | | | | | | | | | | | |

SQUARE ROOT TABLE

| n | \sqrt{n} | | n | \sqrt{n} | | n | \sqrt{n} | | n | \sqrt{n} |
|----|------------|--|----|------------|--|----|------------|--|-----|------------|
| 1 | 1.000 | | 28 | 5.292 | | 55 | 7.416 | | 82 | 9.055 |
| 2 | 1.414 | | 29 | 5.385 | | 56 | 7.483 | | 83 | 9.110 |
| 3 | 1.732 | | 30 | 5.477 | | 57 | 7.550 | | 84 | 9.165 |
| 4 | 2.000 | | 31 | 5.568 | | 58 | 7.616 | | 85 | 9.220 |
| 5 | 2.236 | | 32 | 5.657 | | 59 | 7.681 | | 86 | 9.274 |
| 6 | 2.449 | | 33 | 5.745 | | 60 | 7.746 | | 87 | 9.327 |
| 7 | 2.646 | | 34 | 5.831 | | 61 | 7.810 | | 88 | 9.381 |
| 8 | 2.828 | | 35 | 5.916 | | 62 | 7.874 | | 89 | 9.434 |
| 9 | 3.000 | | 36 | 6.000 | | 63 | 7.937 | | 90 | 9.487 |
| 10 | 3.162 | | 37 | 6.083 | | 64 | 8.000 | | 91 | 9.539 |
| 11 | 3.317 | | 38 | 6.164 | | 65 | 8.062 | | 92 | 9.592 |
| 12 | 3.464 | | 39 | 6.245 | | 66 | 8.124 | | 93 | 9.644 |
| 13 | 3.606 | | 40 | 6.325 | | 67 | 8.185 | | 94 | 9.695 |
| 14 | 3.742 | | 41 | 6.403 | | 68 | 8.246 | | 95 | 9.747 |
| 15 | 3.873 | | 42 | 6.481 | | 69 | 8.307 | | 96 | 9.798 |
| 16 | 4.000 | | 43 | 6.557 | | 70 | 8.367 | | 97 | 9.849 |
| 17 | 4.123 | | 44 | 6.633 | | 71 | 8.426 | | 98 | 9.899 |
| 18 | 4.243 | | 45 | 6.708 | | 72 | 8.485 | | 99 | 9.950 |
| 19 | 4.359 | | 46 | 6.782 | | 73 | 8.544 | | 100 | 10.000 |
| 20 | 4.472 | | 47 | 6.856 | | 74 | 8.602 | | | |
| 21 | 4.583 | | 48 | 6.928 | | 75 | 8.660 | | | |
| 22 | 4.690 | | 49 | 7.000 | | 76 | 8.718 | | | |
| 23 | 4.796 | | 50 | 7.071 | | 77 | 8.775 | | | |
| 24 | 4.899 | | 51 | 7.141 | | 78 | 8.832 | | | |
| 25 | 5.000 | | 52 | 7.211 | | 79 | 8.888 | | | |
| 26 | 5.099 | | 53 | 7.280 | | 80 | 8.944 | | | |
| 27 | 5.196 | | 54 | 7.348 | | 81 | 9.000 | | | |

| ROUND BIN CONVERSION CHART: CONVERTING CIRCUMFERENCE TO DIAMETER: SQUARE FOOT FACTOR CHART | | | | | | |
|--|--------------------|---------------------|--|-------------------------|--------------------|---------------------|
| FACTOR FOR DETERMINING GROSS CUBIC FEET IN ROUND STRUCTURES | | | | | | |
| Circumference (feet) | Diameter (feet) | Factor (sq. ft.) | | Circumference (feet) | Diameter (feet) | Factor (sq. ft.) |
| 18.7-19.0 | 6.0 | 28.3 | | 26.6-26.8 | 8.5 | 56.8 |
| 19.1-19.3 | 6.1 | 29.2 | | 26.9-27.1 | 8.6 | 58.1 |
| 19.4-19.6 | 6.2 | 30.2 | | 27.2-27.4 | 8.7 | 59.5 |
| 19.7-19.9 | 6.3 | 31.2 | | 27.5-27.8 | 8.8 | 60.8 |
| 20.0-20.2 | 6.4 | 32.2 | | 27.9-28.1 | 8.9 | 62.2 |
| 20.3-20.5 | 6.5 | 33.2 | | 28.2-28.4 | 9.0 | 63.6 |
| 20.6-20.8 | 6.6 | 34.2 | | 28.5-28.7 | 9.1 | 65.0 |
| 20.9-21.2 | 6.7 | 35.3 | | 28.8-29.0 | 9.2 | 66.4 |
| 21.3-21.5 | 6.8 | 36.3 | | 29.1-29.3 | 9.3 | 67.9 |
| 21.6-21.8 | 6.9 | 37.4 | | 29.4-29.6 | 9.4 | 69.4 |
| 21.9-22.1 | 7.0 | 38.5 | | 29.7-30.0 | 9.5 | 70.9 |
| 22.2-22.4 | 7.1 | 39.6 | | 30.1-30.3 | 9.6 | 72.4 |
| 22.5-22.7 | 7.2 | 40.7 | | 30.4-30.6 | 9.7 | 73.9 |
| 22.8-23.0 | 7.3 | 41.9 | | 30.7-30.9 | 9.8 | 75.4 |
| 23.1-23.4 | 7.4 | 43.0 | | 31.0-31.2 | 9.9 | 77.0 |
| 23.5-23.7 | 7.5 | 44.2 | | 31.3-31.5 | 10.0 | 78.5 |
| 23.8-24.0 | 7.6 | 45.4 | | 31.6-31.8 | 10.1 | 80.1 |
| 24.1-24.3 | 7.7 | 46.6 | | 31.9-32.2 | 10.2 | 81.7 |
| 24.4-24.6 | 7.8 | 47.8 | | 32.3-32.5 | 10.3 | 83.3 |
| 24.7-24.9 | 7.9 | 49.0 | | 32.6-32.8 | 10.4 | 85.0 |
| 25.0-25.2 | 8.0 | 50.3 | | 32.9-33.1 | 10.5 | 86.6 |
| 25.3-25.6 | 8.1 | 51.5 | | 33.2-33.4 | 10.6 | 88.3 |
| 25.7-25.9 | 8.2 | 52.8 | | 33.5-33.7 | 10.7 | 89.9 |
| 26.0-26.2 | 8.3 | 54.1 | | 33.8-34.0 | 10.8 | 91.6 |
| 26.3-26.5 | 8.4 | 55.4 | | 34.1-34.4 | 10.9 | 93.3 |

| ROUND BIN CONVERSION CHART: CONVERTING CIRCUMFERENCE TO DIAMETER: SQUARE FOOT FACTOR CHART | | | | | | |
|--|--------------------|---------------------|--|-------------------------|--------------------|---------------------|
| FACTOR FOR DETERMINING GROSS CUBIC FEET IN ROUND STRUCTURES | | | | | | |
| Circumference (feet) | Diameter (feet) | Factor (sq. ft.) | | Circumference (feet) | Diameter (feet) | Factor (sq. ft.) |
| 34.5-34.7 | 11.0 | 95.0 | | 42.3-42.5 | 13.5 | 143.2 |
| 34.8-35.0 | 11.1 | 96.8 | | 42.6-42.8 | 13.6 | 145.3 |
| 35.1-35.3 | 11.2 | 98.5 | | 42.9-43.1 | 13.7 | 147.4 |
| 35.4-35.6 | 11.3 | 100.3 | | 43.2-43.5 | 13.8 | 149.5 |
| 35.7-35.9 | 11.4 | 102.1 | | 43.6-43.8 | 13.9 | 151.7 |
| 36.0-36.2 | 11.5 | 103.9 | | 43.9-44.1 | 14.0 | 153.9 |
| 36.3-36.5 | 11.6 | 105.7 | | 44.2-44.4 | 14.1 | 156.1 |
| 36.6-36.9 | 11.7 | 107.5 | | 44.5-44.7 | 14.2 | 158.3 |
| 37.0-37.2 | 11.8 | 109.3 | | 44.8-45.0 | 14.3 | 160.6 |
| 37.3-37.5 | 11.9 | 111.2 | | 45.1-45.3 | 14.4 | 162.9 |
| 37.6-37.8 | 12.0 | 113.1 | | 45.4-45.7 | 14.5 | 165.2 |
| 37.9-38.1 | 12.1 | 115.0 | | 45.8-46.0 | 14.6 | 167.4 |
| 38.2-38.4 | 12.2 | 116.9 | | 46.1-46.3 | 14.7 | 169.7 |
| 38.5-38.7 | 12.3 | 118.8 | | 46.4-46.6 | 14.8 | 172.0 |
| 38.8-39.1 | 12.4 | 120.8 | | 46.7-46.9 | 14.9 | 174.4 |
| 39.2-39.4 | 12.5 | 122.8 | | 47.0-47.2 | 15.0 | 176.7 |
| 39.5-39.7 | 12.6 | 124.7 | | 47.3-47.5 | 15.1 | 179.1 |
| 39.8-40.0 | 12.7 | 126.7 | | 47.6-47.9 | 15.2 | 181.4 |
| 40.1-40.3 | 12.8 | 128.6 | | 48.0-48.2 | 15.3 | 183.9 |
| 40.4-40.6 | 12.9 | 130.7 | | 48.3-48.5 | 15.4 | 186.3 |
| 40.7-40.9 | 13.0 | 132.7 | | 48.6-48.8 | 15.5 | 188.7 |
| 41.0-41.3 | 13.1 | 134.8 | | 48.9-49.1 | 15.6 | 191.2 |
| 41.4-41.6 | 13.2 | 136.8 | | 49.2-49.4 | 15.7 | 193.6 |
| 41.7-41.9 | 13.3 | 138.9 | | 49.5-49.7 | 15.8 | 196.0 |
| 42.0-42.2 | 13.4 | 141.1 | | 49.8-50.1 | 15.9 | 198.5 |

| ROUND BIN CONVERSION CHART: CONVERTING CIRCUMFERENCE TO DIAMETER: SQUARE FOOT FACTOR CHART | | | | | | |
|--|--------------------|---------------------|--|-------------------------|--------------------|---------------------|
| FACTOR FOR DETERMINING GROSS CUBIC FEET IN ROUND STRUCTURES | | | | | | |
| Circumference (feet) | Diameter (feet) | Factor (sq. ft.) | | Circumference (feet) | Diameter (feet) | Factor (sq. ft.) |
| 50.2-50.4 | 16.0 | 201.1 | | 58.0-58.2 | 18.5 | 268.8 |
| 50.5-50.7 | 16.1 | 203.6 | | 58.3-58.5 | 18.6 | 271.7 |
| 50.8-51.0 | 16.2 | 206.1 | | 58.6-58.9 | 18.7 | 274.7 |
| 51.1-51.3 | 16.3 | 208.7 | | 59.0-59.2 | 18.8 | 277.6 |
| 51.4-51.6 | 16.4 | 211.3 | | 59.3-59.5 | 18.9 | 280.5 |
| 51.7-51.9 | 16.5 | 213.9 | | 59.6-59.8 | 19.0 | 283.5 |
| 52.0-52.3 | 16.6 | 216.5 | | 59.9-60.1 | 19.1 | 286.5 |
| 52.4-52.6 | 16.7 | 219.0 | | 60.2-60.4 | 19.2 | 289.5 |
| 52.7-52.9 | 16.8 | 221.6 | | 60.5-60.7 | 19.3 | 292.6 |
| 53.0-53.2 | 16.9 | 224.3 | | 60.8-61.1 | 19.4 | 295.6 |
| 53.3-53.5 | 17.0 | 227.0 | | 61.2-61.4 | 19.5 | 298.7 |
| 53.6-53.8 | 17.1 | 229.7 | | 61.5-61.7 | 19.6 | 301.8 |
| 53.9-54.1 | 17.2 | 232.3 | | 61.8-62.0 | 19.7 | 304.8 |
| 54.2-54.5 | 17.3 | 235.1 | | 62.1-62.3 | 19.8 | 307.9 |
| 54.6-54.8 | 17.4 | 237.8 | | 62.4-62.6 | 19.9 | 311.0 |
| 54.9-55.1 | 17.5 | 240.6 | | 62.7-62.9 | 20.0 | 314.2 |
| 55.2-55.4 | 17.6 | 243.3 | | 63.0-63.3 | 20.1 | 317.3 |
| 55.5-55.7 | 17.7 | 246.1 | | 63.4-63.6 | 20.2 | 320.4 |
| 55.8-56.0 | 17.8 | 248.8 | | 63.7-63.9 | 20.3 | 323.7 |
| 56.1-56.3 | 17.9 | 251.6 | | 64.0-64.2 | 20.4 | 326.9 |
| 56.4-56.7 | 18.0 | 254.5 | | 64.3-64.5 | 20.5 | 330.1 |
| 56.8-57.0 | 18.1 | 257.3 | | 64.6-64.8 | 20.6 | 333.3 |
| 57.1-57.3 | 18.2 | 260.1 | | 64.9-65.1 | 20.7 | 336.5 |
| 57.4-57.6 | 18.3 | 263.0 | | 65.2-65.5 | 20.8 | 339.8 |
| 57.7-57.9 | 18.4 | 265.9 | | 65.6-65.8 | 20.9 | 343.1 |

| ROUND BIN CONVERSION CHART: CONVERTING CIRCUMFERENCE TO DIAMETER: SQUARE FOOT FACTOR CHART | | | | | | |
|--|--------------------|---------------------|--|-------------------------|--------------------|---------------------|
| FACTOR FOR DETERMINING GROSS CUBIC FEET IN ROUND STRUCTURES | | | | | | |
| Circumference (feet) | Diameter (feet) | Factor (sq. ft.) | | Circumference (feet) | Diameter (feet) | Factor (sq. ft.) |
| 65.9-66.1 | 21.0 | 346.4 | | 73.7-73.9 | 23.5 | 433.8 |
| 66.2-66.4 | 21.1 | 349.7 | | 74.0-74.2 | 23.6 | 437.5 |
| 66.5-66.7 | 21.2 | 353.0 | | 74.3-74.6 | 23.7 | 441.2 |
| 66.8-67.0 | 21.3 | 356.3 | | 74.7-74.9 | 23.8 | 444.9 |
| 67.1-67.3 | 21.4 | 359.7 | | 75.0-75.2 | 23.9 | 448.6 |
| 67.4-67.7 | 21.5 | 363.1 | | 75.3-75.5 | 24.0 | 452.4 |
| 67.8-68.0 | 21.6 | 366.5 | | 75.6-75.8 | 24.1 | 456.2 |
| 68.1-68.3 | 21.7 | 369.8 | | 75.9-76.1 | 24.2 | 459.9 |
| 68.4-68.6 | 21.8 | 373.2 | | 76.2-76.4 | 24.3 | 463.8 |
| 68.7-68.9 | 21.9 | 376.7 | | 76.5-76.8 | 24.4 | 467.6 |
| 69.0-69.2 | 22.0 | 380.1 | | 76.9-77.1 | 24.5 | 471.5 |
| 69.3-69.5 | 22.1 | 383.6 | | 77.2-77.4 | 24.6 | 475.3 |
| 69.6-69.9 | 22.2 | 387.0 | | 77.5-77.7 | 24.7 | 479.2 |
| 70.0-70.2 | 22.3 | 390.6 | | 77.8-78.0 | 24.8 | 483.0 |
| 70.3-70.5 | 22.4 | 394.1 | | 78.1-78.3 | 24.9 | 486.9 |
| 70.6-70.8 | 22.5 | 397.6 | | 78.4-78.6 | 25.0 | 490.9 |
| 70.9-71.1 | 22.6 | 401.2 | | 78.7-79.0 | 25.1 | 494.8 |
| 71.2-71.4 | 22.7 | 404.7 | | 79.1-79.3 | 25.2 | 498.7 |
| 71.5-71.7 | 22.8 | 408.3 | | 79.4-79.6 | 25.3 | 502.7 |
| 71.8-72.0 | 22.9 | 411.9 | | 79.7-79.9 | 25.4 | 506.7 |
| 72.1-72.4 | 23.0 | 415.5 | | 80.0-80.2 | 25.5 | 510.7 |
| 72.5-72.7 | 23.1 | 419.1 | | 80.3-80.5 | 25.6 | 514.8 |
| 72.8-73.0 | 23.2 | 422.7 | | 80.6-80.8 | 25.7 | 518.8 |
| 73.1-73.3 | 23.3 | 426.4 | | 80.9-81.2 | 25.8 | 522.8 |
| 73.4-73.6 | 23.4 | 430.1 | | 81.3-81.5 | 25.9 | 526.8 |

| ROUND BIN CONVERSION CHART: CONVERTING CIRCUMFERENCE TO DIAMETER: SQUARE FOOT FACTOR CHART | | | | | | |
|--|--------------------|---------------------|--|-------------------------|--------------------|---------------------|
| FACTOR FOR DETERMINING GROSS CUBIC FEET IN ROUND STRUCTURES | | | | | | |
| Circumference (feet) | Diameter (feet) | Factor (sq. ft.) | | Circumference (feet) | Diameter (feet) | Factor (sq. ft.) |
| 81.6-81.8 | 26.0 | 530.9 | | 89.4-89.6 | 28.5 | 638.0 |
| 81.9-82.1 | 26.1 | 535.0 | | 89.7-90.0 | 28.6 | 642.5 |
| 82.2-82.4 | 26.2 | 539.1 | | 90.1-90.3 | 28.7 | 646.9 |
| 82.5-82.7 | 26.3 | 543.3 | | 90.4-90.6 | 28.8 | 651.4 |
| 82.8-83.0 | 26.4 | 547.4 | | 90.7-90.9 | 28.9 | 656.0 |
| 83.1-83.4 | 26.5 | 551.6 | | 91.0-91.2 | 29.0 | 660.5 |
| 83.5-83.7 | 26.6 | 555.7 | | 91.3-91.5 | 29.1 | 665.1 |
| 83.8-84.0 | 26.7 | 559.9 | | 91.6-91.8 | 29.2 | 669.6 |
| 84.1-84.3 | 26.8 | 564.1 | | 91.9-92.2 | 29.3 | 674.3 |
| 84.4-84.6 | 26.9 | 568.3 | | 92.3-92.5 | 29.4 | 678.9 |
| 84.7-84.9 | 27.0 | 572.6 | | 92.6-92.8 | 29.5 | 683.5 |
| 85.0-85.2 | 27.1 | 576.8 | | 92.9-93.1 | 29.6 | 688.2 |
| 85.3-85.6 | 27.2 | 581.0 | | 93.2-93.4 | 29.7 | 692.8 |
| 85.7-85.9 | 27.3 | 585.4 | | 93.5-93.7 | 29.8 | 697.4 |
| 86.0-86.2 | 27.4 | 589.7 | | 93.8-94.0 | 29.9 | 702.1 |
| 86.3-86.5 | 27.5 | 594.0 | | 94.1-94.4 | 30.0 | 706.9 |
| 86.6-86.8 | 27.6 | 598.3 | | 94.5-94.7 | 30.1 | 711.6 |
| 86.9-87.1 | 27.7 | 602.6 | | 94.8-95.0 | 30.2 | 716.3 |
| 87.2-87.4 | 27.8 | 607.0 | | 95.1-95.3 | 30.3 | 721.1 |
| 87.5-87.8 | 27.9 | 611.4 | | 95.4-95.6 | 30.4 | 725.8 |
| 87.9-88.1 | 28.0 | 615.8 | | 95.7-95.9 | 30.5 | 730.6 |
| 88.2-88.4 | 28.1 | 620.2 | | 96.0-96.2 | 30.6 | 735.4 |
| 88.5-88.7 | 28.2 | 624.6 | | 96.3-96.6 | 30.7 | 740.2 |
| 88.8-89.0 | 28.3 | 629.0 | | 96.7-96.9 | 30.8 | 745.1 |
| 89.1-89.3 | 28.4 | 633.5 | | 97.0-97.2 | 30.9 | 749.9 |

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| FACTOR FOR DETERMINING GROSS CUBIC FEET IN ROUND STRUCTURES | | | | | | |
| Circumference (feet) | Diameter (feet) | Factor (sq. ft.) | | Circumference (feet) | Diameter (feet) | Factor (sq. ft.) |
| 97.3-97.5 | 31.0 | 754.8 | | 105.1-105.4 | 33.5 | 881.4 |
| 97.6-97.8 | 31.1 | 759.6 | | 105.5-105.7 | 33.6 | 886.7 |
| 97.9-98.1 | 31.2 | 764.5 | | 105.8-106.0 | 33.7 | 892.0 |
| 98.2-98.4 | 31.3 | 769.4 | | 106.1-106.3 | 33.8 | 897.3 |
| 98.5-98.8 | 31.4 | 774.4 | | 106.4-106.6 | 33.9 | 902.6 |
| 98.9-99.1 | 31.5 | 779.3 | | 106.7-106.9 | 34.0 | 907.9 |
| 99.2-99.4 | 31.6 | 784.3 | | 107.0-107.2 | 34.1 | 913.3 |
| 99.5-99.7 | 31.7 | 789.2 | | 107.3-107.5 | 34.2 | 918.6 |
| 99.8-100.0 | 31.8 | 794.2 | | 107.6-107.9 | 34.3 | 924.0 |
| 100.1-100.3 | 31.9 | 799.2 | | 108.0-108.2 | 34.4 | 929.4 |
| 100.4-100.6 | 32.0 | 804.2 | | 108.3-108.5 | 34.5 | 934.8 |
| 100.7-101.0 | 32.1 | 809.3 | | 108.6-108.8 | 34.6 | 940.2 |
| 101.1-101.3 | 32.2 | 814.3 | | 108.9-109.1 | 34.7 | 945.7 |
| 101.4-101.6 | 32.3 | 819.4 | | 109.2-109.4 | 34.8 | 951.1 |
| 101.7-101.9 | 32.4 | 824.5 | | 109.5-109.7 | 34.9 | 956.6 |
| 102.0-102.2 | 32.5 | 829.6 | | 109.8-110.1 | 35.0 | 962.1 |
| 102.3-102.5 | 32.6 | 834.7 | | 110.2-110.4 | 35.1 | 967.6 |
| 102.6-102.8 | 32.7 | 839.8 | | 110.5-110.7 | 35.2 | 973.1 |
| 102.9-103.2 | 32.8 | 845.0 | | 110.8-111.0 | 35.3 | 978.7 |
| 103.3-103.5 | 32.9 | 850.1 | | 111.1-111.3 | 35.4 | 984.2 |
| 103.6-103.8 | 33.0 | 855.3 | | 111.4-111.6 | 35.5 | 989.8 |
| 103.9-104.1 | 33.1 | 860.5 | | 111.7-111.9 | 35.6 | 995.4 |
| 104.2-104.4 | 33.2 | 865.7 | | 112.0-112.3 | 35.7 | 1001.0 |
| 104.5-104.7 | 33.3 | 870.9 | | 112.4-112.6 | 35.8 | 1006.6 |
| 104.8-105.0 | 33.4 | 876.2 | | 112.7-112.9 | 35.9 | 1012.2 |

| ROUND BIN CONVERSION CHART: CONVERTING CIRCUMFERENCE TO DIAMETER: SQUARE FOOT FACTOR CHART | | | | | | |
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| FACTOR FOR DETERMINING GROSS CUBIC FEET IN ROUND STRUCTURES | | | | | | |
| Circumference (feet) | Diameter (feet) | Factor (sq. ft.) | | Circumference (feet) | Diameter (feet) | Factor (sq. ft.) |
| 113.0-113.2 | 36.0 | 1017.9 | | 120.8-121.1 | 38.5 | 1164.2 |
| 113.3-113.5 | 36.1 | 1023.5 | | 121.2-121.4 | 38.6 | 1170.2 |
| 113.6-113.8 | 36.2 | 1029.2 | | 121.5-121.7 | 38.7 | 1176.3 |
| 113.9-114.1 | 36.3 | 1034.9 | | 121.8-122.0 | 38.8 | 1182.4 |
| 114.2-114.5 | 36.4 | 1040.6 | | 122.1-122.3 | 38.9 | 1188.5 |
| 114.6-114.8 | 36.5 | 1046.3 | | 122.4-122.6 | 39.0 | 1194.6 |
| 114.9-115.1 | 36.6 | 1052.1 | | 122.7-122.9 | 39.1 | 1200.7 |
| 115.2-115.4 | 36.7 | 1057.8 | | 123.0-123.3 | 39.2 | 1206.9 |
| 115.5-115.7 | 36.8 | 1063.6 | | 123.4-123.6 | 39.3 | 1213.0 |
| 115.8-116.0 | 36.9 | 1069.4 | | 123.7-123.9 | 39.4 | 1219.2 |
| 116.1-116.3 | 37.0 | 1075.2 | | 124.0-124.2 | 39.5 | 1225.4 |
| 116.4-116.7 | 37.1 | 1081.0 | | 124.3-124.5 | 39.6 | 1231.6 |
| 116.8-117.0 | 37.2 | 1086.9 | | 124.6-124.8 | 39.7 | 1237.9 |
| 117.1-117.3 | 37.3 | 1092.7 | | 124.9-125.1 | 39.8 | 1244.1 |
| 117.4-117.6 | 37.4 | 1098.6 | | 125.2-125.5 | 39.9 | 1250.4 |
| 117.7-117.9 | 37.5 | 1104.5 | | 125.6-125.8 | 40.0 | 1256.6 |
| 118.0-118.2 | 37.6 | 1110.4 | | 125.9-126.1 | 40.1 | 1262.9 |
| 118.3-118.5 | 37.7 | 1116.3 | | 126.2-126.4 | 40.2 | 1269.2 |
| 118.6-118.9 | 37.8 | 1122.2 | | 126.5-126.7 | 40.3 | 1275.6 |
| 119.0-119.2 | 37.9 | 1128.2 | | 126.8-127.0 | 40.4 | 1281.9 |
| 119.3-119.5 | 38.0 | 1134.1 | | 127.1-127.3 | 40.5 | 1288.3 |
| 119.6-119.8 | 38.1 | 1140.1 | | 127.4-127.7 | 40.6 | 1294.6 |
| 119.9-120.1 | 38.2 | 1146.1 | | 127.8-128.0 | 40.7 | 1301.0 |
| 120.2-120.4 | 38.3 | 1152.1 | | 128.1-128.3 | 40.8 | 1307.4 |
| 120.5-120.7 | 38.4 | 1158.1 | | 128.4-128.6 | 40.9 | 1313.8 |

| ROUND BIN CONVERSION CHART: CONVERTING CIRCUMFERENCE TO DIAMETER: SQUARE FOOT FACTOR CHART | | | | | | |
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| FACTOR FOR DETERMINING GROSS CUBIC FEET IN ROUND STRUCTURES | | | | | | |
| Circumference (feet) | Diameter (feet) | Factor (sq. ft.) | | Circumference (feet) | Diameter (feet) | Factor (sq. ft.) |
| 128.7-128.9 | 41.0 | 1320.3 | | 136.6-136.8 | 43.5 | 1486.2 |
| 129.0-129.2 | 41.1 | 1326.7 | | 136.9-137.1 | 43.6 | 1493.0 |
| 129.3-129.5 | 41.2 | 1333.2 | | 137.2-137.4 | 43.7 | 1499.9 |
| 129.6-129.9 | 41.3 | 1339.6 | | 137.5-137.7 | 43.8 | 1506.7 |
| 130.0-130.2 | 41.4 | 1346.1 | | 137.8-138.0 | 43.9 | 1513.6 |
| 130.3-130.5 | 41.5 | 1352.7 | | 138.1-138.3 | 44.0 | 1520.5 |
| 130.6-130.8 | 41.6 | 1359.2 | | 138.4-138.6 | 44.1 | 1527.5 |
| 130.9-131.1 | 41.7 | 1365.7 | | 138.7-139.0 | 44.2 | 1534.4 |
| 131.2-131.4 | 41.8 | 1372.3 | | 139.1-139.3 | 44.3 | 1541.3 |
| 131.5-131.7 | 41.9 | 1378.9 | | 139.4-139.6 | 44.4 | 1548.3 |
| 131.8-132.1 | 42.0 | 1385.4 | | 139.7-139.9 | 44.5 | 1555.3 |
| 132.2-132.4 | 42.1 | 1392.0 | | 140.0-140.2 | 44.6 | 1562.3 |
| 132.5-132.7 | 42.2 | 1398.7 | | 140.3-140.5 | 44.7 | 1569.3 |
| 132.8-133.0 | 42.3 | 1405.3 | | 140.6-140.8 | 44.8 | 1576.3 |
| 133.1-133.3 | 42.4 | 1412.0 | | 140.9-141.1 | 44.9 | 1583.4 |
| 133.4-133.6 | 42.5 | 1418.6 | | 141.2-141.5 | 45.0 | 1590.4 |
| 133.7-133.9 | 42.6 | 1425.3 | | 141.6-141.8 | 45.1 | 1597.5 |
| 134.0-134.3 | 42.7 | 1432.0 | | 141.9-142.1 | 45.2 | 1604.6 |
| 134.4-134.6 | 42.8 | 1438.7 | | 142.2-142.4 | 45.3 | 1611.7 |
| 134.7-134.9 | 42.9 | 1445.5 | | 142.5-142.7 | 45.4 | 1618.8 |
| 135.0-135.2 | 43.0 | 1452.2 | | 142.8-143.0 | 45.5 | 1626.0 |
| 135.3-135.5 | 43.1 | 1459.0 | | 143.1-143.3 | 45.6 | 1633.1 |
| 135.6-135.8 | 43.2 | 1465.7 | | 143.4-143.7 | 45.7 | 1640.3 |
| 135.9-136.1 | 43.3 | 1472.5 | | 143.8-144.0 | 45.8 | 1647.5 |
| 136.2-136.5 | 43.4 | 1479.3 | | 144.1-144.3 | 45.9 | 1654.7 |

| ROUND BIN CONVERSION CHART: CONVERTING CIRCUMFERENCE TO DIAMETER: SQUARE FOOT FACTOR CHART | | | | | | |
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| FACTOR FOR DETERMINING GROSS CUBIC FEET IN ROUND STRUCTURES | | | | | | |
| Circumference (feet) | Diameter (feet) | Factor (sq. ft.) | | Circumference (feet) | Diameter (feet) | Factor (sq. ft.) |
| 144.4-144.6 | 46.0 | 1661.9 | | 152.2-152.5 | 48.5 | 1847.5 |
| 144.7-144.9 | 46.1 | 1669.1 | | 152.6-152.8 | 48.6 | 1855.1 |
| 145.0-145.2 | 46.2 | 1676.4 | | 152.9-153.1 | 48.7 | 1862.7 |
| 145.3-145.6 | 46.3 | 1683.7 | | 153.2-153.4 | 48.8 | 1870.4 |
| 145.7-145.9 | 46.4 | 1690.9 | | 153.5-153.7 | 48.9 | 1878.1 |
| 146.0-146.2 | 46.5 | 1698.2 | | 153.8-154.0 | 49.0 | 1885.7 |
| 146.3-146.5 | 46.6 | 1705.5 | | 154.1-154.4 | 49.1 | 1893.5 |
| 146.6-146.8 | 46.7 | 1712.9 | | 154.5-154.7 | 49.2 | 1901.2 |
| 146.9-147.1 | 46.8 | 1720.2 | | 154.8-155.0 | 49.3 | 1908.9 |
| 147.2-147.4 | 46.9 | 1727.6 | | 155.1-155.3 | 49.4 | 1916.7 |
| 147.5-147.8 | 47.0 | 1734.9 | | 155.4-155.6 | 49.5 | 1924.4 |
| 147.9-148.1 | 47.1 | 1742.3 | | 155.7-155.9 | 49.6 | 1932.2 |
| 148.2-148.4 | 47.2 | 1749.7 | | 156.0-156.2 | 49.7 | 1940.0 |
| 148.5-148.7 | 47.3 | 1757.2 | | 156.3-156.6 | 49.8 | 1947.8 |
| 148.8-149.0 | 47.4 | 1764.6 | | 156.7-156.9 | 49.9 | 1955.7 |
| 149.1-149.3 | 47.5 | 1772.1 | | 157.0-157.2 | 50.0 | 1963.5 |
| 149.4-149.6 | 47.6 | 1779.5 | | | | |
| 149.7-150.0 | 47.7 | 1787.0 | | | | |
| 150.1-150.3 | 47.8 | 1794.5 | | | | |
| 150.4-150.6 | 47.9 | 1802.0 | | | | |
| 150.7-150.9 | 48.0 | 1809.6 | | | | |
| 151.0-151.2 | 48.1 | 1817.1 | | | | |
| 151.3-151.5 | 48.2 | 1824.7 | | | | |
| 151.6-151.8 | 48.3 | 1832.3 | | | | |
| 151.9-152.1 | 48.4 | 1839.8 | | | | |

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