

# INSURANCE 101

**CROP INSURANCE - DAY 2**

**GREATAMERICANCROP.COM**





# Basic Provisions

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## Preamble

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Reinsured by the FCIC

Provisions may not be waived or varied in any way

- Unless policy authorizes waiver or modification by written agreement

FCIC issued materials are used in administration of the program

- Handbooks, manuals, memoranda, bulletins
- Applies to policy administration and loss adjustment



## Sec. 1 Definitions

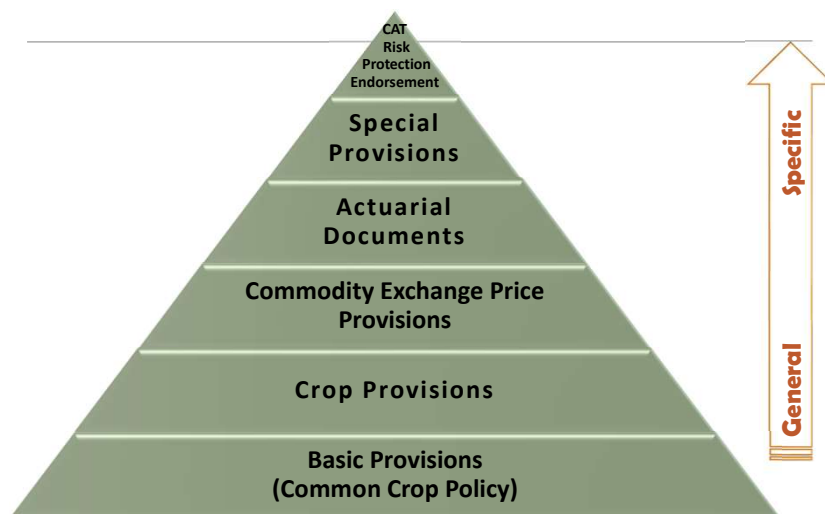
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Terms and phrases that are associated with the Multi-Peril Crop Insurance policy

- Refer to this section if you come across a term or phrase that you don't understand

## Hierarchy of Provisions

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# Sec. 1 Definitions

## TERMS AND CONDITIONS BASIC PROVISIONS

### 1. Definitions

**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 you 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.

**Acreage report** - A report required by section 6 of these Basic Provisions that contains, in addition to other required information, your report of your share of all acreage of an insured crop in the county, whether insurable or not insurable.

**Acreage reporting date** - The date contained in the Special Provisions or as provided in section 6 by which you are required to submit your acreage report.

**Act** - The Federal Crop Insurance Act (7 U.S.C. 1501 et seq.).

**Actual production** - The harvested and/or appraised amount of an agricultural commodity in number of pounds, bushels, tons, cartons, or other units of measure as provided in the applicable Crop Provisions.

**Actual Production History (APH)** - A determination of the production guarantee using your historical actual production for the crop, as applicable.

**Actual yield** - The yield per acre based on actual production from the planted or grown acreage, in accordance with section 5(b).

**Actual documents** - The information for the crop year which is available for public inspection in your agent's office and published on RMA's website and which shows

available crop insurance policies, coverage levels, information needed to determine amounts of insurance, prices, premium rates, premium adjustment percentages, practices, particular types or varieties of the insurable crop, insurable acreage, and other related information regarding crop insurance in the county.

**Additional coverage** - A level of coverage greater than catastrophic risk protection.

**Administrative fee** - An amount you must pay for catastrophic risk protection, and additional coverage for each crop year as specified in section 7 and the Catastrophic Risk Protection Endorsement.

**Agricultural commodity** - Any crop or other commodity produced, regardless of whether or not it is insurable.

**Agricultural experts** - Persons who are employed by the Cooperative Extension System or the agricultural departments of universities, or other persons approved by FCIC, whose research or occupation is related to the specific crop or practice for which such expertise is sought.

**Annual crop** - An agricultural commodity that normally must be planted each year.

**Annual yield** - A yield per acre for a crop year, used to complete the APH base period in an APH database. An annual yield may be any of the following: actual yield, assigned yield, transitional yield (T-Yield), or other yield calculated according to FCIC approved procedures.

**APH base period** - A minimum of four, up to a maximum of ten, most recent consecutive APH crop years for which continuous production reports are available, or as otherwise specified in the Crop Provisions or Special Provisions. The APH base period includes the most

## Sec. 2(a,b) Life of Policy, Cancellation and Termination

Continuous until canceled or terminated

Applications must be complete

- SSN/EIN
  - Must report applicant tax number
  - If individual operating as company and EIN provided, must also provide SSN
  - Must report anyone with 10% or more interest in applicant
- Plan of Insurance
- Coverage Level
- Price Election
- Crop
- Type/Variety/Class



## Sec. 2(b)(6)(i) Life of Policy, Cancellation and Termination

Coverage for all crops on application will be reduced proportionately by percentage interest if ID number of person with SBI was correct, and SBI holder was ineligible.

SBI of individual spouse presumed to be 50 percent.

## Sec. 2(a,b) Life of Policy, Cancellation and Termination

Regional Office		Application/Renewal Form		Clear Form		Print Form		Page: 1 of 4	
		for the 2022 Crop Year						Policy Number:	
Insured Name		Person Type:		Agency Name		Code:			
In Care Of		ID#:		Address 1		Phone:			
Address 1		Type: <input type="checkbox"/> SSN <input type="checkbox"/> EIN <input type="checkbox"/> RAN		Address 2		Fax:			
City		Indicate State where articles are filed:		City		Agency Email:			
Is applicant at least 18 years old? <input type="checkbox"/> YES <input type="checkbox"/> NO		Spouse's Name:		Agent:		Agent Email:			
Phone: Mobile: <input type="checkbox"/> Home: <input type="checkbox"/>		Spouse's ID#:		Agent Phone:		Agent Email:			
E-mail: <input type="checkbox"/> CH <input type="checkbox"/> MP <input type="checkbox"/>		Change: <input type="checkbox"/> Name <input type="checkbox"/> ID#		Agent Email:					
L. Prichard, CH <input type="checkbox"/> MP <input type="checkbox"/>		Power Of Attorney							
(Authorized Representative(s))									
(Limited Authorized Representative(s))									
Refer to the L.A. Statement									
Substantial Beneficial Interest Information: List all person(s) with a substantial beneficial interest in you as defined in the applicable policy provisions (include landholdings or tenancy insured under the applicant). If none, state NONE. Attach SBI Reporting Form if additional space is needed and check box <input type="checkbox"/> SBI Reporting Form is attached.									
Name		Address		Telephone Number		ID Number		ID No Type (Check One)	
<input type="checkbox"/> Add								<input type="checkbox"/> SSN <input type="checkbox"/> EIN <input type="checkbox"/> RAN	
<input type="checkbox"/> Add								<input type="checkbox"/> SSN <input type="checkbox"/> EIN <input type="checkbox"/> RAN	
<input type="checkbox"/> Add								<input type="checkbox"/> SSN <input type="checkbox"/> EIN <input type="checkbox"/> RAN	
Landhold/Tenancy: In addition to my share on this policy, I am also insuring shares for my: <input type="checkbox"/> Landhold <input type="checkbox"/> Tenant (Add L/T as an SBI)									
L/T Name:		Signature:		Date:					
<input type="checkbox"/> Cancel Entire Policy <input type="checkbox"/> YES <input type="checkbox"/> NO <input type="checkbox"/> Cancel		For MPCI I request insurance coverage for my share of the Category B crops (except forage production) specified below with a designated county in all added counties where the crops are insurable. If your designated plan of insurance, level of coverage or price is not available in the added county, coverage will be provided through the Catastrophic Risk Protection Endorsement, if the crop is insurable in the actual documents for an added county. This election does not apply to any private products.							
Crop/Coverage Change		Effective Crop Year		Type		Ins. Cnty		No. Crops	
<input type="checkbox"/> Add <input type="checkbox"/> Change <input type="checkbox"/> Cancel <input type="checkbox"/> Add		State - County		Crop		Type		Practice	
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		No							



## Sec. 2(b)(7)(8) Life of Policy, Cancellation and Termination

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If policy is voided under this section

- Applicant required to pay 20% of premium
  - If premium previously paid, any amount in excess of 20% will be returned to insured.
- Insured must repay any indemnity, prevented planting payment or replant payment that may have been paid for all applicable crops and crop years.
- May be subject to civil, criminal or administrative sanctions

## Sec. 2(c)-(d): Life of Policy, Cancellation and Termination

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After acceptance of application

- Insured may not cancel policy initial crop year

After initial crop year

- Policy may be canceled with written notice on or before cancellation date



## Sec. 2(b)(9) Life of Policy, Cancellation and Termination

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If SBI holders change after sales closing date, application must be revised by the sales closing date for next crop year.

If information changes less than 30 days before sales closing date for current crop year, application must be revised by the sales closing date for the next crop year.

## Sec. 2(e): Life of Policy, Cancellation and Termination

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All amounts due company must be paid on or before termination date, or insured will be ineligible for crop insurance.


- Even if a claim is not yet paid

Amounts Due may be Offset

- From Indemnity Or Prevented Planting Payments
- Can be offset even prior to the billing date (need form submitted)
- If Offset, Payment date will be Claim Submission Date
  - Date insured signs off on claim production worksheet



## Sec. 2(e): Life of Policy, Cancellation and Termination

 **GREAT AMERICAN**  
INSURANCE COMPANY

Crop Insurance

**Multiple Peril Crop Insurance Continuous  
Authorization to Deduct Amounts Owed**

Policy Number

Page 1 of 1

Insured's / Account's Name		Tax ID Number (Last Four Digits)	
Insured's Street or Mailing Address	City	State	Zip

Authorization (check option)

☐ ALL CROP(S) / COUNTIES ☐ ONLY CROP(S) / COUNTIES WITH THE SAME OR EARLIER BILLING DATE

**TERMS AND CONDITIONS**

Effective immediately as indicated above; I authorize Great American Insurance Company to deduct, prior to the applicable billing date, any premium and administrative fees owed by me from any indemnity and/or prevented planting payment I may be due. I understand that this is a continuous authorization and will remain in effect as long as my account is active with Great American Insurance Company, until such time that I request in writing that the authorization be rescinded. I also understand that this authorization is account specific and to the extent I have multiple accounts with GAIC, and wish to provide this same authorization to deduct amounts owed under those accounts, I will need to submit separate authorization forms.

Insured's Signature \_\_\_\_\_ Date \_\_\_\_\_

**CANCELLATION**

☐ I hereby rescind authorization for amounts to be deducted as described in the above terms and conditions.

Insured's Signature \_\_\_\_\_ Date \_\_\_\_\_

## Sec. 2(f)(1)(2) Life of Policy, Cancellation and Termination

Delinquent debt causes ineligibility for any subsequent crop year and termination of all policies.

Ineligibility may affect other USDA program benefits

- Determined by other agencies

Amounts owed prior to termination may be offset

- Replant payments are not subject to offset

Policies will terminate if insurance has attached prior to ineligibility



### Sec. 2(f)(2)(3) Life of Policy, Cancellation and Termination

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- Once terminated, policy cannot be reinstated unless termination was in error.

To regain eligibility, insured must:

- Pay delinquent debt in full
- Execute a written payment agreement in accordance to the policy and make payments in accordance with the agreement, or
- File bankruptcy petition to have debt discharged
  - Dismissal of petition before discharge will terminate policy retroactively

### Sec. 2(f)(4): Life of Policy, Cancellation and Termination

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Upon becoming eligible, a new application must be submitted on or before the Sales Closing Date for the crop

- If payment is made after the sales closing date, application cannot be made until the next crop year.



## Ineligible – Example 1

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Wheat - Termination Date 9/30/23

Corn – Termination Date 3/15/24

Payment for Wheat not received until 3/17/23

How does this affect the policy for Wheat and Corn?

## Ineligible – Example 1

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Wheat was terminated on 9/30/2023

Corn would be terminated on 3/15/2024

The insured could reapply for coverage on these crops at the next sales closing date but would not have coverage for the current crop year.



## Ineligible – Example 2

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Wheat - Termination Date 9/30/2023

Payment for Wheat received 10/25/2023

Corn – Termination Date 3/15/2024

How does this affect the policy for Wheat and Corn?

## Ineligible – Example 2

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Wheat was terminated on 9/30/2023

Corn would not be terminated since payment was received before the crop's termination date

The insured could reapply for coverage on Wheat at the next sales closing date but would not have coverage for the current crop year. Corn would have no lapse in coverage as long as corn premium paid by March 15, 2024.



## Sec. 2(g)(3) Life of Policy, Cancellation and Termination

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In cases where death, disappearance or judicially declared incompetence of any insured person occurred:

- More than 30 days prior to cancellation date, policy is cancelled, and new app must be submitted
- 30 days or less before cancellation date or after cancellation date, policy continues in effect through the crop year and cancels the following crop year unless cancelled by cancellation date prior to start of insurance period.
- A new app is required for coverage for subsequent crop year
- Any indemnity, replant payment or prevented planting payment will be paid to person determined to be beneficially entitled to payment
- Such person must comply with policy provisions and pay premium

## Sec. 2(g)(3) Life of Policy, Cancellation and Termination

---

Example:

Joe Smith has a spousal policy and all crops have a March 15<sup>th</sup> sales closing date.

- -If Joe passes away on February 1<sup>st</sup> the policy either needs to be cancelled or changed to the spouses name on an application
- -If Joe passes away on March 1<sup>st</sup> the policy can continue in force for the crop year and will be cancelled the following year (spouse can sign any documents on the policy if they are the beneficiary)



## Sec. 2(g)(4) Life of Policy, Cancellation and Termination

---

If entity dissolves for any reason other than death, disappearance, or judicially declared incompetence:

- Prior to cancellation date, policy cancels and new application must be submitted.
- On or after cancellation date, policy continues through crop year and cancels at end of crop year.
- A new app is required for coverage for subsequent crop year
- Any indemnity, replant payment or prevented planting payment will be paid to person determined to be beneficially entitled to payment
- Such person must comply with policy provisions and pay premium

## Sec. 2(h) – (j): Life of Policy, Cancellation and Termination

---

Policy may cancel if no premium 3 consecutive years

Cancellation and Termination Dates are contained in the Crop Provisions

Any person may sign crop insurance documents on behalf of another

- Provided that person has a properly executed POA to sign for the insured
- OR Legal documentation authorizing for that person to sign for the insured

If others sign on insured's behalf

- Insured still responsible for accuracy of information, and
- May be subject to misreporting penalties



## Sec. 3(a)-(b) Coverage Levels and Prices

---

Insured must elect same:

- Plan of insurance, coverage level and percentage of price per crop/county, unless:
  - Allowed by Crop Provisions
  - Insured has additional coverage and acreage has been designated “high risk”
  - Insured can request High Risk Land Exclusion and obtain CAT policy for “high risk” acreage.
- Actuarials allow separate coverage level by Irr and Non-Irr if you have additional coverage.

## Sec. 3 (f) – Coverage Level and Prices

---

Insured must report current year’s crop production on the same basis used to establish your approved yields by IPR (Insured production reporting date) stated in Crop Provisions or Special Provisions

- If we do not receive a production report
  - Insured will receive an assigned yield
    - 75% of prior year approved yield
    - 65% of T-yield if no prior approved yield (new insureds)
  - Optional Units will be combined into a basic unit
  - If insured filed claim in previous crop year, and production worksheets filed, claim records may be used as production records



# Production Reporting Dates

Dates		
Selection Criteria		
Year: 2024	Commodity: Wheat (0011)	State: S
Data: Released	Plan: Revenue Protection (02)	County: A
Types / Practices	T/P 01	T/P 02
Type	Winter 011	Spring 012
Practice	Non-Irrigated 003	Non-Irrigated 003
Base County Dates		
Sales Closing Date	09/30/2023	03/15/2024
Cancellation Date	09/30/2023	09/30/2023
Earliest Planting Date		03/16/2024
Final Planting Date	10/15/2023	05/05/2024
End of Late Planting Period Date	11/09/2023	05/30/2024
Acreage Reporting Date	11/15/2023	07/15/2024
Premium Billing Date	08/15/2024	08/15/2024
End Of Insurance Date	10/31/2024	10/31/2024
Termination Date	11/30/2024	11/30/2024
Contract Change Date	06/30/2024	06/30/2024
Production Reporting Date	11/15/2023	11/15/2023
Insured Production Reporting Date	11/15/2024	11/15/2024

## Sec. 3 (f) – Coverage Level and Prices

In addition to same year reporting, you may have to provide an additional production report at the beginning of the crop year by the PRD (production reporting date) found in the actuarial documents if:

- You are a new insured who grew the crop prior to the crop year
- You are an insured who transferred your policy to us this crop year
- We cannot establish your approved yield for any APH database for the current crop year
- You are re-certifying production for past years



## Sec. 3(f) Coverage Level and Prices

---

Insured is responsible for accurate reporting of information used to determine approved yield.

Production Report must contain all actual production including insurable, uninsurable and uninsured acreage

Failure to accurately report or provide required records

- Insured will receive assigned yield

If material information used to determine approved yield is misreported

- Approved yield for crop year and all subsequent crop years will be corrected
- Unit structure will be corrected, if necessary
- Insured subject to misreporting provision Sec 6(g)
- Any overpaid or underpaid indemnity or premium must be repaid

## Sec. 3(g,h) Coverage Level and Prices

---

Approved yield will be adjusted if

- Excessive Actual Yields
  - No verifiable records
- Inconsistent approved APH yields when acre limitations exceeded
- Different production methods likely to result in lower yield



## Sec. 3(i) – APH Impact

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If acreage was prevented from planting and Prevented Planting payment was limited to 35%

- Acres will remain in APH database and insured will receive yield equal to 60% of approved yield

## Sec. 3(i) – APH Impact - Continued

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If the unit contains both PP and planted acreage of the same crop -

- Multiply insured PP acres by 60% of approved yield
- Add total from above calculation to appraised and/or harvested production from insured acres
- Divide total by total # of acres in unit.



## APH Impact Example

---

100 acres PP corn planted to soybeans

Corn approved yield – 150

50 acres planted corn – prod 6,000 bu

What is the total production we use for corn unit?

## APH Impact Example

---

Take 60% of approved yield (150) x 100 acres = 9,000 bushels

Add above total (9,000) to harvested/appraised yield (6,000) = 15,000

Divide total production (15,000) by total acres (150) = 100 bu/acre

This is the bushels per acres used for APH purposes



## Sec. 3(j)(k) Prices and Levels

Hail and Fire can be excluded as a peril

- If buyup coverage is at least 65/100 or higher
- Can be excluded under revenue protection
- Insured must purchase same or higher dollar amount of coverage for crop hail
- If insured under whole farm unit, hail and fire may only be excluded if allowed by Special Provisions.

Premium rate or formula to calculate rate and T-yields are contained in actuarial documents, unless

- Written agreement requested to change high-risk land T-Yield or premium rate.

## Sec. 3(j)(k) Prices and Levels

Prices tab-

Year: 2023 Data Released	Commodity: Corn (0041) Plan: Revenue Protection (02)	State: North Dakota (38) County: Cass (017)				
Types / Practices	T/P 01	T/P 02	T/P 03	T/P 04	T/P 05	T/P 06
Type	High Amylose 302	High Amylose 302	Blue 303	Blue 303	Green 016	Silage 026
Practice	Non-Irrigated 003	Irrigated 002	Non-Irrigated 003	Irrigated 002	Non-Irrigated 003	Non-Irrigated 003
<b>Prices - Base County</b>						
Projected Price	\$5.9100	\$5.9100	\$5.9100	\$5.9100	\$5.9100	\$44.5000
Harvest Price	\$5.9100	\$5.9100	\$5.9100	\$5.9100	\$5.9100	\$44.5000
Price Volatility Factor	0.18	0.18	0.00	0.00	0.18	0.00
Maximum Contract Price Factor	1.2000	1.2000	4.0700	4.0700		
Maximum Contract Price	\$7.0920	\$7.0920	\$24.0537	\$24.0537		
Contract Price Code	Yes	Yes	Yes	Yes		



## Sec. 3(j)(k) Prices and Levels

T-yields tab-

Year: 2023	Commodity: Corn (0041)		State: North Dakota (38)				
Data Released	Plan:	Revenue Protection (02)	County: Cass (017)				
Types / Practices		T/P 01	T/P 02	T/P 03	T/P 04	T/P 05	T/P 06
Type	High Amylose 302	High Amylose 302	Blue 303	Blue 303	Grain 016	Silage 026	
Practice	Non-Irrigated 003	Irrigated 002	Non-Irrigated 003	Irrigated 002	Non-Irrigated 003	Non-Irrigated 003	
Transitional Yields							
Sub County	Year	BU	BU	BU	BU	BU	TON
	2023	156.00	177.00	86.00	97.00	156.00	17.80
	2022	148.00	166.00	67.00	75.00	148.00	16.50
	2021	148.00	166.00	67.00	75.00	148.00	16.50
	2020	148.00	166.00	67.00	75.00	148.00	16.50
	2019	134.00	147.00	60.00	66.00	134.00	13.80

## Sec. 3(l) BFR

If insured qualifies as a Beginning Farmer or Rancher (BFR) and was involved in decision making or physical involvement in production of crop or livestock on the farm or acreage the insured as obtained. The insured can choose to use the higher of:

- The history from the previous producer on the farm (fields) the BFR/VFR helped produce the crop
- Their own production history



## Sec. 4

### Contract Changes

---

The terms of a policy can be changed from year to year

Any changes can be viewed on the RMA's website

Insured will be notified of changes no later than 30 days before cancellation date

Acceptance presumed if no notice from insured

## Sec. 5

### APH Database and Approved Yield Calculation (a)

---

An APH database must be established to determine the approved yield and average yield on the basis of:

- Crop
- Type
- Practice
- T-Yield map area
- Unit (as applicable)



## Sec. 5

### APH Database and Approved Yield Calculation (b)

---

Annual Yields are used to establish the APH database and include:

- An actual yield, calculated by dividing actual production by insurable acres
- A temporary yield, equal to prior year approved yield
- An assigned yield if no acceptable production report was provided
- A determined yield designated by FCIC
- A T-Yield where there is not a minimum of four years of annual yields in database
  - May be variable based on number of actual yields provided for crop

## Sec. 5

### APH Database and Approved Yield Calculation (c)

---

The Average yield and approved yield are used to establish the insurance guarantee

- Database is established with yields by APH crop year
- Annual yields are summed
- Divide that sum by the number of annual yields in database and that results in average yield
- Using the annual yields, apply any yield adjustments
- Divide the sum of adjusted yields by the number of annual yields and apply any additional adjustments to determine approved yield



## Sec. 6(a) Report of Acreage

Acreage reports must be submitted annually for each crop by the acreage reporting date contained in the Special Provisions unless the insured has:

- Multiple crops with the same company (fall/spring)
- Separate planting periods
- Late/prevented planting - acreage report date will be due later of:
  - Acreage Report date contained in Special Provisions
  - Five days after the end of late planting period for insured crop

## Sec. 6(a) Report of Acreage

Part IV CROP ACREAGE REPORT:											
Name of State					Name of County					Name of Crop	
Unit No.	Legal Desc (Section / Trship / Range / Other Land Identifier)	FSA Farm No FSA Farm/Tract/ Field No	Crop Type/ Practice	Approved APH Yield	Area Classifica- tion	Acres of Insured Crop	*Acreage Type	Date Planting Completed	Insured's Share	Name of Other Person(s) Sharing in the Crop Last Name First Name Middle	Other Person(s) Share
		<input type="checkbox"/> Added Land	<input type="checkbox"/> Added					<input type="checkbox"/> Prev Pntg			
		<input type="checkbox"/> Added Land	<input type="checkbox"/> Added					<input type="checkbox"/> Prev Pntg			
		<input type="checkbox"/> Added Land	<input type="checkbox"/> Added					<input type="checkbox"/> Prev Pntg			
		<input type="checkbox"/> Added Land	<input type="checkbox"/> Added					<input type="checkbox"/> Prev Pntg			



## Sec. 6(b) Report of Acreage

---

If the insured does not have a share in the insured crop, this must be indicated on an Acreage Report before the Acreage Reporting Date.

## Sec. 6(c) Report of Acreage

---

Acreage report must include:

- Last date crop was planted for all acreage in unit planted **by final plant date**, and
- Date of planting and amount of acreage planted per day for acreage planted **during the late planting period**
  - If insured fails to report number of acres planted in late planting period on a daily basis, all planted acres in that period will be presumed to have been planted on the last day planting took place.
- Share at time coverage begins
- Practice/type
- Land identifier – Legal description, FSA Farm Serial Number, or common land unit number



## Sec. 6(d)(1) Report of Acreage

---

Planted acreage cannot be revised after the Acreage Reporting Date without company's consent, and

- No cause of loss has occurred, and
- Crop appraises at least 90% of APH yield, or
  - Information clearly transposed, or
  - Company or USDA error

## Sec. 6(d)(2) Report of Acreage

---

For Prevented Planting acreage:

- **On or before acreage reporting date**, insured can change any information on initially submitted acreage report, except
- Cannot revise initially submitted acreage report at any time to change insured crop, or type that was reported as prevented planting.
- **After acreage reporting date**, cannot revise any information on acreage report
  - If insured failed to report PP acreage on or before acreage reporting date, cannot add after acreage reporting date
    - Unless information clearly transposed
    - Insured provided evidence that company or FSA made error



## Sec. 6(f) Report of Acreage

---

If insured fails to submit an Acreage Report by the ARD

- Company can elect to determine liability, OR deny liability

If insured fails to report all units

- Company can elect to determine liability, OR deny liability
- If liability is denied, production from such units will be allocated (for loss purposes only) to the reported units before calculating the claim

## Sec. 6(g) Report of Acreage

---

Insured is responsible for accuracy of information provided and should verify prior to submission



## Sec. 6(g)(1) Report of Acreage

---

If information on acreage report is different than what is determined to be correct and results in:

- A lower liability (under-reported acres, share, etc):
  - No change will be made to policy
  - All production will be counted for purposes of calculating loss
- A higher liability (over-reported acres, share, etc):
  - Unit will be reduced to correct amount

## Sec. 6(g)(2) Report of Acreage

---

If producer's share is misreported and the share is:

- Under-reported, any claim will be determined using the share the producer reported; or
- Over-reported, any claim will be determined using the share AIP determines to be correct.



## Sec. 6(h) Report of Acreage

---

If insured incorrectly reported, we may require documentation substantiating your report of acres in those crop years

Current year's misreporting could result in adjustments to prior years'

- Indemnities, Prevented Planting or Replant payments
- Overpaid amount would be required to be repaid

## Sec. 7(a)-(d) Annual Premium and Administrative Fees

---

Premium is earned and payable when coverage begins

Insured will be billed for premium and administrative fees not earlier than billing date found in Special Provisions

Premium or fees owed will be offset from indemnity and PP payments

Premium calculation is as follows:

- $\text{Production guarantee per acre} \times \text{price election} \times \text{premium rate} \times \text{insured acreage} \times \text{share} \times \text{any premium adjustment percentage elected}$

Information used to determine premium rate and adjustments that may apply are found in actuarial documents or by approved written agreement



## Sec. 7(e) - Annual Premium and Administrative Fees

---

- Insured required to pay administrative fee
  - \$30 for Additional levels
  - \$655 for CAT admin fee
- Fee due same time as premium
- No fee due if no acres planted
- Fee may be waived if insured
  - Qualifies as a Beginning Farmer or Rancher
  - Qualifies as a Limited Resource Farmer
- Failure to pay fee may result in ineligibility for other USDA benefits

## Sec. 7(h) - Annual Premium and Administrative Fees

---

An insured must be compliant with the FSA Conservation Compliance program.

- Paperwork completed in a timely manner – AD 1026
- Must follow conservation rules set in place

If it is discovered that an insured is not compliant with the Conservation Program through FSA, the insured will lose all crop insurance subsidy.



## Sec. 8(a) – Insured Crop

---

To insure a crop it must be:

- Listed on the application
- Grown as specified in the Crop Provisions or Special Provisions
- Grown on insurable acreage

## Sec. 8(b)(1) – Insured Crop

---

Crops not insurable will include, but not limited to:

- Not grown on planted acreage unless prevented planting,
  - Refer to definition of planted acreage on notes page
- Type, class, or variety not generally recognized for the area, or
- Conditions under which the crop is planted not generally recognized for the area
  - -Example could be airplane seeding of conventional soybeans in certain counties is not insurable



## Sec. 8(b)(3-6) – Insured Crop

---

Crops **not** insurable will include, but not limited to:

- A volunteer crop
- Crop following same crop that has been planted and harvested in same crop year
  - Unless permitted by Crop Provisions or Special Provisions
- Planted for hybrid seed or experimental purposes
  - Unless permitted by Crop Provisions or by written agreement-pink and purple hybrid corn
- Solely used for wildlife protection or management

## Sec. 8(c) – Insured Crop

---

Even though crop is not listed as uninsurable, doesn't automatically mean it is insurable

- Crop, type, class, variety or practice must meet all conditions of this section.



## Sec. 9(a)(1) Insurable Acreage

---

Acreage is insurable, **except** acreage that has:

- Not been planted and harvested (grazing is not considered harvested) or insured in at least 1 of 3 previous crop years **unless** acreage was not planted:
- To comply with other USDA programs at least 2 of 3 previous years;
- Due to crop rotation requirements; or
- Because perennial tree, vine or bush grown on acreage on acreage 2 of the 3 previous crop years;

## Sec. 9(a)(1) Insurable Acreage

---

Acreage is insurable...

- Acreage constitutes 5% or less of insured planted acreage in unit
- Acreage not planted or harvested because it was previously pasture or rangeland
- Crop Provisions or written agreement allow insurance; or



## Sec. 9(a)(2) Insurable Acreage

---

Acreage is uninsurable...

- if the only crop planted and harvested in the three previous crop years was a cover, hay or forage crop (except corn and sorghum silage), unless:
  - Insurance is for a hay or forage crop; or,
  - It was part of a crop rotation
- Acreage has been strip-mined

## Sec. 9(a)(2) Insurable Acreage

---

Acreage is insurable, **except** acreage:

- No actuarial documents
  - Unless by written agreement
- Not replanted when practical to replant
- Interplanted
  - Unless allowed by Crop Provisions
- Otherwise restricted by Crop or Special Provisions
- Planted in a manner other than specified in the policy provisions
  - Unless written agreement allows



## Sec. 9(a)(2) Insurable Acreage

---

Acreage is insurable, **except** acreage

- Of a 2<sup>nd</sup> crop, if insured elects not to insure when indemnity for first insured crop may be subject to reduction.
- Election must be made on a unit basis
- Insured must provide written notice to not insure 2<sup>nd</sup> crop at time first crop acreage is released.
- Failure to give notice will result in 2<sup>nd</sup> crop being insured
- Must notify us if 2<sup>nd</sup> crop insured with another AIP or another person planting 2<sup>nd</sup> crop.
- Must report crop acreage that will not be insured on acreage report

## Sec. 9(b)(c) Insurable Acreage

---

Irrigated acreage insurable if:

- Adequate facilities & water, or
- Reasonable expectation

If irrigation premium rate is not provided, the insured may:

- Report and insure acreage as NI, or
- Report acreage as uninsured



## Sec. 10(a) Share Insured

---

### Insurance attaches:

- Only to applicant's share of crop unless application clearly states insurance requested for a person other than an individual
- Partnership or joint venture
- Tenant is insuring landlord's share or vice versa
  - Must provide evidence of other party's approval
  - Must indicate percentage share on acreage report
  - Must report Tax ID # for each landlord and tenant

## Sec. 10(b) Share Insured

---

### With respect to share:

- Acreage or interest of the spouse, child, or household member will be included in the insured's share.
- If spouse, child, or other member of household has a separate policy but does not have a separate farming operation, spouse's, child's, or other person's policy will be void and no premium will be due or no indemnity paid for those policies.



## Sec. 10(c)-(d) Share Insured

---

Acreage rented for a % of the crop, or a lease containing provisions for **both** a minimum payment, **and** a crop share will be considered a **crop share lease**

Acreage rented for cash, or a lease containing provisions for **either** a minimum payment **or** a crop share, will be considered a **cash lease**

## Sec. 11(a) Insurance Period

---

Except for PP coverage, **coverage begins** on each unit or part of a unit the later of:

- the date we accept the insured's application
- **the date the insured crop is planted**
- the calendar date contained in the crop provisions for the beginning of the insurance period



## Sec. 11(b) Insurance Period

**Coverage ends** on each unit at the **earliest** of:

- Total destruction of the insured crop
- **Harvest of the insured crop**
- Final adjustment of a loss
- The calendar date contained in the Crop Provisions for the End of the Insurance Period
- Abandonment of the crop; or
- As otherwise specified in the Crop Provisions

## Sec. 12 Causes of Loss

Coverage is only against unavoidable, naturally occurring events

List of covered events is contained in Crop Provisions

### 9. Causes of Loss.

In accordance with the provisions of section 12 of the Basic Provisions, insurance is provided only against the following causes of loss which occur during the insurance period:

- (a) Adverse weather conditions;
- (b) Fire;
- (c) Insects, but not damage due to insufficient or improper application of pest control measures;
- (d) Plant disease, but not damage due to insufficient or improper application of disease control measures;
- (e) Wildlife;
- (f) Earthquake;
- (g) Volcanic eruption;
- (h) Failure of the irrigation water supply due to a cause of loss specified in sections 9(a) through (g) that also occurs during the insurance period; or
- (i) For revenue protection, a change in the harvest price from the projected price, unless FCIC can prove the price change was the direct result of an uninsured cause of loss specified in section 12(a) of the Basic Provisions.



## Sec.12

### Causes of Loss

---

The following causes of loss are not covered:

- Any act by a person that affects the yield, quality or price of insured crop is not an insured cause of loss
- Chemical drift
- Fire
- Terrorism
- Failure to follow good farming practices
- Water contained by or within dams, locks, reservoirs, etc.
- Inability to prepare land for irrigation, using producer's established irrigation method, unless inability is due to insured cause of loss specified in Crop Provisions.
- Any cause of loss resulting in damage which was not or would not have been evident during insurance period
- Unless allowed by crop provisions

## Sec. 13(a)

### Replanting Payment

---

A replant payment may be made on an insured crop replanted after the company has given consent and it meets the 20/20 rule.

If crops to be replanted are in a whole-farm unit, the 20 acres or 20 percent requirement is to be applied separate to each crop to be replanted in the whole-farm unit.



## Sec. 13(b) Replanting Payment

---

There is no replanting payment on acreage if

- Production will exceed the level set by the Crop Provisions
- Initially planted prior to the earliest planting date established by the Special Provisions
- One replanting payment has already been allowed for crop year.

## Sec. 13(c - d) Replanting Payment

---

The replanting payment per acre will be:

- The lesser of actual cost for replanting or amount specified in the Crop or Special Provisions; or
- If Crop or Special Provisions specify that actual cost will not be used to determine replant payment, the amount determined with the Crop or Special Provisions.

No replanting payment will be paid if we determine it is “not practical to replant”.



## Sec. 14 (a)(b)(1)(2)(3) Duties in the Event of a Loss (Insured's Duties)

---

In case of damage or loss of production or revenue, protect crop from further damage

### Notice Requirement

- For planted crops, give notice by unit within 72 hours of discovery of damage, or loss of production
  - Not later than 15 days after end of insurance period, even if crop not harvested
- For Revenue Protection, if no damage or loss of production, give notice of revenue loss not later than 45 days after latest date the last harvest price is released for any crop in the unit.
- For Prevented Planting, give notice within 72 hours after
  - Final planting date if no intent to plant during late planting period or no late planting period; or
  - Once it is determined during late planting period not able to plant crop

## Sec. 14(b)(4) Duties in the Event of a Loss (Insured's Duties)

---

All notices required to be received by us within 72 hours may be made to crop agent

- By telephone, or
- In person

Must be confirmed in writing within 15 days

If insured fails to comply with notice requirements and AIP cannot accurately adjust loss or insured fails to submit claim:

- For any **claim for indemnity**, no indemnity will be paid but insured required to pay premium
- For any **pp claim**, no coverage provided and no premium owed



## Sec. 14(b)(4) Duties in the Event of a Loss (Insured's Duties)

The screenshot shows a web application window titled "Submit Loss / Inspection" with a "Close" button in the top right corner. Below the title bar is a navigation menu with four tabs: "DETAILS", "COUNTY CROPS", "COMPANIONS", and "STATUS". The "DETAILS" tab is currently selected. The form contains several fields, each with a label on the left and a corresponding input field on the right. The fields are: "Claim Type" (dropdown), "Line of Business" (dropdown), "Cause of Loss" (dropdown), "Loss Date" (calendar icon), "Policyholder intention" (dropdown), and "Immediate Inspection Required" (toggle switch). At the bottom of the form is a text area labeled "Comments / Contact Information (250 Character Max)" with a placeholder text "Enter comments here".

## Sec. 14(c) Duties in the Event of a Loss (Insured's Duties)

Representative samples:

- If required by crop provisions, insured must leave unharvested crop intact:
  - If damage reported less than 15 days before harvest begins or during harvest; or
  - At any time required by us
- Sample must be left intact until we inspect or 15 days after completion of harvest on unit, whichever is earlier
- Unless otherwise specified, sample must be 10 feet wide and extend length of row
- Insured will be notified in writing if extension is necessary to determine loss



## Sec. 14(d)(1)(2)(3) Duties in the Event of a Loss (Insured's Duties)

Insured must obtain consent from us before and notify us after:

- Destroying crop
- Putting crop to alternative use
- Putting acreage to another use;
- Abandonment of crop

No consent given if practical to replant or until potential production appraised

Failure to obtain consent will result in assignment of amount of production or value to count

## Sec. 14(e)(1) Duties in the Event of a Loss (Insured's Duties)

Insured must submit claim declaring amount of loss by dates in section 14(e)(3), unless

- Extension in writing requested and approved by us when:
  - Amount of loss cannot be determined because information is not available
  - Insured has harvested farm-stored grain and requests to delay measurement and settlement of claim
  - Extension up to 180 days
  - For APH policies, if extension continues beyond production reporting deadline, insured will be assigned a temporary yield
    - Last year's approved yield
  - Extension does not extend premium due date
  - Damage that occurs after end of insurance is not covered



## Sec. 14(e)(3)(i-ii) Duties in the Event of a Loss (Insured's Duties)

---

Insured must submit a claim no later than:

- For policies other than revenue
  - 60 days after end of insurance period
- For revenue policies
  - The later of 60 days after:
    - Latest date harvest price is released
    - End of insurance period unless extension granted

## Sec. 14(e)(4)(ii)(A-C) Duties in the Event of a Loss (Insured's Duties)

---

Cooperate with us in investigation and settlement of claim

- Show us damaged crop
- Allow us to remove samples
- Provide us with records and documents



## Sec. 14(e)(4)(A-C) Duties in the Event of a Loss (Insured's Duties)

---

- To receive indemnity, prevented planting payment or replant payment insured must provide:
- Complete harvesting/marketing records by unit
- Separate records for uninsured acreage or acreage subject to an indemnity reduction
  - Failure to provide separate records will result in production being allocated for each crop to the acreage in proportion to liability for acreage
  - If no loss on unit of 2<sup>nd</sup> crop, separate records not required and remaining 1<sup>st</sup> crop indemnity can be paid.
- Any additional information required to settle claim

## Sec. 14(f)(1-4) Duties in the Event of a Loss (Company Duties)

---

If insured has complied with all policy provisions, loss will be paid within 30 days after the later of:

- Agreement with insured
- Completion of Arbitration, Reconsideration or Appeals, unless company appeals decision
- Completion of any USDA investigation
- Final judgment by a court



## Sec. 14(j) Duties in the Event of a Loss (Company Duties)

---

For Revenue Protection:

- AIP's MAY make preliminary indemnity payments for Crop production losses prior to the release of the harvest price (supplemental check issued later)
- Unless Harvest Price Exclusion elected
  - Needs to wait until release of harvest price

## Sec. 15(a)-(b) Production Included in Determining an Indemnity and Payment Reductions

---

The total production to be counted for a unit will include all production determined in accordance with the policy.

Appraised production will be used to calculate claim if crop is not harvested

- May be conducted after end of insurance period
- If crop later harvested, insured must provide records
- Failure to provide records will result in
  - No indemnity due
  - Producer required to return previously paid indemnity for unit based on appraised production.



### Sec. 15(b)(2)(3) Production Included in Determining an Indemnity and Payment Reductions

---

If harvested production > appraised production:

- Claim adjusted using harvested production
- Insured must repay any overpaid indemnity

If harvested production < appraisal

- Harvest **after** end of insurance period
  - Appraised Production used, unless insured proves no additional damage occurred after end of insurance period
- Harvest **before** end of insurance period
  - Harvested Production used to adjust loss

### Sec. 15(e) Payment Reductions

---

Options – Failed first crop

- Leave the first crop acreage fallow or with a cover crop and receive 100% indemnity
- Plant a second crop but don't insure and receive 100% indemnity
- Plant a second crop and insure and receive 35% indemnity
  - Pay premium commensurate with 1<sup>st</sup> crop indemnity
- Either collect remaining 65% of loss on 1<sup>st</sup> crop less 65% additional premium OR loss for 2<sup>nd</sup> crop



# 1<sup>st</sup> Crop/2<sup>nd</sup> Crop Cert Form

Unit No. (1 <sup>st</sup> Crop)	Line No.	Field ID	Legal Descriptions	First Insured Crop	Intended Second Crop	Option Code	Acres*

Enter the applicable Code(s) in the above table.

- A.) I certify that I will not plant a second crop on the acreage\* for the 20\_\_\_\_ crop year: \_\_\_\_\_ Code: NS (No 2<sup>nd</sup> Crop)  
 Insured's Initials \_\_\_\_\_
- B.) I certify that I will plant a second crop on the acreage\* for the 20\_\_\_\_ crop year but choose NOT to insure that acreage. I understand I must report the acres to Great American and keep the production separate from other insured acreage of the same crop in the same unit. I also understand no indemnity for the second crop can be collected from that acreage: \_\_\_\_\_ Code: WI (Waive Insurance)  
 Insured's Initials \_\_\_\_\_
- C.) I understand if I plant and insure a second crop with Great American on any of the first insured crop loss acreage, I must report the acres to Great American. I also understand the production must be kept separate from other original planted acres of the same crop in the same unit. If the second crop is insured by an insurance company other than Great American or another person other than myself, I understand I am required to notify the other company that the second crop was planted on acreage on which I insured a first crop. \_\_\_\_\_ Code: IR (Indemnity Reduced)  
 Other Insurance Company: \_\_\_\_\_ Insured's Initials \_\_\_\_\_
- D.) I understand that should I incur a payable loss due to an insured cause of loss on second crop acreage where some or all of that unit's acreage was planted on ground where there had been a payable loss on the insured first crop, Great American Insurance will compare 35% of the first crop indemnity plus 100% of the second crop indemnity to 100% of the first crop indemnity and pay the greater amount.  
 I agree that should 100% of the first crop indemnity pay the greater amount, I will withdraw my second crop claim on the applicable acreage.  
 Insured's Initials \_\_\_\_\_
- E.) I certify that I have met the requirements for double cropping and will provide such documentation as required by Great American to verify my qualification. Documentation will include, but may not be limited to: FSA 578's, Maps and production for all years where double cropping is claimed. \_\_\_\_\_ Code: DC (Double Crop)  
 Insured's Initials \_\_\_\_\_

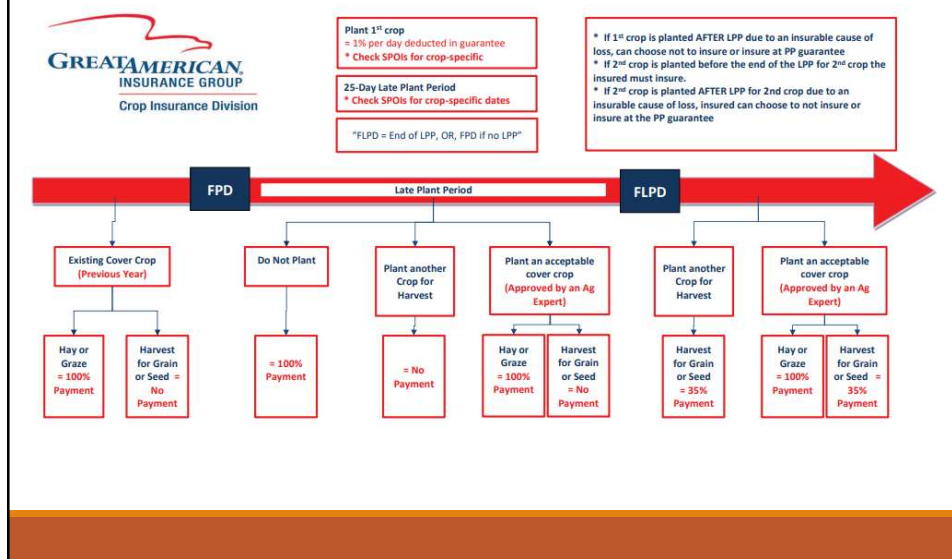
## Sec. 15(f)(g) Payment Reductions

### Options – Prevented Planting

- Keep PP acreage fallow or with a cover crop and receive 100% PP indemnity
- Cover crop cannot be hayed, grazed or otherwise harvested until November 1
  - Reduce to 35% indemnity
- Plant to second crop (insured or uninsured)
  - 35% indemnity
    - Even if another person plants 2<sup>nd</sup> crop, or
    - If insured receives cash rent
  - Assigned yield of 60% of current year's APH in next year data base
  - Will never increase to 100% indemnity



## Sec. 15(f)(g) Payment Reductions



## Sec. 16 Late Planting

Unless limited by the Crop Provisions, insurance is provided for acreage planted to the insured crop after the Final Planting Date (FPD).

Late Planting Period is defined as: Period that begins the day after FPD for the insured crop and ends 25 days after the FPD, unless otherwise specified in the Crop or Special Provisions.

Automatic Coverage (Part of Basic Provisions)

- Unless specified differently in Crop Provisions

Production guarantee reduced 1% per day (25% max)



## Sec. 16(b) Late Planting

---

Crops planted after LPP **may** be insured as follows:

- Production guarantee x PP level elected, or if not elected, the level found in the Crop Provisions
  - Example- Soybeans 60%, Corn 55%
- **Prevention must have been because of an insurable cause of loss**
- All production will be counted for claim

## Sec. 16(c)(d) Late Planting

---

Premium same as for timely planted acreage

- No coverage if premium exceeds liability

An insured cause that prevents completion of planting will be considered planted after the final planting date

- Example: incorporating seed into ground



## Sec. 17(a) Prevented Planting

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Unless limited by policy provisions a prevented planting payment may be made if:

- Insured is prevented from planting the insured crop due to an insured cause of loss that occurs:
  - On or after the SCD
    - For the crop year the new application was accepted
  - On or after the previous years' SCD
    - For subsequent crop years

## Sec. 17(a) Prevented Planting

---

Insured must:

- Submit Notice of Loss within 72 hours of Final Plant Date or Late Plant Period
- Report Prevented Planting acres of insured crop on acreage report.
- Not plant insured crop during or after Late Planting Period.



## Sec. 17(b) Prevented Planting

---

Insured cannot increase elected or assigned pp coverage level if cause of loss that could prevent planting occurred during the pp insurance period and prior to time increase was requested

- Even if it is not known whether such cause will actually prevent planting.

## Sec. 17(c) Prevented Planting

---

Premium for PP acreage will be same as timely planted acres except

- Premium will be commensurate with PP Payment

If premium exceeds PP liability

- No coverage will be provided and no premium due



## Sec. 17(e) Prevented Planting

### MAXIMUM ELIGIBLE ACRES

- Cannot exceed cropland acres in operation
  - Unless PP on double-cropped acreage
- APH/Non-Contract Crops:
  - Maximum number of acres certified for APH purposes, or insured acres reported
    - Last 4 crop years
    - Producer will be considered to have planted a crop one of last four crop years if APH database contains actual planted acres
  - Exclude PP acres planted to substitute crop

## Sec. 17(e) Prevented Planting

County	Crop	Practice	Type	2022	2021	2020	2019
[REDACTED]							
Davison (35)	Wheat (11)	(003) NON IRR	(011) W	0.00	0.00	0.00	0.00
Davison (35)	Wheat (11)	(003) NON IRR	(012) S	0.00	0.00	0.00	0.00
Davison (35)	Corn (41)	(003) NON IRR	(016) GSG	133.25	382.22	100.05	2.75
Davison (35)	Sunflowers (78)	(003) NON IRR	(048) OIL	0.00	0.00	0.00	0.00
Davison (35)	Sunflowers (78)	(003) NON IRR	(049) CONFT	0.00	0.00	0.00	0.00
Davison (35)	Soybeans (81)	(003) NON IRR	(091) COMM	382.65	133.25	185.56	286.01
Hutchinson (67)	Wheat (11)	(002) IRRIGATED	(011) W	0.00	0.00	0.00	0.00
Hutchinson (67)	Wheat (11)	(003) NON IRR	(011) W	222.08	118.20	45.70	0.00
Hutchinson (67)	Wheat (11)	(003) NON IRR	(012) S	0.00	0.00	0.00	2.50
Hutchinson (67)	Corn (41)	(002) IRRIGATED	(016) GSG	0.00	0.00	0.00	141.80
Hutchinson (67)	Corn (41)	(003) NON IRR	(016) GSG	706.22	464.07	690.00	581.50
Hutchinson (67)	Soybeans (81)	(002) IRRIGATED	(091) COMM	0.00	0.00	0.00	111.40
Hutchinson (67)	Soybeans (81)	(003) NON IRR	(091) COMM	463.64	810.10	566.24	687.00



## Sec. 17(e) Prevented Planting

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### MAXIMUM ELIGIBLE ACRES

#### New Farmer

- Not planted **any** crop in last 4 years
  - Considered planted if APH contains actual planted acres
- Submit Request for Eligible PP acres by Sales Closing Date or
- Submit Request for Eligible PP within 10 days of obtaining acreage in county if no acreage on or before sales closing date.

## Sec. 17(f) Prevented Planting

---

### No PP provided for acreage when:

- Does not meet 20/20 rule
- Any PP acreage within a field that contains planted acres will be considered acreage of the same crop unless
  - Produced both crops in same field one of four most recent crop years
  - Prevented from planting first insured crop and planted a second crop
  - Crop planted in field would not have been planted on remaining PP acres
    - Crop rotation
    - Fulfilled processor contract acres
- No rate in actuarial
- Land intended for USDA conservation



## Sec. 17(h) Prevented Planting

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When eligible acres have been exhausted for a crop **PP payment and premium** will be based on:

- **Crop prevented from being planted** if insured crop with remaining eligible acreage will result in a **higher payment**.
- **Crop from which eligible acre are being used** if insured crop with remaining eligible acreage will result in a **lower payment**.

**An additional administrative fee will not be due**

## Sec. 17(h)(3) Prevented Planting

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For example, if corn is prevented from being planted and has a PP payment of \$150, and:

- There are only remaining eligible acres for potatoes with a PP payment of \$200, the payment would continue to be based on corn.
- There are only remaining eligible acres for grain sorghum with a PP payment of \$125, the payment would be based on grain sorghum.



## Sec. 18(a)(b) Written Agreements

Terms of the policy can be altered by written agreement

- Not available for Cat policies

Insured must apply for written agreement by Written Agreement deadline

Agreement must contain all variable terms

## Sec. 18(a)(b) Written Agreements

REQUEST FOR ACTUARIAL CHANGE										INSURANCE PLAN		
<input type="checkbox"/> Renewal <input type="checkbox"/> New Request <input type="checkbox"/> Multi Year Request										COVERAGE LEVEL		
Crop Insurance Policy Number										REQUEST TYPE CODE		
Crop Year(s)												
Company Code 094												
All applicable information below must be completed, along with attaching any required documentation, before submitting to RMA/RIO. Where two or more entities insure the same land, a request must be completed for each contract. (Please type or print legibly.)												
Production Name (as shown on application)				Tax ID Number				Regional Office		Agency or Service Office Name		
Address (as shown on application)				Address				Address		Agent Code		
City				State				Zip		City		
County				State				Policy Number		E-mail Address		
Phone				Phone				E-mail Address		Phone		
Production to: <input type="checkbox"/> Landlord <input type="checkbox"/> Operator <input type="checkbox"/> Owner/Operator												
Provide the following information for the land on which the actuarial change is requested:												
Line No.	Unit No.	Section	Range	Lot	Block	PLAT/FIN Number	FIN Tract Number	FIN Sublot	FIN Sublot	Name of Owner	Whole Acres	Partial Acres
Actual change, which is requested (be specific - identify classification area and provide reasons which support this actuarial change for qualifying insurance plan); if additional space is needed, attach a separate page to this form.												
Land identified above:												
a) Has been in crop production for _____ years. b) Has been operated _____ years by the present operator.												
c) Complete an entire unit? <input type="checkbox"/> Yes <input type="checkbox"/> No. If no, what other land is included in the unit and section, township, range, T19N/R10E common land and entire farm tract(s): _____												
d) Has the crop been planted? <input type="checkbox"/> Yes <input type="checkbox"/> No. If no, is it a high risk crop before or after? <input type="checkbox"/> No <input type="checkbox"/> Yes. Is it a high risk before coverage termination or after? <input type="checkbox"/> No <input type="checkbox"/> Yes.												
Note: A request to not establish timely received unless timely received documentation is included. Requests that are missing necessary documentation and are returned to the company.												
<input type="checkbox"/> Consistent request and latest Request for Actuarial Change (Request for all types). Reviewer must sign no later than the date of the first approval date or the expiration date, if the crop has been planted.												
<input type="checkbox"/> Applicable request type and if requested, a Producer's Actuarial Change Worksheet as provided in the CR application or personal notes.												
<input type="checkbox"/> Applicable request type and if requested, a Producer's Actuarial Change Worksheet as provided in the CR application or personal notes.												
Any other pertinent information? (Please specify describe any land improvements such as drainage, fence, irrigation, pump capacity, etc. Attach a separate page, if necessary where a, b, c, d, e are applicable above. Description of Farm with required information.)												
a) Date land cleared or replanted complete. b) When replanted and source of input. c) Is there a reasonable expectation of receiving adequate water to carry out a good irrigation practice for average rainfall under the irrigated practice. <input type="checkbox"/> Yes <input type="checkbox"/> No.												
d) Is there a reasonable expectation of receiving adequate water to carry out a good irrigation practice for average rainfall under the irrigated practice. <input type="checkbox"/> Yes <input type="checkbox"/> No.												
e) Is there a reasonable expectation of receiving adequate water to carry out a good irrigation practice for average rainfall under the irrigated practice. <input type="checkbox"/> Yes <input type="checkbox"/> No.												
Note: Initial written agreements requested to establish insurability after the Sales Closing Date may require an inspection, and the insured must sign no later than the date of the first approval date or the expiration date, if the crop has been planted.												
I hereby read and understand the following:												
a) I will have the option to accept or reject any written agreement approved by FIC based on this request for actuarial change. I cannot pick and choose which terms of the written agreement to accept or reject.												
b) I agree that I must accept the written agreement by the expiration date or the written agreement will be rejected.												
c) I agree that if I submit multiple Request for Actuarial Change forms, regardless of when the forms are submitted, for the same condition or for the same crop (e.g., in future crop or two high risk crops where there are no actual documents in the county in the request to be changed the previous crop from the high risk status they may be treated as one request by FIC, and will have the option of accepting or rejecting the written agreement in its entirety. I cannot reject some terms and conditions of the written agreement and accept others.												



## Sec. 18(c)(1)(2) Written Agreements

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If approved by FCIC, the Written Agreement will contain all variable terms of the contract including, but not limited to:

- Crop practice, type or variety
- Guarantee and premium rate
- Projected and Harvest Price
- Price election
  - Not to exceed price in Special Provisions or Addendum

## Sec. 18(d) Written Agreements

---

Agreement valid for number of years specified

### Multi-year Written Agreements

- Applicable for current crop year
  - If all terms & conditions still apply
- Written Agreement is not applicable
  - If conditions changed during or prior to crop year
- Written Agreement may become effective for subsequent crop year
  - If conditions for which written agreement provided exist



## Sec. 18(h) Written Agreements

---

Written Agreement requests will be **denied** if:

- FCIC determines risk is excessive
- APH reflects insured has not produced at least 50% of T-yield
- Inadequate information for sound premium rate and coverage
- Crop not previously grown in county or no market
- Ag Experts determine crop is not adapted to county

## Sec. 18 (j) Written Agreements

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Multi-year written agreements may be cancelled or renewal requests rejected

- If severity or frequency of loss experience is significantly worse than expected



## Sec. 19

### Crops as Payment

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The company will not accept any crop as compensation for payments due us.

## Sec. 20 Arbitration, Appeals and ADM Review

---

### Mediation Process

- Used when Insured and Insurance Provider fail to agree with determination made by Insurance Provider
- Except determinations of Good Farming Practices used by insured



## Sec. 20 Arbitration, Appeals and ADM Review

---

Arbitration is used to resolve disagreements, if

- Resolution is not reached through mediation; or
- Insured and Insurance Provider do not mediate

Arbitration process uses rules of American Arbitration Associate (AAA) unless

- FCIC establishes rules
- Or, if rules conflict with policy provisions

Arbitration is binding, unless

- Judicial review is sought per provisions
- Each party has right to Judicial Review

## Sec. 20 Arbitration, Appeals, and ADM Review

---

AIP's will make decisions on what constitutes a good farming practice.

If a producer disagrees with AIP decision, they must request a determination from FCIC. If the determination is adverse to the producer;

- Producer may request reconsideration or file suite against FCIC
- Producer may file suit against FCIC without first seeking reconsideration of FCIC's adverse determination.



## Sec. 21(a) Access and Record Retention

---

Insurance Provider and any employee of USDA has authority to investigate or review matters relating to crop insurance including

- Access to insured crop
- Access to all records related to insured crop & any Mediation, Arbitration or Litigation for insured crop

Access may be as often as reasonably required during the record retention period

## Sec. 21(b) Access and Record Retention

---

Insured must retain for 3 years after end of crop year

- Records of planting, replanting, inputs, production, harvesting and disposition
- Also applies to acreage that is not insured

Insured must retain for 3 years after the calendar date for end of insurance period for the crop in which records were initially certified

- Records used to report production certified on production report

Yields that are knowingly misreported may be adjusted even if record retention period has expired



## Sec. 21(f) Access and Record Retention

---

Consequences for insureds failure to maintain or provide records

- Assigned yield for crop years without production records
- No Indemnity Due for failure to provide necessary records to determine loss
- Combining Optional Units into a Basic Unit
- Assignment of production to units for failure to maintain separate records
- Imposition of misreporting penalties

## Sec. 22(a) Other Insurance

---

Unless allowed by policy provisions, insured must not obtain any other crop insurance coverage authorized under the Act.

Intentional Duplicate Policies

- Subject to consequences

Insured must demonstrate there was no intent to have multiple policies

- Examples: Application to transfer, written notification stating wishes to transfer or purchase insurance, etc.



## Sec. 22(a) Other Insurance

---

### Unintentional Duplicate Policies

- If one policy Additional & other CAT
  - Additional Policy will apply if:
    - Both policies with same Insurance Provider; or
    - Both Insurance Providers agree, or
    - Policy with earliest app date will remain in force
- If both policies are Additional or both CAT
  - Policy with earliest application date applies, unless:
    - Same Insurance Provider and Insurance Provider agrees otherwise; or
    - Different Insurance Providers and both agree otherwise

## Sec. 22(b)(c) Other Insurance

---

If other insurance policy is against fire and insured has not excluded fire from this policy, the liability will be the smaller of:

- MPCl policy indemnity, or
- Excess not paid by other policy

Amount of loss from fire will be the difference between total value before the fire and after the fire.



## Sec. 23

### Food Security Act

---

Violation of the controlled substance provision results in automatic ineligibility and cancellation

All money paid during ineligibility period will be recovered

20% of premium will be retained for expenses

## Sec. 24(a)

### Amounts due the Company

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Interest accrues at 1.25% per month starting first day of month following premium billing date on:

- Any unpaid amount due Insurance Provider, or
- Any unpaid Administrative Fees due FCIC

Company will collect any unpaid amount and interest owed prior to termination

FCIC will collect any unpaid administrative fees and interest owed them after termination



## Sec. 24(b) Amounts due the Company

---

For “other” unpaid amounts, interest will start to accrue on the date notice was given to the insured

- No interest will be charged if paid within 30 days of notice
- Considered delinquent if payment not paid within 30 days of notice

## Sec. 25(a)(1-3) Correction of Errors

---

In addition to any other corrections allowed in your policy subject to section 25(b), we may correct:

- Within 60 days after SCD incorrect application information including tax ID to ensure eligibility information is correct
- Within 30 days after ARD information reported to reconcile errors with any USDA agency
- Within 30 days of any subsequent correction of data by FSA
- At any time incorrect information if the it was caused by electronic transmission errors



## Sec. 26 Interest Limitations

---

Simple interest will be paid if the reason for the company's failure to timely pay a claim is not due to any insured failure to provide any information necessary for computation or payment of indemnity

## Sec. 27 Concealment, Misrepresentation or Fraud

---

In case of fraud or misrepresentation by the insured:

- Policy will be voided
- The insured will be subject to sanctions
- Insured **will** be required to pay 20% of premium to offset costs
- Insured must reimburse all indemnities
- Subsequent years will not be affected unless violation also occurred in those crop years.



## Sec. 28 Transfer of Coverage

- When crop is sold, insured can transfer coverage rights
- Transferee must be eligible for crop insurance
- Transfer cannot increase liability
- Must be on “our” form and approved by company
- Both parties are jointly responsible for payment

## Sec. 28 Transfer of Coverage

<b>Part I: INSURED'S/TRANSFEROR'S INFORMATION</b>						<b>Part II: AGENCY INFORMATION</b>					
Name _____						Name _____					
Street or Mailing Address _____				City _____	State _____	Zip Code _____	Agency Code Number _____				
<b>Part III: TRANSFeree'S INFORMATION</b>											
Name _____		Person Type _____	Identification Number _____	ID No. Type <input type="checkbox"/> SSN <input type="checkbox"/> EIN <input type="checkbox"/> PAN	Street or Mailing Address _____		City _____	State _____	Zip Code _____	Telephone Number _____	
<b>Part IV: CROP INFORMATION</b>											
Unit Number	State	County	Name of Crop	Section, Township, Range and Other Land Identifier	FSA Farm Number	Acreage Transferred	Share Transferred	Total Premium For Unit	Premium on Acreage Transferred	Premium on Retained Acreage	Premium Paid with Transfer
Effective Date of Transfer _____				Nature of Transfer _____				Premium paid with Transfer _____			
Is the entire insured acreage and the entire insured share on this unit being transferred? <input type="checkbox"/> Yes <input type="checkbox"/> No											
<b>Part V: CHECK ONE OF THE BOXES</b>											
<input type="checkbox"/> a. Make check payable jointly to insured and transferee(s). Check will be mailed to the insured's address (unless an assignment of indemnity is on file); or											
<input type="checkbox"/> b. Make check payable to transferee(s) only. Check will be mailed to transferee(s) address above.											



## Sec. 29 Assignment of Indemnity

- Insured may assign right to an indemnity only to creditors or other persons to whom they have a financial debt or other pecuniary obligation.
- Producer may be required to provide proof of debt before AIP will accept assignment of indemnity.
- All assignments must be on “our” form and approved by company
- Each assignment form may contain more than one creditor or person to whom the producer has a financial debt or obligation.

## Sec. 29 Assignment of Indemnity

Part I: INSURED'S INFORMATION		Part II: AGENT/AGENCY INFORMATION																	
Name _____		Name _____																	
Authorized Representative _____		Code Number _____	Telephone Number _____																
Street or Mailing Address _____		Street or Mailing Address _____																	
City _____	State _____ Zip Code _____	City _____	State _____ Zip Code _____																
Part III: TERMS AND CONDITIONS																			
<p>The Insured assigns to _____ of _____ of _____</p> <p style="text-align: center;">(Name of Creditor)                      (Street or Mailing Address)                      (City)                      State                      Zip Code</p> <p style="text-align: center;">(Phone Number)                      (Email Address)</p> <p style="text-align: center;">the right and interest of any indemnity payment(s) which may be payable to the Insured under the insurance policy for the county/commodity(ies) shown:</p> <table border="1" style="width: 100%; border-collapse: collapse; margin-top: 5px;"> <tr> <th style="width: 25%;">Crop Name</th> <th style="width: 25%;">County Name</th> <th style="width: 25%;">Crop Name</th> <th style="width: 25%;">County Name</th> </tr> <tr> <td style="height: 20px;"></td> <td></td> <td></td> <td></td> </tr> <tr> <td style="height: 20px;"></td> <td></td> <td></td> <td></td> </tr> <tr> <td style="height: 20px;"></td> <td></td> <td></td> <td></td> </tr> </table>				Crop Name	County Name	Crop Name	County Name												
Crop Name	County Name	Crop Name	County Name																
<p><b>CONDITIONS</b></p> <p>(1) This assignment will be binding upon the person(s) who succeed the Insured's interest in the insurance policy.</p> <p>(2) Indemnity payments made under the insurance policy will be subject to a deduction for any indebtedness due this Approved Insurance Provider by the Insured.</p> <p>(3) This assignment will not grant the Creditor any greater rights than originally held by the Insured.</p> <p>(4) The Creditor's interest will be recognized upon Approved Insurance Provider's approval of this assignment and the Creditor will have the right to submit the loss notices and other forms as required by the insurance policy.</p> <p>(5) The Approved Insurance Provider will determine the person(s) entitled to any indemnity payment(s) and the payment(s) will be by joint check.</p> <p>(6) Cancellation of this assignment prior to and during the crop year stated above will be accepted by the Approved Insurance Provider only upon notification in writing by the above identified Creditor(s).</p>																			



## Sec. 31 Applicability of State and Local Statutes

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If policy provisions conflict with the statutes of the State where the policy is issued, the policy provisions will prevail

## Sec. 33(a)(b) Notices

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All notices given by you must be in writing and received by your crop insurance agent within the designated time. Notices required to be given immediately may be by telephone and confirmed in writing

All policy provisions, notices and communications sent by the company will be by electronic means unless:

- We do not have the ability to transmit electronically
- You elect to receive a paper copy



## Sec. 34(a)(1)(2) Unit Division

---

Enterprise units may be elected:

- If allowed by the actuarial documents

Whole-farm units may be elected:

- If allowed by actuarial documents

## Sec. 34(a)(3) Unit Division

---

Insured must elect Enterprise or Whole Farm Units:

- By Sales Closing
- Report proper unit structure on Acreage Report
- Continuous unless cancelled



## Sec. 34(a)(4)(i)(A)(B)(C) Unit Division

---

Enterprise units require at least two sections, section equivalents, FSN, or units established by written agreement, whichever is the basis for optional units where the insured acreage is located and is applicable to the insured acreage.

## Sec. 34(a)(4)(ii) Unit Division

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At least two of the sections, section equivalents, FSN's, or units established by written agreement, whichever is the basis for optional units where the insured acreage is located or is applicable to the insured acreage must each have **planted** acreage that constitutes at least the lesser of **20 acres or 20%** of the insured crop acreage in the enterprise unit.



## Sec. 34(a)(4)(ii) Unit Division

If there is planted acreage in more than two sections, section equivalents, FSA farm serial numbers or units established by written agreement, these parcels can be aggregated to form at least two parcels to meet the 20/20 requirement.

## Enterprise Unit Example

10 AC	10 AC	80 ACRES
Sec 3	Sec 2	Sec 1

Meets 20/20 Rule



## Enterprise Unit Example

10 AC	8 AC	80 ACRES
Sec 3	Sec 2	Sec 1

**Does not meet 20/20 rule**

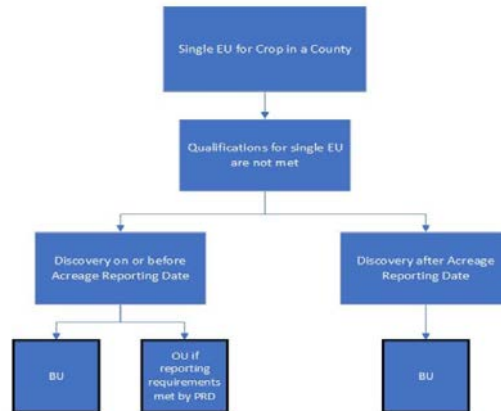
## Sec. 34(a)(4)(vii) Unit Division

If producer fails to qualify for an enterprise unit:

- On or before acreage reporting date, basic or optional units will apply based on whichever unit structure the producer reports on their acreage report and qualifies for.
- After acreage reporting date, basic units will be assigned.



## Sec. 34(a)(4)(vii) Unit Division



## Sec. 34(a)(4)(viii) Unit Division

If allowed by actuarial documents, insured may select separate enterprise unit for irrigated and non-irrigated practice

- May select one EU for all irrigated and one EU for all non-irrigated OR EU for both
- Must separately meet the requirements in section 34(a)(4) for each enterprise unit

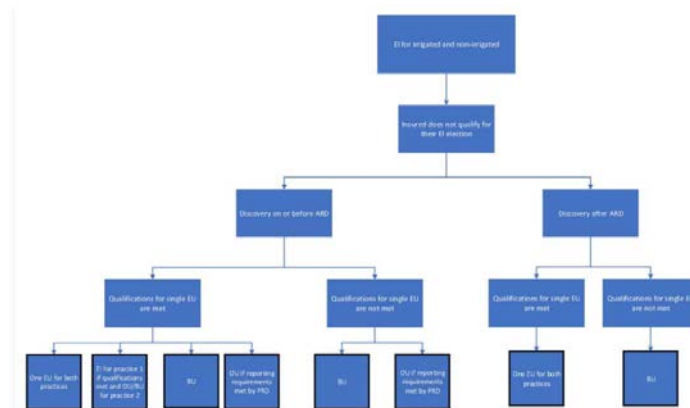


## Sec. 34(a)(4)(viii) Unit Division

If separate EU for irrigated and non-irrigated are selected and you do not qualify:

- On or before acreage reporting date you may elect:
  - One EU for all Irrigated and Non-Irrigated and BU or OU for the other practice
  - One EU for all the acreage in the county
  - Basic or OU for all acreage of the crop in the county
- After the acreage reporting date:
  - One EU for all the acreage in the county provided you meet requirements in 34(a)(4)
  - Basic unit structure

## Sec. 34(a)(4)(viii) Unit Division





## Sec. 34(a)(4)(ix) Unit Division

---

You may elect enterprise units as allowed by the Crop Provisions if provided in the actuarial documents.

## Sec. 34(a)(5)(i)(A)(B) Unit Division

---

All crops in the WFU must be insured:

- Under revenue protection unless SPOI allow for another plan of insurance
- With same AIP
- At the same coverage level

If harvest price exclusion is elected for any crop, it must be elected for all crop in the WFU

Whole Farm units must contain all of the insurable acreage of at least two crops



## Sec. 34(a)(5)(i)(C)(ii) Unit Division

---

- Planted acreage of at least two of the insured crops in a whole farm unit must each constitute 10% or more of the total planted acreage **liability** of all insured crop in the whole-farm unit.
- Insured will pay separate administrative fees for each crop included in the whole farm unit.

## Sec. 34(b) Unit Division

---

Unless limited by Crop or Special Provisions, a basic unit may be further divided into optional units

To qualify the following criteria must be met:

- Clear discernible break in planting pattern
- Optional units must be identified on acreage report
- Separate production reported for most recent crop year
- Production records maintained for verification



## Sec. 34(c) Unit Division

---

Optional units must meet one or more of the following:

- Located in separate section, section equivalent or FSN
- Irrigated & Non-Irrigated practices
  - Different planting patterns for the irrigated and non-irrigated fields
  - Acreage that cannot receive adequate water for irrigation will not be included in irrigated unit, except corners of center pivot irrigation
- Organic Acreage
  - Certified organic, Transitional and buffer zone do not individually qualify as separate optional units.

## Sec. 35 Multiple Benefits

---

Can receive benefits from more than one USDA program, unless limited by crop insurance contract or law

Total amount cannot exceed amount of actual loss

- Calculations shown below in notes pages

FSA or other USDA agency will first consider crop insurance payments before determining remaining amount due



## Sec. 36(a)(1) Yield Options

---

Actual yields falling below 60% of the T-Yield may be replaced in database

- If low yield is due to insurable cause of loss

May be done on an individual yield basis within the database.

## Sec. 36(a)(2) Yield Options

---

You may exclude any actual yield for any crop year when FCIS determines for a county or it's contiguous county, the per planted acre yield was at least 50 percent below the simple average for the county for the previous 10 crop years



## Sec. 36(a)(3) Yield Options

---

Actual yields determined using post-quality production amounts may be replaced with pre-quality production amounts

- Notice of loss must have been filed due to insured cause of loss

May be done on an individual yield basis within the database.

## Sec. 37(a)(b)(c) Organic Farming

---

Organic Farming Practice is insurable if provided in actuarial or by written agreement:

- Certified Organic Acreage
- Transitional Acreage
- Buffer Zone Acreage

When reporting acres, must have:

- Certification from agency
- Records of location



Direct Marketing of crop is allowable under the policy

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## Commodity Exchange Price Provisions (CEPP)

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Applies only to crops for which Revenue Protection (RP) and yield protection are available (YP)

- Also includes area revenue and yield plans

## CEPP 2(b) Price Determinations

---

Used to determine:

- Projected price and harvest price for revenue protection
- Projected price for yield protection



## CEPP 2(b)Price Determinations

CORN – March 15 Sales Closing Date

State	Commodity Exchange	Contract Commodity	Contract Month	Projected Price Discovery Period Beginning Date	Projected Price Discovery Period Ending Date*	Harvest Price Discovery Period Beginning Date	Harvest Price Discovery Period Ending Date
Colorado	CBOT	Corn	December	Feb 1	Feb 28	Oct 1	Oct 31
Connecticut	CBOT	Corn	December	Feb 1	Feb 28	Oct 1	Oct 31
Delaware	CBOT	Corn	December	Feb 1	Feb 28	Oct 1	Oct 31
Idaho	CBOT	Corn	December	Feb 1	Feb 28	Nov 1	Nov 30
Illinois	CBOT	Corn	December	Feb 1	Feb 28	Oct 1	Oct 31
Indiana	CBOT	Corn	December	Feb 1	Feb 28	Oct 1	Oct 31
Iowa	CBOT	Corn	December	Feb 1	Feb 28	Oct 1	Oct 31
Kansas	CBOT	Corn	December	Feb 1	Feb 28	Oct 1	Oct 31
Kentucky	CBOT	Corn	December	Feb 1	Feb 28	Oct 1	Oct 31
Maine	CBOT	Corn	December	Feb 1	Feb 28	Oct 1	Oct 31
Maryland	CBOT	Corn	December	Feb 1	Feb 28	Oct 1	Oct 31
Massachusetts	CBOT	Corn	December	Feb 1	Feb 28	Oct 1	Oct 31
Michigan	CBOT	Corn	December	Feb 1	Feb 28	Nov 1	Nov 30
Minnesota	CBOT	Corn	December	Feb 1	Feb 28	Oct 1	Oct 31
Missouri	CBOT	Corn	December	Feb 1	Feb 28	Oct 1	Oct 31
Montana	CBOT	Corn	December	Feb 1	Feb 28	Oct 1	Oct 31
Nebraska	CBOT	Corn	December	Feb 1	Feb 28	Oct 1	Oct 31
New Hampshire	CBOT	Corn	December	Feb 1	Feb 28	Oct 1	Oct 31
New Jersey	CBOT	Corn	December	Feb 1	Feb 28	Oct 1	Oct 31
New Mexico	CBOT	Corn	December	Feb 1	Feb 28	Oct 1	Oct 31
New York	CBOT	Corn	December	Feb 1	Feb 28	Oct 1	Oct 31
North Dakota	CBOT	Corn	December	Feb 1	Feb 28	Oct 1	Oct 31
Ohio	CBOT	Corn	December	Feb 1	Feb 28	Oct 1	Oct 31
Oklahoma	CBOT	Corn	December	Feb 1	Feb 28	Sep 1	Sep 30

## CEPP 2(e-g)

If projected price cannot be calculated by procedures

- No RP will be available
- YP will be available
- Projected price for YP will be determined by RMA

If harvest price cannot be calculated by procedures,  
harvest price will be determined by RMA

Harvest price will not be greater than projected price  
multiplied by 2.0



## CEPP 2(h-j)

- Projected prices, harvest prices and factors will be found for all crops (except corn silage) on the RMA website under Price Discovery
- In counties will fall closing date for both spring and fall types, the projected price for spring types will be released after the fall sales closing date
- If actuarial documents specify contract pricing is available and procedures for contract pricing are not specified in crop provisions or special provisions, the Contract Price Addendum should be used

## Units





## Unit Structure is the Basis of Crop Insurance

Knowledge of how units are established is essential for crop insurance.

Incorrectly establishing the insured's unit structure will affect:

- Accurate reporting of Acreage
- Premium
- Liability
- Indemnities and
- Accurately reporting production

## Unit Structure is the Basis of Crop Insurance

- Unit is defined as the insurable acreage of the insured crop in the county, used to establish:
  - the Approved Yield,
  - Production guarantee,
  - Amount of insurance,
  - Liability, and
  - Amount of indemnity.
- The "unit" identifies the smallest tract of land in a farming operation on which an indemnity (final claim) payment can be made.



## Unit Structure is the Basis of Crop Insurance

Insureds are able to choose from several different types of Unit Structures in order to tailor their policy to their individual needs.

They can choose any unit structure for their policy as long as they meet the qualifying criteria and it is available for their plan of insurance.

The unit structure they choose will determine how a final indemnity is paid on their planted acreage as well as help determine premium and liability for their reported acreage.

## TYPES OF UNITS

- BASIC – BU
- OPTIONAL – OU
- ENTERPRISE – EU, EI, EC, ET
- MULTI-COUNTY ENTERPRISE - MCEU
- WHOLE-FARM - WU



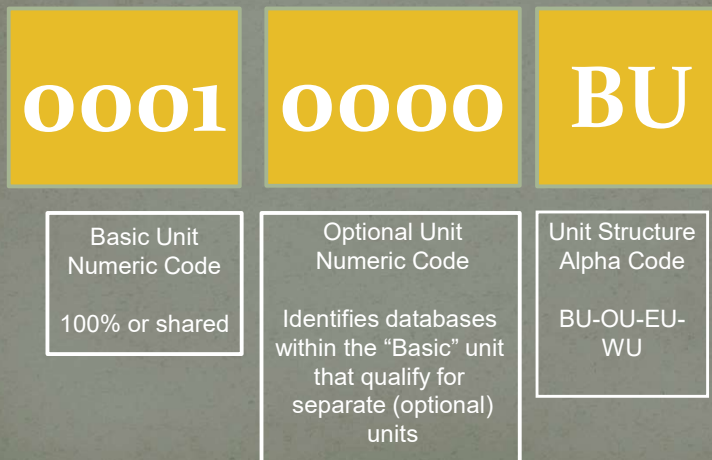
## Unit Structure Available by Plan of Insurance

- Yield Protection – BU, OU, EU, EI, EC, ET
- Revenue Protection – BU, OU, EU, EI, EC, ET, MC, WU
- Revenue Protection w/Harvest Protection  
Exclusion – BU, OU, EU, EI, EC, ET, MC, WU
- Area Risk Protection – EU
  - Area Yield Protection
  - Area Revenue Protection
  - Area Revenue Protection Harvest Price Exclusion
- CAT Coverage - BU

	BU	OU	EU	EI	EC	ET	WU	MCEU
Yield Protection	X	X	X	X	X	X		X MCEU is not applicable when EC or ET is elected.
Revenue Protection	X	X	X	X	X	X	X	X MCEU is not applicable when EC or ET is elected.
RPHPE	X	X	X	X	X	X	X	X MCEU is not applicable when EC or ET is elected.
Area Yield Protection			X					
Area Revenue Protection			X					
Area Revenue Protection with Harvest Price Exclusion			X					
CAT - lowest level of coverage	X							



## Ten-Position Unit Number



## Basic Unit Determination

Unit numbering is the basis of setting up the policy for the insured. Unit numbers create an ordered structure in which the organization of units is easy to understand.

- There 3 defining components that determine a **Basic Unit**
- They are:
  - 1) County
  - 2) Crop
  - 3) Share (Person)



## Unit Numbering

Basic	0001-0001BU
Optional	0001-0001OU, 0001-0002OU
Enterprise	0001-0001EU, 0001-0002EU
Enterprise/Practice	0001-0001EI, 0001-0001EI
Whole-Farm	0001-0001WU

## Basic Unit Definition/Information

- A Basic Unit is automatically allowed on the policy.
  - CAT Coverage (the lowest level of coverage) can only have basic unit(s) - (1 basic unit for 100% acres and 1 basic unit for each share arrangement)
- A Basic Unit is All of the insurable acres of the insured crop, in the insured county.
  - In which you have 100% share; or
  - Which is owned by one person and operated by another person on a share basis
- **Each new sharer or share arrangement is a separate Basic Unit**
  - See Basic Provision Sec 34 or CIH, Part 10, Units



## ONE BASIC UNIT

- All 100% - 0001-0000 BU

**OWNER OPERATOR**

**CASH RENT**

## TWO BASIC UNITS

- Two different entities

**OWNER/OPERATOR**

0001-0000 BU

**SHARE RENT  
FROM SMITH**

0002-0000 BU



## TWO BASIC UNITS

	<b>SHARE FROM JONES .750</b>	0003-0000 BU
0002-0000 BU	<b>SHARE FROM SMITH .500</b>	

Two different Basic Units because they are different Sharers

## ONE BASIC UNIT

- 1 Basic Unit – 0001-0000 BU

	<b>SHARE FROM SMITH .750</b>
<b>SHARE FROM SMITH .500</b>	

Same Sharer means same unit  
Varying interest does not qualify the insured for additional units



## FOUR BASIC UNITS

**WHEAT**

**0001-0000 BU**

**CORN**

**0001-0000 BU**

**SOYBEANS**

**0001-0000 BU**

**OATS**

**0001-0000 BU**

(100% Owner/Operator)

## TWO BASIC UNITS

- All 100%

**COUNTY A**

**CORN**

**100% interest**

0001-0000 BU

**COUNTY B**

**CORN**

**100% interest**

0001-0000 BU



## Basic Unit Determination

- Another Example:
  - In your farming operation, you own land and you also rent land from five different landowners.
    - You own and operate your 100% ground.
    - You rent land from 2 Land owners on a “Cash Rent” basis.
    - You rent land from 3 other Land owners on a “Crop Share” basis

How many basic units would you have?

## Basic Unit Determination – Con’t

- You are entitled to 4 Basic Units:
  - 1- 100% Basic Unit
    - This unit contains all of your 100% ground including the land that you “Cash Rent” from Land owners (#1 and #2).  
**Unit #0001-0000BU**
  - 3 - Shared Basic Units
    - A separate unit for each Landlord that you “Crop Share” with.  
**Unit #0002-0000BU with Land owner (#3)**  
**Unit #0003-0000BU with Land owner (#4)**  
**Unit #0004-0000BU with Land owner (#5)**



## SEPARATE OPTIONAL UNITS ARE DETERMINED BY:

The County, Crop and Share (person) are the basis for the Basic unit. But for Optional units to be established, the insured must submit the additional information below plus prove production separately by section.

- Sections (or Section Equivalents, FSA FSN's - if applicable)
- Irrigated and Non-Irrigated Practices
- Cropping Practices (NFAC/FAC)
- Certain Crop Types (Sunflowers, Grapes)
- Organic and Conventional Farming Practices
- Written Unit Agreement (WUA) – if applicable
- Unit Division Option (UDO) – if applicable

These factors could divide a Basic unit into separate units (such as 1-01, 1-02, etc)

## OPTIONAL UNIT DETERMINATION:

All of the following must be met:

- File acceptable production reports – **Harvested production must be maintained separately for each established optional unit by practice**
- Planting pattern **CANNOT** continue into an adjacent section – must be a clear and discernable break at the section line
- Cultivating, disking, mowing, etc., between sections after planting or harvesting, **Does NOT qualify the acreage for optional units.**  
(Exception: Center Pivot Irrigation systems).



## Determining Units - 5 Step Process

**Different  
Crop/County?**

Each Crop in the county is a separate basic unit.

**Different sharing  
arrangements in  
the Crop?**

Each sharing arrangement is a separate basic unit.

**Different Sections  
or FSN?**

Each section can be a separate optional unit if not planted across boundaries and..

**Separate Production  
Records**

Separate production records are maintained for each optional unit.

**Irrigated Practice?**

Within a section - irrigated acreage can be a separate unit from non-irrigated acreage

**Organic Practice?**

Within a section - conventional acreage can have a separated unit # than organic acreage

Additional unit structures such as Separate EU by Practice and Separate Coverage Levels for Irrigated and Non-Irrigated or Separate EU by Cropping practices may be available. Check the Policy Elections and County Actuarial(s) for availability

## Optional Unit Example

### Optional Unit Determination example:

- 1) The insured has a Buy-up policy (Coverage Level higher than CAT)
- 2) The insured has fields in 4 different sections,  
In 2 of those sections he owns and operates the fields at 100% interest.  
In the other 2 sections he shares those fields at 50% interest with Jim (the land owner)
- 3) In the previous crop year, the insured kept the acres and production records separate by section and share arrangement

### Based on this information:

Each section is entitled to a separate optional unit

100% Fields in Section 7 = Unit #0001-0001OU

100% Fields in Section 12 = Unit #0001-0002OU

Shared fields in Section 2 = Unit #0002-0001BU

Shared fields in Section 9 = Unit #0002-0002BU



## Enterprise Unit – Unit Structure and Option Codes

Unit Structure Code	EU	EU	EU	EU
Option Code	EU	EI	EC	ET

- EU consists of all insurable acreage of the same insured crop in the county.
- EI consists of separate EUs for both irrigated and/or non-irrigated practices or an EU for one irrigation practice and OU or BU for the other irrigation practice.
- EC – FAC and/or NFAC practices. EC consists of separate EUs for both cropping practices or an EU for one cropping practice and OU or BU for the other cropping practice.
- ET – EU by Type. Dry Beans, Dry Peas and Wheat. ET consists of separate EUs for each type.
  - ET can be chosen for one, two or multiple types.

## EU, EI, EC, ET & WU Deadlines

- Enterprise Unit-EU, Enterprise Unit-Irrigation Practice-EI, Enterprise Unit-Cropping Practice-EC, Enterprise Unit-Type-ET and Whole Farm Unit-WU must be elected by the insured, in writing on an application, by the earliest SCD for the insured crop in the insured county.
- The EU, EI, EC, ET and WU elections are continuous until cancelled in writing.
- *Failure to qualify does not cancel the Enterprise or Whole Farm election.*



## Enterprise Unit Definition & Availability

- Enterprise Unit – All insurable acreage of the same insured ***crop*** in the county in which the insured has a share on the date coverage begins for the crop year.
- EU is available for:
  - Crops with Revenue Protection available in the county actuarial
    - Applies to both Yield and Revenue Protection
  - Crops without Revenue Protection available - then EU is only available if shown in the Special Provisions

## EU Qualifications

To qualify for Enterprise units:

- 1) Must have an additional coverage policy – (Levels higher than CAT)
- 2) The EU Must contain all insurable acreage of the same insured crop in:
  - 2 (or more) underlying Optional Units
- 3) Underlying OUs must have the lesser of 20 planted acres or 20% of insured acreage in the EU (aggregate possible)
- 4) Must be insured under Revenue or Yield Protection or specified in the Special Provisions



## EU Reporting Requirements

- Separate AR entries for each:
  - Underlying BU
  - Each BU, section or other legal used to qualify for EU
- Separate production reports by:
  - P/T/TMA;
  - BU/OU in case you want BU/OU in subsequent year
- APH databases below EU level:
  - **Must be maintained once established**
- Liability, premium & indemnity based on EU regardless of APH databases below EU

## Enterprise Unit Benefits

- EU discount factor:
  - **Subsidized up to 80% depending on level elected**
  - **If acres on the policy meet EU qualifications in the county actuarial, the insured also receives a premium discount**
    - 1) Only insured planted acres are used when determining the appropriate EU discount factor contained in the actuarial documents.
    - 2) Once the insured acres qualify for EU, the EU discount factor is applied to both planted & Prevented Plant acres in the Enterprise Unit



## When EU Requirements Are Not Met

- **Qualifications for the EU are determined at acreage reporting time** when the insured reports all insurable acreage of the insured crop in the county for all BU's and/or OU's comprising the EU.
- If EU requirements not met:
  - The EU subsidy and EU discount are removed from the premium calculations
  - **The unit structure is re-assigned as follows:**
    - On or Before ARD:
      - Units will be based on BU and/or OU whichever was reported on the Acreage Report and for which the insured qualifies, if production reporting requirements were met by the PRD;
    - After ARD: BU will apply

## Enterprise by Practice (EI)

- **Separate Enterprise Units for Irrigated and Non-Irrigated acreage are allowed**
- These procedures are in effect for any crop that allows EU through the actuarial documents, Crop Provisions, or Special Provisions



## Enterprise by Practice

- The language allows for two separate Enterprise Units:
  - one EI for all irrigated acreage of the crop, and
  - one EI for all non-irrigated acreage of the crop in the county
  - Enterprise by practice is allowed under HRLEO
  - Must be additional coverage policy
- Irrigated acreage and Non-Irrigated acreage must qualify separately for EU
  - If insured does not qualify for separate EU
    - On or before ARD insured may elect
      - One EU for both practices for the county/crop, if qualifications met or
      - BU/OU for both practices for the county/crop whichever is reported on AR and insured qualifies
    - After ARD
      - Unit structure will be EU for both practices if qualifications met
      - If qualifications for EU not met, BU will be assigned for both practices

## EU by IRR or EU by NI

- Insured may elect to insure only their Irrigated (EU-IRR) or Non-Irrigated (EU-NI) under an Enterprise Unit. Other practice will receive Basic or Optional Units.
- Insured must meet EU requirements
- If insured does not qualify for EU on elected practice:
  - On or before ARD, unit division for both practices will be based on BU or OU whichever is reported on acreage report and which the insured qualifies
  - After ARD, BU will apply to both irrigation practices



## Enterprise by Cropping Practice (EC)

- Separate Enterprise Units for NFAC and FAC acreage are allowed
- These procedures are in effect for any crop that allows EU through the actuarial documents, Crop Provisions, or Special Provisions

## Enterprise by Cropping Practice

- The language allows for two separate Enterprise Units:
  - one EC for all FAC acreage of the crop, and
  - one EC for all NFAC acreage of the crop in the county
  - EU by cropping practice is allowed under HRLEO
  - Must be additional coverage policy
- NFAC acreage and FAC acreage must qualify separately for EU
  - If insured does not qualify for separate EU
    - On or before ARD insured may elect
      - One EU for both practices for the county/crop, if qualifications met or
      - BU/OU for both practices for the county/crop whichever is reported on AR and insured qualifies
    - After ARD
      - Unit structure will be EU for both practices if qualifications met
      - If qualifications for EU not met, BU will be assigned for both practices



## EU by FAC or EU by NFAC

- Insured may elect to insure only their FAC (EU-FAC) or NFAC (EU-NFAC) under an Enterprise Unit. Other practice will receive Basic or Optional Units.
- Insured must meet EU requirements
- If insured does not qualify for EU on elected cropping practice:
  - On or before ARD, unit division for both practices will be based on BU or OU whichever is reported on acreage report and which the insured qualifies
  - After ARD, BU will apply to both cropping practices

## Enterprise by Type (ET)

- Separate Enterprise Units by type is allowed to prevent a gain on one type of crop from impacting an indemnity for a loss on another type.
- These procedures are in effect for Dry Beans, Dry Peas and Wheat that allows EU through the actuarial documents, Crop Provisions, or Special Provisions



## Enterprise by Type

- Insured may elect to insure their different types of dry beans, dry peas or wheat under an Enterprise Unit. Other types will receive Basic or Optional Units
- Insured must meet EU requirements
- If insured does not qualify for EU on elected type:
  - On or before ARD, unit division for the type that does not qualify for EU will be based on BU or OU whichever is reported on acreage report and which the insured qualifies
  - After ARD, BU will apply to the type

## Multi-County Enterprise Unit - MCEU

- MCEU is an endorsement that allows a single EU structure covering 2 counties
  - Must be elected by SCD
  - Available as authorized in Actuarial Documents
  - Separate applications required for each county
  - Premium, guarantee and liability calculated based on county where acres are physically located



## MCEU - Sales Closing Considerations

- MCEU must be elected by SCD on application for each county producer may want to include in MCEU
- Added County designation can include MCEU and subsequent counties can qualify
- Policies for the crop in each county must have identical elections for:
  - MCEU
  - Insurance Plan
  - Coverage Level, by irrigation practice if LP elected; and
  - Same EU election (EU, EI)
  - Counties must be contiguous and within same state
  - If Enterprise by EC or ET elected, MCEU is not applicable.
- Policies must be written with the same AIP

## MCEU – Acreage Report Considerations

- Insured must elect the Primary and the Secondary counties that will be combined to form MCEU.
  - Must meet qualifications listed on previous slide
  - Must meet MCEU qualifications
    - Primary county must individually qualify for EU
    - Secondary county must NOT individually qualify for EU
- If producer elected coverage by LP or EU by practice, MCEU's are determined separately for each practice
  - A county may be in one MCEU for irrigated practice and a different MCEU for non-irrigated practice



## Whole Farm Unit Definition & Availability

### Whole Farm Unit (WU) definition.

WU consists of all insurable acreage of all insured crops planted in the county in which the insured has a share on the date coverage begins for each crop for each crop year and for which the WU structure is available. WUs may not be further divided, except as specified in this procedure.

WUs are only available for additional coverage policies as allowed by the AD.

Whole Farm Units are available for:

- +Crops with Revenue Protection available
  - ✗ Only if Revenue Protection is elected, or
- +Crops without Revenue Protection available
  - ✗ Only if allowed by the Special Provisions.

## WU Qualifications & Fees

- To Qualify for WU, all of the following must apply:
  - 1) Available on all insured crops eligible for WU must be insured
  - 2) Must be insured with the same AIP
  - 3) Must be insured at the same coverage level
  - 4) Must contain all of the insurable acreage of at least 2 crops
  - 5) At least 2 of the insured crops must each have planted acreage that constitutes 10% or more of the total planted acreage
  - 6) Must have a Buy-up policy (coverage above CAT)



## UNIT PREMIUM DISCOUNTS

- Premium Unit Discounts factors are shown in the County Actuarial(s) and are based on the Unit Structure(s) applying.
- Premium Factors apply to each applicable unit and vary by unit structure (Basic, Enterprise and Optional)
- Premium Discount Factors are applied to the Basic Unit Structure if they are not further divided into Optional Units.
- Premium Discount also applies if only one Optional Unit within the "Basic Unit" is planted and earning premium.
- Acres used to determine the BU discount include *only* insured **PLANTED** acres in the unit. Does not include *any prevented planting acres*.
  - See next slide for screen shot of a county actuarial showing where to find the Basic Unit Discount Factors

The Unit Discount Factors are found in the applicable County Actuarial under the Rates Tab

Unit Structure Discount Factor						
	Acres		Coverage Level			
	Low	High				
Optional Unit				1.000	1.000	1.000
Basic Unit	0.0	49.9	0.50	0.740	0.740	0.740
			0.55	0.749	0.749	0.749
			0.60	0.757	0.757	0.757
			0.65	0.765	0.765	0.765
			0.70	0.773	0.773	0.773
			0.75	0.781	0.781	0.781
			0.80	0.790	0.790	0.790
			0.85	0.798	0.798	0.798
	50.0	99.9	0.50	0.716	0.716	0.716
			0.55	0.725	0.725	0.725
			0.60	0.733	0.733	0.733
			0.65	0.741	0.741	0.741
			0.70	0.749	0.749	0.749
			0.75	0.757	0.757	0.757
			0.80	0.766	0.766	0.766
			0.85	0.774	0.774	0.774
Enterprise Unit	0.0	49.9	0.50	0.740	0.740	0.740
			0.55	0.749	0.749	0.749
			0.60	0.757	0.757	0.757
			0.65	0.765	0.765	0.765
			0.70	0.773	0.773	0.773
			0.75	0.781	0.781	0.781
			0.80	0.790	0.790	0.790
			0.85	0.798	0.798	0.798
	50.0	99.9	0.50	0.716	0.716	0.716
			0.55	0.725	0.725	0.725
			0.60	0.733	0.733	0.733
			0.65	0.741	0.741	0.741
			0.70	0.749	0.749	0.749
			0.75	0.757	0.757	0.757
			0.80	0.766	0.766	0.766
			0.85	0.774	0.774	0.774



## Whole Farm Unit Discount

- There are no actual discount rates shown in the County Actuarials for WU. The premium discounts are calculated after all information is entered.
- The Whole Farm Unit Discount is calculated based on the insurance details such as:
  - 1) Planted acres for the WU unit
  - 2) Coverage level percent
  - 3) Base County Rates and
  - 4) The proportion of liability by type(s) insured or the proportion of liability by practice(s) insured

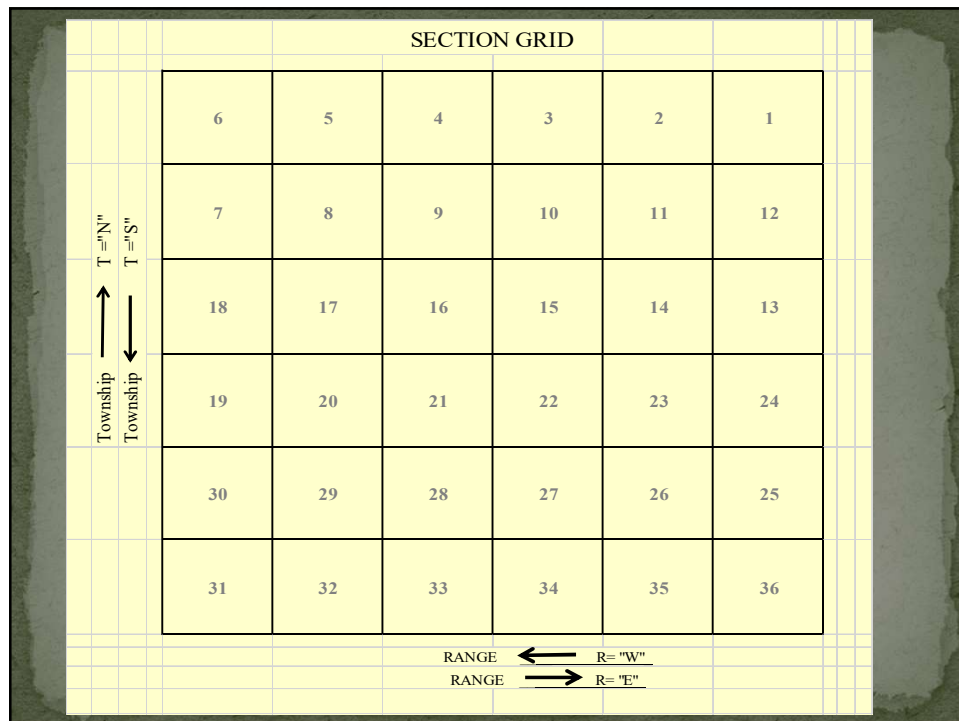
## Determining Units

- Before setting up units, it is important to Review the policy –
  - **Is this a Buy-up policy (optional units available) or a CAT policy (1 unit for the crop/county)**
  - **What unit structure is elected on the policy (BU, OU, EU, EI, EC, ET or WU?)**
- Remember to look at all the submitted units before you start numbering them -
  - **Are the all fields/legals in the same county**
  - **Look for different sharing arrangements**
  - **Are there separate sections**

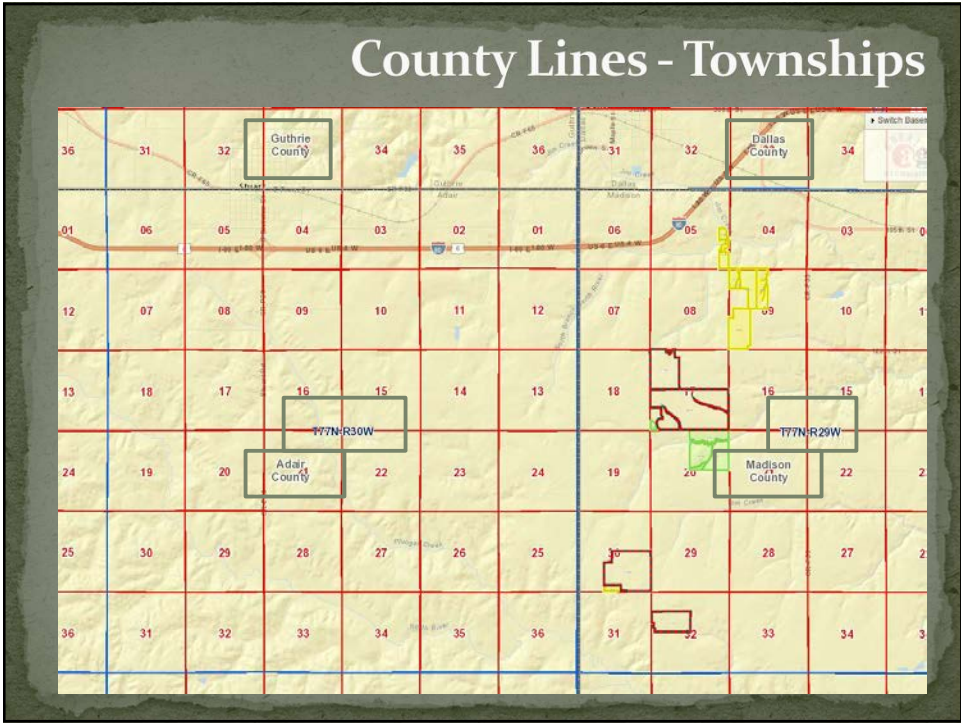


## When Determining Units

- Are there Irrigated and Non-Irrigated fields?
- Are there Conventional and Organic practices?
- Do they have the same crop planted on the fields
  - We suggest that unit numbering should be done one crop at a time
  - Pick 1 crop to start unit # first (ex. Select corn to unit number first) then make the other crops, such as Sbeans match the corn
  - Unit numbers/legals and share should match across crops/legals (if applicable)
    - This procedure makes it easier for the insured(s), the agent(s) and underwriting to locate fields between crops

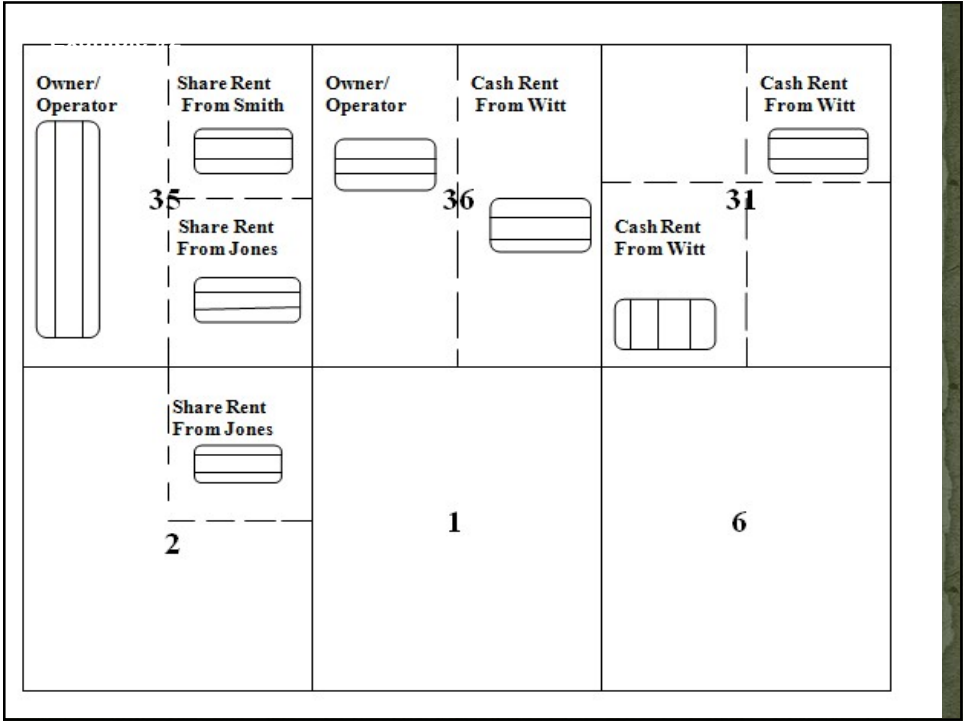
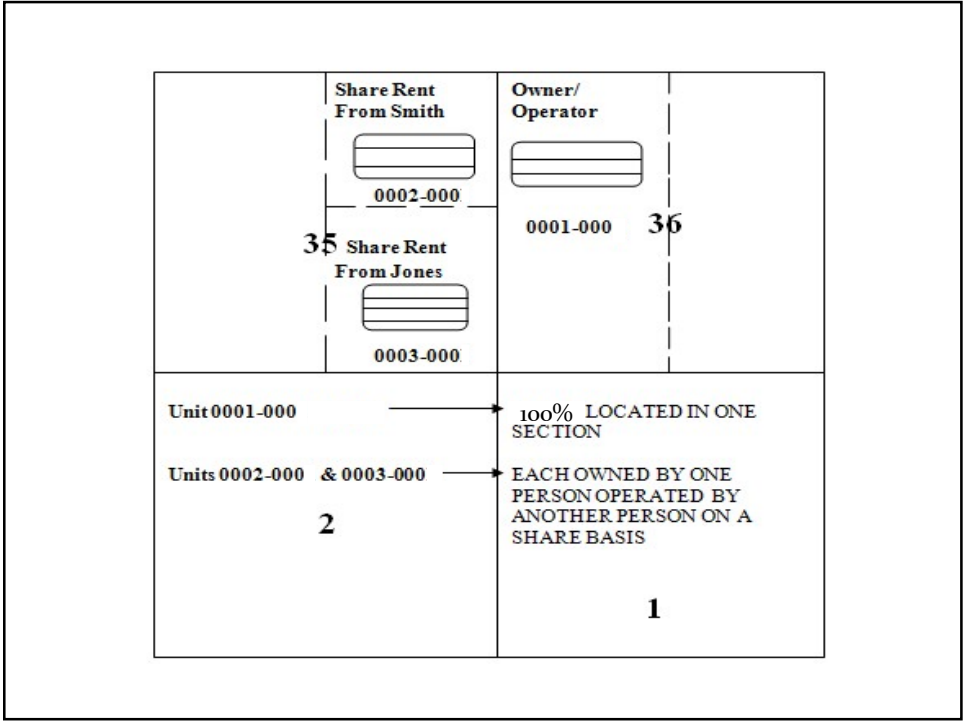




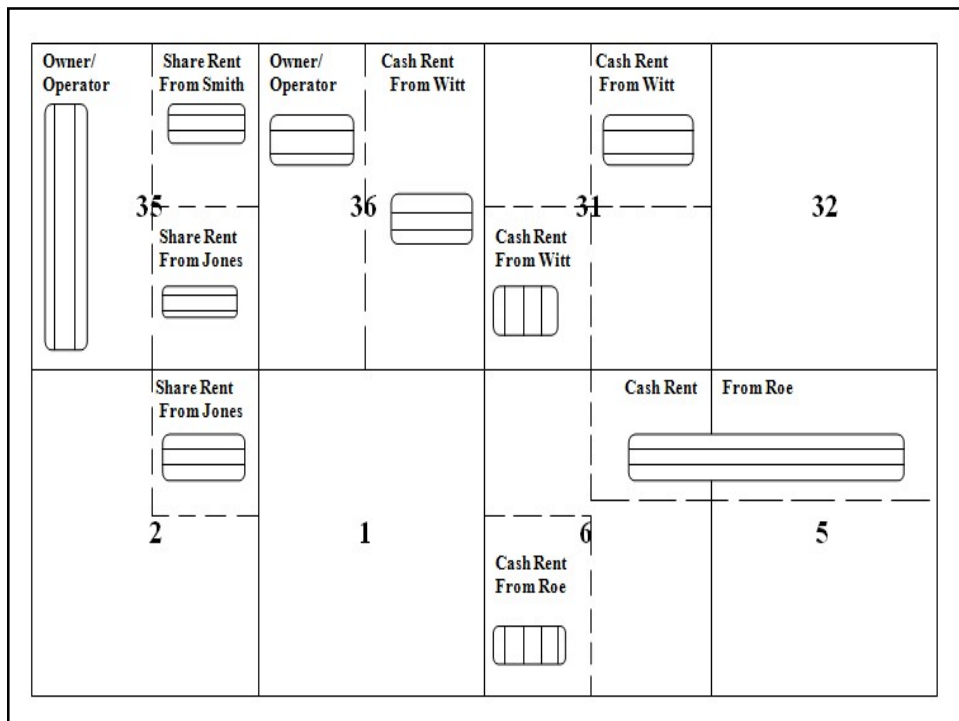
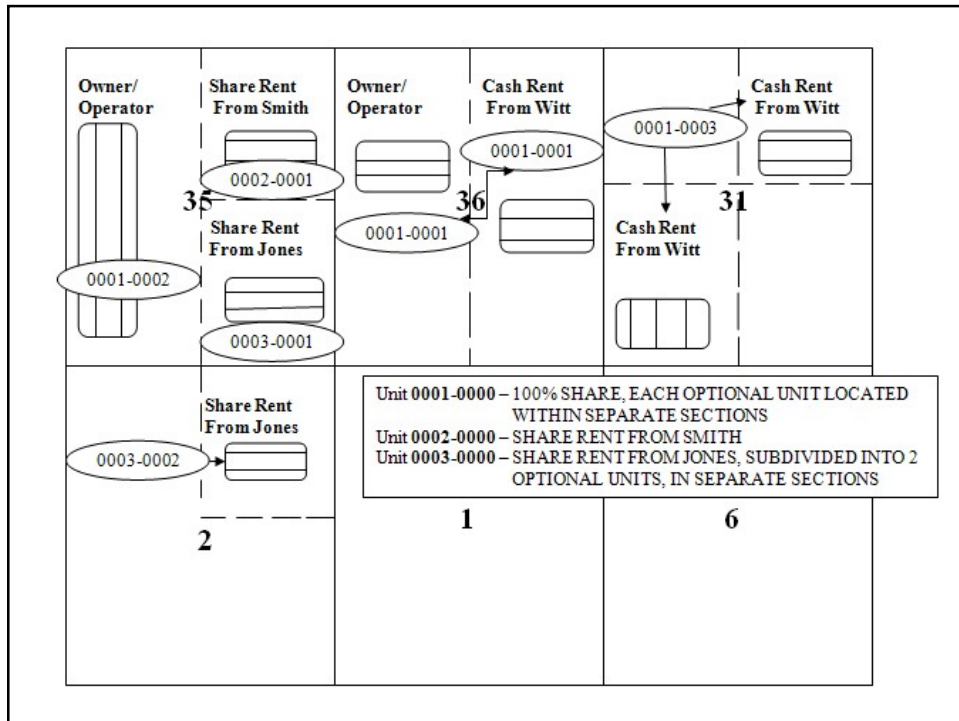


	Share Rent From Smith	Owner/ Operator	
	<input type="text"/>	<input type="text"/>	
35	Share Rent From Jones		36
	<input type="text"/>		
2			1

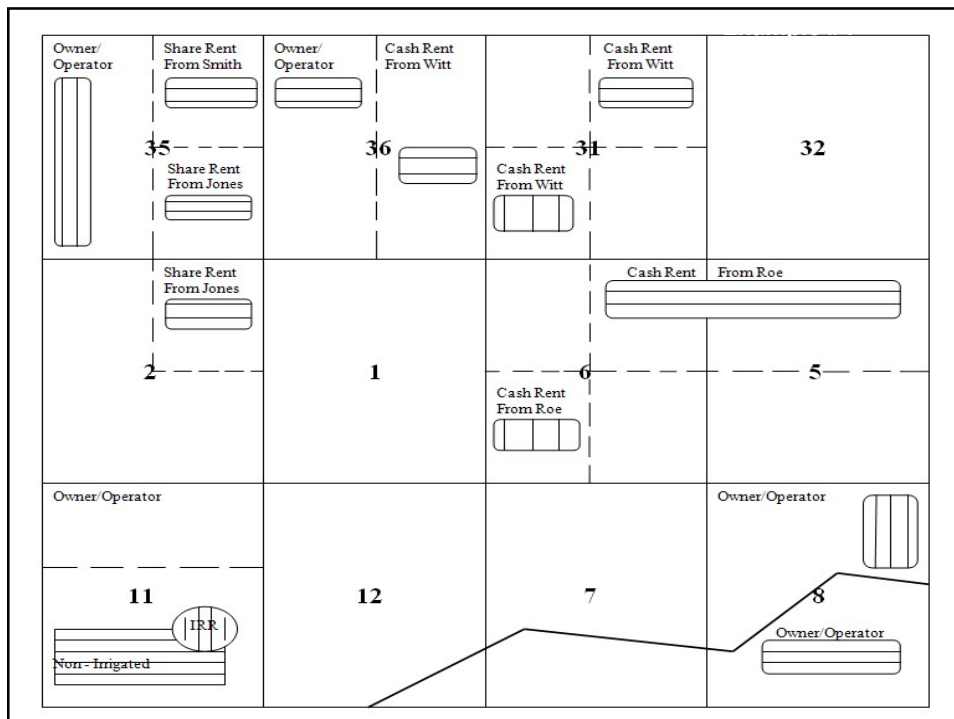
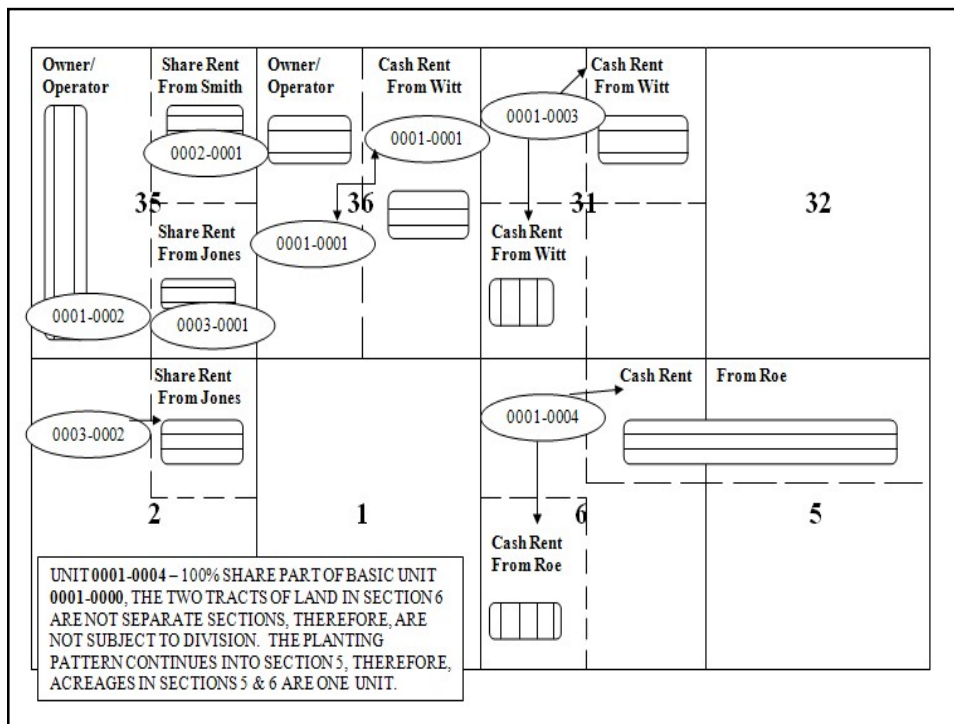




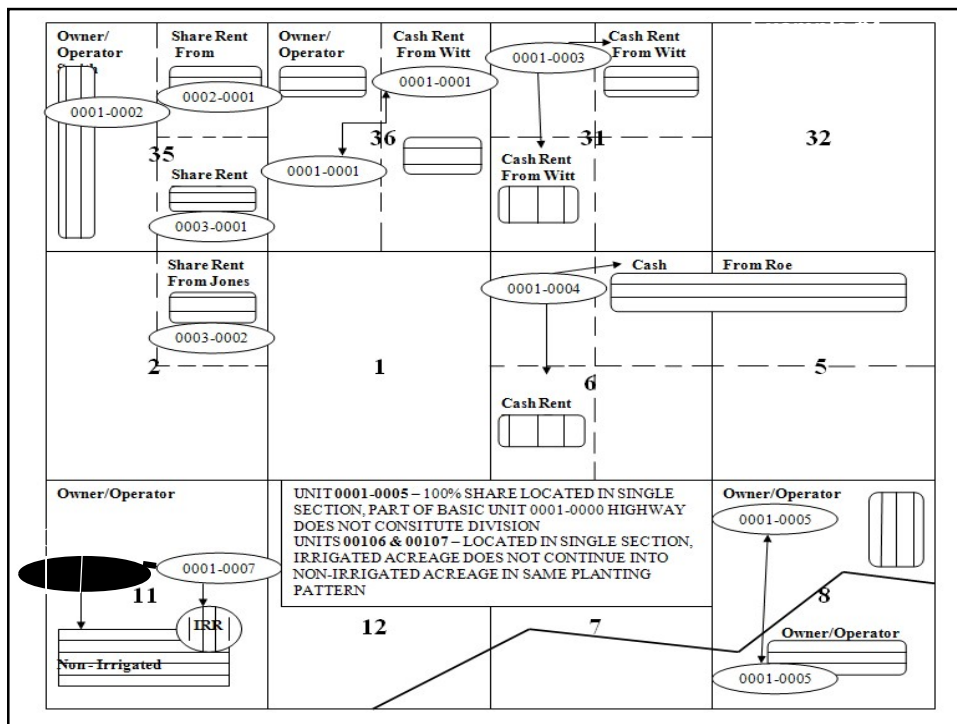












## Unit Numbering Notes

- Unit Numbers should stay the same (if possible):
  - When units transfer-in from another AIP
  - When Unit Structure elections changes (such as EU to Optional units)
- Unit Numbers may change when units are combined/divided:
  - Use Lowest Unit Number of the Basic/Optional Unit which was combined
  - For unit divisions, use next available number
- Unit numbers should be consistent across crops



ANY QUESTIONS??





## Actual Production History (APH)

**Actual Production History (APH)** is the insured's history of growing the crop in the county.

**Every database in the insured's APH is put together from the production records that have been submitted by the insured.**

**Each database in the insured's APH must contain:**

- ☐ **a Minimum of 4 years of actual or assigned yields**
- ☐ **a Maximum of 10 years of actual or assigned yields**



## Actual Production History (APH)

**Yield Descriptors** are used in the databases to identify the "type" of yield being entered in the database. Such as:

**S= 65% of the County T-Yield      E= 80% of the County T-Yield**  
**N= 90% of the County T-Yield      T= 100% of the County T-Yield**  
**A= Actual Yields**





## Variable T-Yields

Variable T-yields are calculated by multiplying the applicable factor by the applicable County T-Yield.

**The factor is determined by the total number of crop years the insured has grown the crop in the county.**

Years of Actual and Assigned Yields	Variable "T" Yield Percentage	Variable "T" Yield & Yield Descriptor
Zero	65%	S65
One	80%	E80
Two	90%	N90
Three or More	100%	T100

**Databases will use the same percentage of the Variable T-yield regardless of the P/T/V or years of records in the database.**



## Variable "T" Yields

- When producers provide less than four years of actual or assigned yields, their databases are completed with the applicable "Variable" T yield.
- The County T-Yield is used to determine the "Variable" T-Yield.
- The County T-Yield is found on RMA's website in the Informational Browser Link.
- Once the Variable T-yield is determined, the same Variable T-Yield percentage is used for all databases of the Crop/County by Practice/Type/Variety that require a Variable T-yield to meet the Minimum 4 years of Actual or Assigned yields.
- When four years of actual yields are in a database, the variable T-Yields is no longer used in that database.





**Example: Insured with No Records**  
**T-Yield is 100 bu. (65% of T-Yield)**

YEAR	PRODUCTION	PLANTED ACRES	YIELD	DESCRIPTOR
2014				
2015				
2016				
2017				
2018				
2019				
2020			65	S
2021			65	S
2022			65	S
2023			65	S
Average APH Yield = 65 Bu/Acre				



**Example: Insured with 1 Year of Records**  
**T-Yield is 100 bu. (80% of T-Yield)**

YEAR	PRODUCTION	PLANTED ACRES	YIELD	DESCRIPTOR
2014				
2015				
2016				
2017				
2018				
2019				
2020			80	E
2021			80	E
2022			80	E
2023	15000	100	150	A
Average APH Yield = 98 Bu/Acre				





**Example: Insured with 2 Years of Records**  
**T-Yield is 100 bu. (90% of T-Yield)**

YEAR	PRODUCTION	PLANTED ACRES	YIELD	DESCRIPTOR
2014				
2015				
2016				
2017				
2018				
2019				
2020			90	<b>N</b>
2021			90	<b>N</b>
2022	15,000	100	150	<b>A</b>
2023	10,000	80	125	<b>A</b>
Average APH Yield = 114 Bu/Acre				



**Example: Insured with 3 Years of Records**  
**T-Yield is 100 bu. (100% of T-Yield)**

YEAR	PRODUCTION	PLANTED ACRES	YIELD	DESCRIPTOR
2014				
2015				
2016				
2017				
2018				
2019				
2020			100	<b>T</b>
2021	15,000	100	150	<b>A</b>
2022	10,000	80	125	<b>A</b>
2023	17,500	110	159	<b>A</b>
Average APH Yield = 134 Bu/Acre				





**Example: Insured with 4 Years of Records  
T-Yield is 100 bu. (All Actual Yields)**

YEAR	PRODUCTION	PLANTED ACRES	YIELD	DESCRIPTOR
2014				
2015				
2016				
2017				
2018				
2019				
2020	15,000	100	150	A
2021	10,000	80	125	A
2022	17,500	110	159	A
2023	12,000	90	133	A
Average APH Yield = 142 Bu/Acre				



The insured currently has 1 APH in his farming operation. The County T-yield = 100  
The insured is adding a new section in 2023 so we need to create a new database.

• Current Unit on APH

YEAR	PRODUCTIO N	PLANTED ACRES	YIELD	DES C
2014	0.0	0.0	0	
2015	0.0	0.0	0	
2016	0.0	0.0	0	
2017	0.0	0.0	0	
2018	0.0	0.0	0	
2019	7000	67.5	104	A
2020	0.0	0.0	0	Z
2021	0.0	0.0	0	Z
2022	12,500	100.0	125	A
2023	0.0	0.0	0	Z

• New unit

YEAR	PRODUCTIO N	PLANTED ACRES	YIELD	DESC
2014				
2015				
2016				
2017				
2018				
2019				
2020				
2021				
2022				
2023				

**What Variable T-Yield will we use to complete the new unit?**  
**How many crop years has the insured grown the crop in this example?**





Answer...

• Current Unit on APH

YEAR	PRODUCTIO N	PLANTED ACRES	YIEL D	DESC
2014	0.0	0.0	0	Z
2015	0.0	0.0	0	Z
2016	0.0	0.0	0	Z
2017	0.0	0.0	90	N
2018	0.0	0.0	90	N
2019	7000	67.5	104	A
2020	0.0	0.0	0	Z
2021	0.0	0.0	0	Z
2022	12,500	100.0	125	A
2023	0.0	0.0	0	Z

• New Unit

YEAR	PRODUCTION	PLANTED ACRES	YIEL D	DESC
2014	0.0	0.0	0	Z
2015	0.0	0.0	0	Z
2016	0.0	0.0	0	Z
2017	0.0	0.0	0	Z
2018	0.0	0.0	0	Z
2019	0.0	0.0	0	Z
2020	0.0	0.0	90	N
2021	0.0	0.0	90	N
2022	0.0	0.0	90	N
2023	0.0	0.0	90	N

The insured has only grown the crop in the county for 2 crop years, therefore any new units added to the farming operation would qualify for:

**T-yield = 100 x 90% = 90 with the "N" Descriptor**



## New Producer Defined

**Definition:**

**A person who has not been actively engaged in farming for a share of the production of the insured crop in the county for more than two APH crop years.**

**Forming or dissolving an entity that includes individuals that have grown the crop in the county more than two APH crop years, the new Entity would not qualify as new producer.**





## New Producer Defined

- The Insured is required to report **all planted acres of the crop** in the county (Insurable and Uninsurable)
- The insured is also required to **report production for all planted acres** in the county (Insurable and Uninsurable)
- **If production is NOT provided:**
  - **The Insured receives 65% of the T-yield on his APH database with “S” descriptors**



## New Producer Defined

- If the producer or one or more of the SBI(s) have produced the crop, they only qualify if:
  - ☐ Together they only produced the crop for  $\leq 2$  years &
  - ☐ Production for the years of growing the crop are provided
- If a producer is insuring their Landlord's share on his policy – If either person has produced the crop in the county  $>2$  crop years, The policy does not qualify for New Producer.
- If they don't submit the acres and production for the years that they have grown the crop in the county, on or before Production Reporting, the entity will reduced to 65% of the County T-Yield





## New Producer Defined

**If new Person (Entity) or their SBI-holders produced the insured crop more than 2 APH crop years, they are NOT a New Producer**

Situation	Approved APH Yield
Produced on land in <u>current operation</u> & files production reports	3+ actual yields & 100% T-Yield with "T" descriptor (if needed) [Standard APH]
Produced on land <u>NOT</u> in <u>current operation</u> & files production reports	100% T-Yield Enter # of years as Reference Years on County Crop Detail Screen
If production reports <u>NOT</u> filed <i>[whether land in current operation or not]</i>	65% T-Yield



## New Producer Procedures

- **Request for New Producer must be made no later than the PRODUCTION REPORTING DATE.**
- **New Producers receive 100% of County T-Yield provided they have certified the crop years they have produced the insured crop and the crop years does not exceed 2 crop years.**
- **T-Yield type descriptor: "I" = New Producer**





## New Producer – Subsequent Years

### Report Production by Production Reporting Date - PRD

- Failure to submit production will result in **assigned yields (75% of the previous APH yield), loss of New Producer status (remove the 100% of County T-yield and “I” descriptor), and loss of Optional Units.**



## NEW PRODUCER EXAMPLE:

New Producer = County T-Yield X 100%				
Corn T-Yield is 100				
<u>YEAR</u>	<u>PRODUCTION</u>	<u>PLANTED ACRES</u>	<u>YIELD</u>	<u>DESC</u>
<u>2020</u>	0.0	0.0	100	I
<u>2021</u>	0.0	0.0	100	I
<u>2022</u>	0.0	0.0	100	I
<u>2023</u>	0.0	0.0	100	I





## Calculating the Approved APH Yield

The calculations for the Approved APH Yield must be determined on each database in the insured's APH. -To determine the Approved APH yield on each unit, Great American must determine:

- ☐ The Preliminary Yield (Simple average of the yields in the database)
- ☐ The Yield Cup option (YC) – The Approved APH yield for the unit cannot go below 90% of the previous Approved APH yield.
- ☐ The Yield Floor (YF) - A percentage of the County T-Yield, based on years of growing the crop.
- ☐ The Yield Adjustment option (YA option) - replaces low yields with 60% of the County T-Yield
- ☐ The Trend Adjustment option (TA option) - increases Yields in the insured's database by the TA yield in the Actuarial X the age of the APH yield
- ☐ Yield Exclusion option (YE option) - Option to Exclude low yields
- ☐ Quality Loss option (QL option) - Replaces post-Quality with Pre-Quality Production



## Calculating Approved APH Yields

The Approved APH Yield is used for determining the Unit Guarantee and Liability

**Prior to starting Approved APH Yield calculations,**  
**update the APH(s) for the most recent year.**

The production from the previous year's insured acres must be submitted to update the insured's database(s).

If the most recent year's production is not submitted by the Production Reporting Date, enter the assigned yield (75% of the previous Approved APH yield with a "P" yield descriptor. Insured loses optional units (if applicable).





## Calculating Approved APH Yields

### **Step 1 – Calculate the Preliminary Yield.**

Add together all actual and/or assigned yields in the database and divide by the number of crop years used. The results is the Preliminary (simple) Yield.

Year	Production	Acres	Yield
2019	1450	95.0	15
2020	3240	90.0	36
2021	3520	110.0	32
2022	3190	80.0	40
2023	997	101.0	10

Preliminary APH (simple average of yields) = 27 **Preliminary Yield = 27**



## Calculating Approved APH Yields

Yield Cup Option must be elected by SCD

Calculating the Yield Cup – Previous Year's approved APH x 90%

Insured can opt out of having cup yield apply to databases if AIP is notified on or before PRD.

The Cup cannot apply if there is no Previous Year's Approved Yield

**There are situations that can cause the previous yield to be removed or make it ineligible for use in this determination.**





## Yield Limitations Review

- **Cups cannot apply when there is no Previous Yield:**
  - ❑ **There is no prior year's approved yield for APH database**
  - ❑ **A yield substitution is in effect for the current or prior year**
  - ❑ **A yield floor was in effect for the prior year**
  - ❑ **Additional actual yields are submitted and accepted for past years**
  - ❑ **RSO Approved APH Yields**
  - ❑ **Previously Approved Yields are Corrected/Changed**
  - ❑ **The published T-Yield increases or decreases 10% or more and the T-Yield is required to calculate the approved APH**



## Calculating Approved APH Yields

### **Step 2 - Calculate the CUP (or 90 Rule)**

<u>Year</u>	<u>Production</u>	<u>Acres</u>	<u>Yield</u>	
2019	1450	95.0		15
2020	3240	90.0		36
2021	3520	110.0	32	
2022	3190	80.0		40
2023	997	101.0	<u>10</u>	

**Preliminary Yield = 27**

**Previous Approved APH Yield = 31 Bu/acre**

**The Cup is calculated by taking:**

**Previous approved APH Yield X 90%**

**31 X 90% = 28 bu/acre yield**

**CUP = 28**





## Calculating Approved APH Yields

### What is the Yield Floor?

The Yield Floor prevents the Approved yield from declining below a certain percentage of the applicable T-yield.

- Only Applicable on Category B Crops with published T-Yields.
- To qualify for the Yield Floor, the database must have at least 1 year of actual production history

The Yield Floor is a % of the applicable T-yield based on number of year(s) of records the insured has provided for the county/crop:

- 1 year of records - 70% of T-Yield
- 2 - 4 years of records - 75% of T-Yield
- 5 or more years of records - 80% of T-Yield



## Calculating Approved APH Yields

### Step 3 – Calculate the Yield Floor

The insured has grown the crop for 5 years, so we take:

County T-yield X 80% (Yield Factor for growing the crop 5 or more years)

#### EXAMPLE:

Year	Production	Acres	Yield
2019	1450	95.0	15
2020	3240	90.0	36
2021	3520	110.0	32
2022	3190	80.0	40
2023	997	101.0	10

Preliminary APH (simple average of yields) = 27      2023 County T-Yield = 44

Yield Floor =



35 (44 x 80%)



## Yield Adjustment (YA) Option

The YA Option is a yield substitution allowed on low APH yields caused by:

- ✓ Drought
- ✓ Flood
- ✓ Other Natural Disasters

Low APH Yields due to improper use of chemicals, uninsurable causes of loss or poor farming practices **are not** eligible for the YA substitution.



## Calculating APH Yields

### The Yield Adjustment Option

**Insured(s) may elect the YA option on or before the PRD for the crop in the county.**

**The Yield Adjustment option:**

**Replaces low yields in the insured's database with 60% of the "applicable" County T-Yield.**

- **Is elected on a Crop/County bases and applied on each applicable APH database and eligible crop year**

**The YA option uses the County T-Yield for the crop year being replaced. See the County Actuarial for a complete list of T-Yields by Crop Year/Practice/Type/TMA.**

**Once the yields in the database have been replaced – the database must be saved in order to recalculate the APH**





## Yield Adjustment (YA) Option

### Step 4 – Calculate the Yield Adjustment (YA) Option

#### Example of YA Substitution of Yields:

Year	Production	Acres	Yield	
2019	4450	50.0	<u>89</u>	
2020	9380	67.0		140
2021	9050	50.0		181
2022	11524	67.0	172	
2023	4750	50.0	<u>95</u>	

Preliminary APH (simple average of yields) = 135

County T-Yield for 2022 and prior = 167

County T-Yield for 2023 = 180



## Yield Adjustment Election

#### Example of YA Option:

Year	Production	Acres	Yield	YA Yield	
2019	4450	50.0		89	<u>100</u>
2020	9380	67.0		140	140
2021	9050	50.0		181	181
2022	11524	67.0	172	172	172
2023	4750	50.0	95	<u>108</u>	

Preliminary APH (simple average of yields) = 135

County T-Yield for 2022 and prior = 167

County T-Yield for 2023 and forward = 180

Preliminary APH Yield (with YA) = 140

YA = 140





## Calculating APH Yields

### Calculating the Trend Adjusted APH Option

- The TA option must be elected on or before Sales Closing Deadline.
- This is an option that allows the actual yields in the insured's database to be "adjusted" to reflect increased production yields.
- This is done by **taking the "TA" factor shown in the county actuarial times the "age" of the actual yield(s) in the database and adding that "trended" amount to the current yield in the database (for the applicable crop year) - when done, recalculate the Preliminary Yield using the new TA yields in the database.**



## Calculating Trend Adjustment (TA)

- Available in select State/Counties/Practices/Types for barley, canola, corn, cotton, dry beans, grain sorghum, peanuts, potatoes, rice, soybeans, sugar beets, sunflowers, tomatoes, and wheat.
- Excludes
  - Specialty type soybeans
  - Organic and transitional practices
  - Silage variety corn
- Does not apply to crops on a CAT policy
- Applies to all eligible databases for elected county/crop.
- Database must contain at least 1 actual yield (within past 4 years).





## Calculating Trend Adjustment

- Yield Floors do not apply.
  - **In rare cases choosing Trend Adjustment can result in lower approved yields.**
- Yield Cups apply when elected by the Insured.
- Yield Adjustment (YA) is applied prior to TA adjustment.
- TA factor is found on rates tab in Actuarial Documents.
- TA is applied to each eligible yield based on age of yield.
- TA will not apply to an APH database insured under a Written Agreement (Except: HR, UA)



## Calculating Trend Adjustment

- TA factor is pro-rated based on the number of actual yields in previous 12 crop years.
  - 1 actual yield – 25%
  - 2 actual yields – 50%
  - 3 actual yields – 75%
  - 4 or more actual yields – 100%
- Only actual yields are eligible for adjustment.
- Approved APH is limited to highest actual yield plus 1-year trend adjustment.





## Calculating Trend Adjusted (TA)

### Step 5 – Calculate the Trend Adjusted APH Yield

YEAR	PRODUCTION	ACRES	ACTUAL YIELD	YA YIELD	CY AGE OF YIELD	TA YIELD
2019	4450	50	89	100	1.54 X 5=8	108
2020	9380	67	140	140	1.54 X 4=6	146
2021	9050	50	181	181	1.54 X 3=5	186
2022	11524	67	172	172	1.54 X 2=3	175
2023	4750	50	95	108	1.54 X 1=2	110
Preliminary Yields			135	140		145

County T-Yield for 2019 = 167

➤ County T-Yield for 2023 = 180

➤ 2023 TA Factor from County Actuarial = 1.54

TA Yield = 145



## Calculating Yield Exclusion (YE)

- 1) The APH Yield Exclusion Option allows the exclusion of an actual yield in the insured's database for specific crop year as shown in the county actuarial.
- 2) APH YE Option must be elected by SCD.
- 3) When an insured elects the YE option, all eligible YE yields are automatically "excluded" from the APH databases. The excluded yield(s) are not used in the calculation of the Approved APH yield.
- 4) **Important: This option also allows an insured to "OPT Out" (not exclude a yield from their APH) For example: The production yield may be a yield the insured wants to keep in the history. This is done on a unit by unit basis by crop year.**
- 5) Producer(s) must choose to "opt-out" on or before PRD.
- 6) This option is available on both CAT and Buy-up policies.





## Calculating APH Yield Exclusion (YE)

### Step 6 – Calculate the Yield Exclusion APH Yield

#### • Example of YE Option:

YEAR	PRODUCTION	ACRES	ACTUAL YIELD	YA YIELD	CY AGE OF YIELD	TA YIELD	YE APH
2019	4450	50	89	100	1.54 X 5=8	108	EXCLUDED
2020	9380	67	140	140	1.54 X 4=6	146	146
2021	9050	50	181	181	1.54 X 3=5	186	186
2022	11524	67	172	172	1.54 X 2=3	175	175
2023	4750	50	95	108	1.54 X 1=2	110	110
Preliminary Yields			135	140		145	154

YE Yield Eligible for Exclusion = CY 2019

➤ 2023 TA Factor from County Actuarial = 1.54  
= 154

YE Yield



## Calculating Quality Loss Option

### Quality Loss Option

The Quality Loss Option, if elected, may improve the Actual Production History (APH) for years in which a producer suffered a quality loss.

- Allows Post-Quality production from a claim to be replace with Pre-Quality production to count for applicable crop years in an APH database.
- Producers will have the option to OPT Out of using the Pre-Quality Production to Count "by crop year", on or before Production Reporting Date (PRD). This is done on the insured's APH form





## Calculating Quality Loss Option

### Quality Loss Option

- **The Quality Loss Option must be elected by Sales Closing Date.**
- **The QL can be applied if the producer filed a Notice of Loss (NOL) for that crop year, regardless of whether the producer received an indemnity for that year.**
- **Available under the Yield Protection, Revenue Protection, Revenue Protection with Harvest Price Exclusion and APH plans of insurance.**



## Calculating Quality Loss Option

### Quality Loss Option

- **The QL is available for the following Category B crops: Barley, Buckwheat, Canola, Corn, Cotton, Flax, Grain Sorghum, Malting Barley, Oats, Rice, Rye, Safflower, Soybean, Sunflower and Wheat.**
- **New for 2024 QL option is being implemented for the following Category C crops: Avocados (CA), Blueberries, Cranberries, Grapes, Peaches, Stone fruit, and Walnuts.**
- **Check your actuarials for availability of QL for the crop/county.**





## Calculating Quality Loss (QL)

### Step 7 - Calculate the Quality Loss Option Yield

YEAR	POST PRODUCTION	PRE-QUALITY PRODUCTION	ACRES	ACTUAL YIELD	PRE-QUALITY YIELD	YA YIELD	CY AGE OF YIELD	TA YIELD	QL APH
2020	9380	12345	67	140	184	140	1.54 X 4=6	190	190
2021	9050		50	181		181	1.54 X 3=5	186	186
2022	11524		67	172		172	1.54 X 2=3	175	175
2023	4750		50	95		108	1.54 X 1=2	110	110
Preliminary Yields				135		140		145	165

- County T-Yield for 2020 = 167
- County T-Yield for 2023 = 180
- 2023 TA Factor from County Actuarial = 1.54

**QL Yield = 165**



## Calculating APH Approved Yield

The Order of the calculation if all options are elected: YE, QL, YA, TA then Cup. The Floor does not calculate if YE, QL, and TA are used in the APH database.

**The Highest Yield from all the Calculations becomes the Approved APH Yield for the database.**

All of these calculations that we have gone thru are done on each database in the insured's APH...Why are they done separately?

- 1) The history on each database is different.
- 2) Different Practices, Types, or T-yield Map Areas.
- 3) The Guarantee on each APH Database is calculated from the Approved APH Yield on each unit.





## Calculating the Unit Guarantee

The Guarantee (per acre) on each unit is calculated by multiplying the Approved APH Yield by the Level of Coverage elected by the insured.

In this example the insured elected 70% level:

- Wheat/Unit 0001-0001/Section 12-2N-43W/I
  - Approved APH= 45.0 Bu. X 70% = **31.5 Bu Guarantee**
- Wheat/Unit 0001-0002/Section 12-2N-43W/NI
  - Approved APH = 29.0 Bu. X 70% = **20.3 Bu Guarantee**
- Wheat Unit 0001-0003/Section 14-2N-47W/NI
  - Approved APH = 35.0 Bu. X 70% = **24.5 Bu Guarantee**



## Premium Rates

Cup, Floor and/or APH Yield Adjustment Premiums are determined differently:

- The Yield Floor, APH Yield Adjusted(YA), Yield Cup, Trend Adjustment, Yield Exclusion and Quality Loss – The premium rate is based on the average yield, called a RATE YIELD
- The Yield Cup, Trend Adjustment, Yield Exclusion and Quality Loss – The appropriate premium rate is based off the ADJUSTED YIELD
- The guarantee is based on the Floored Yield, APH Yield Adjustment, Trend Adjustment, Yield Cup, Yield Exclusion, or Quality Loss called the APH YIELD.





## Production Reports

**PRODUCTION** From the **PREVIOUS CROP YEAR** MUST BE REPORTED BY THE PRD (the earlier of the Production Reporting Date OR 45 days after the cancellation date):

**If not reported by PRD:**

1. **75% of the previous year's Approved APH yield will be entered as the yield for planted acres on all non-loss unit(s).**
2. **65% of applicable T-Yield when no prior year's approved APH yield is available.**
3. **Optional units will be reduced to the applicable basic unit(s).**
4. **The insured loses New Producer Status (if applicable).**
5. **Production from a claim in the previous crop year, is used on the APH - even if the insured does not submit the production for the non-loss units.**



## Assigned Yields Example:

The Insured failed to report his 2023 production on the 44 planted acres shown on this APH, therefore, we must assign 75% of the previous year's Approved Yield for the 2023 Crop Year.

Year	Production	Planted Acres	Average Yield	Yield Descriptor
2018	4040	40	101	A
2019	4687	42	112	A
2020	4515	48	94	A
2021	4890	41	119	A
2022	4240	38	112	A
2023	_____	44	_____	_____

**Prior APH = 108**





## Assigned Yield Answer:

Year	Production	Planted Acres	Average Yield	Yield Descriptor
2019	4040	40	101	A
2020	4687	42	112	A
2021	4515	48	94	A
2022	4240	38	112	A
2023	_____	44	<u>81</u>	<u>P</u>

**ANSWER: 81 (108 Prior Approved APH Yield x 75%)**

**Entered with "P" Yield Descriptor**



## Exceptions to Assigned Yields

- The Insured will receive an assigned yield if the actual yield certified for an APH crop year, in any APH database, is greater than 5% of the actual yield determined from acceptable production evidence.
- No assigned yield applies if the production report & records do not match exactly and...
  - The actual yield does not change.
  - The actual yield is different than certified yield, but the average & approved APH yield do not change.
  - Insured under-reports his production.





## Added Land/New Crop/P/T Procedures

**Added Land/New Crop/Practice/Type Procedures are applicable for Category B APH Crops Except:**

**When Master Yields have been elected and are being used for the crop in the county.**

**See the CIH for crops by state that have Master Yields available.**



## Added Land/New Crop/P/T Procedures

**If insured is adding less than 2000 total cropland acres, they are eligible for Added Land Simple Average T-Yield.**

- **Qualify as separate optional units and/or basic units**

**Added Land Units that qualify, are determined by using the GREATER of:**

- **Variable T-Yield or**
- **Simple Average (SA) T-Yield – Average Yield of the Approved/Adjusted Yields of the existing databases.**





## Added Land – Added Crop/P/T/TMA Yield Descriptors

### **L = Added Land**

- Cropland acreage added to the farming operation for the current year.
- New unit receives simple average of all existing units in the farming operation (for the same crop and P/T/TMA)

### **C = Added Crop/P/T/TMA**

- Not new land to operation but ground where crop/practice/type/variety is being produced for first time.
- To get the simple average there must be other existing units of same crop and P/T/TMA.



## Calculating SA T-Yield

- Simple average of all **existing** optional and basic units of the crop in the county with Approved APH yields that contain actual yield and/or assigned yields.
- Calculate separate SA T-Yields by crop and by practice/type.
- Exclude databases set up under a High Risk "Exclusion" policy (HR acres excluded from insurance) or under a CAT policy (Not a buy-up policy) - HR ACE is a buy-up High Risk policy insured separately from the Non-High Risk buy-up Policy acres).
- High risk databases excluded under HRLEO or CAT coverage are not included in a simple average calculation. Simple average High risk acres insured on a buy up policy with HRLEO are calculated separately from the standard rated acres.





## Calculating SA T-Yield

- Compare SA T-Yield to Variable T-yield and use highest yield.
- SA T-yields cannot be used to establish an APH yield for added land when...
  - Acreage limitations exceed 2000 acres
  - An insured provides a production report supported by the production records of another person sharing in the production for the Crop/P/T on any land added for that applicable crop year – authorization to use actual production history.
  - If the insured previously participated in the production of the Crop/P/T on the added land.



## Existing Units

- What is Existing Units?
  - By definition, Existing Units are units that were on the policy or in the farming operation last year AND continue to be so this year.
  - If you transfer in an APH database this crop year, that is NOT considered an existing unit, then the yield will not be used in the Simple Average calculation.
  - If you have a database on your policy, but are no longer farming it, that is NOT considered an existing unit, and the yield will not be used in the Simple Average calculation.





## Calculating SA T-Yield Approved vs. Adjusted Yields

- **Approved Yields** = The yield calculated by summing the yearly actual, assigned, adjusted, or unadjusted T-yields and dividing the sum by the number of yields contained in the database. The approved yield may have yield adjustments, yield revisions/reductions applied when calculating the approved yield.
- **Adjusted Yields** = The yield calculated by summing actual, assigned, and adjusted yields when YA is applicable.
- **Approved yields** are calculated with the YA, TA, YE, and QL options.
- **Adjusted yields** are calculated only with YA.



## Calculating SA T-Yield

- **Q:** Which yield(s) are used when determining the Simple Average T-Yield for a new unit?
- **A:** It depends on what options the insured has elected on the policy and if those options are applying to the database.
  - **YA only:** Use the Approved yield.
  - **YA and TA:** Use the Adjusted yield.
  - **YA and YE:**
    - On databases where a yield is excluded, use the Adjusted yield.
    - On databases where a yield is NOT excluded, use the Approved yield.
  - **YA, YE, QL, and TA:**
    - Use the Adjusted yield.





## Added Land Procedures

### Example of Added Land Simple Average T-Yield

All databases used to determine Added Land SA T-Yield(s) must be the same Crop/Practice/Type and T-yield Map Area as the land being added and at least one actual/assigned yield in the 10-year database.

<u>Existing Unit(s)</u>	<u>Applicable Approved or Adjusted APH Yield(s)</u>	
0001-0001	35	
0001-0002	37	
0001-0003	33	
0002-0001	39	
0002-0002	32	<u>T-Yield</u>
<b>= 33</b>		

The insured is adding less than 2000 cropland acres in the county, the new unit 0001-0004, qualifies for the Simple Average T-Yield.



## Added Land Procedures - Simple Average Yield

<u>Unit</u>	<u>App. Apprvd or Adj APH</u>
<u>Yld</u>	
0001-0001	35
0001-0002	37
0001-0003	33
0002-0001	39
0002-0002	<u>32</u>
	176/5=35

The SA T-Yield of 35 is Highest Calculation, so it is entered with "L" (Added Land) descriptor, to create the minimum 4-year database history.

Unit 0001-0004

<u>Year</u>	<u>Production</u>	<u>Planted Acres</u>	<u>Ave Yield</u>	<u>Descr</u>
2020			35	L
2021			35	L
2022			35	L
2023			35	L
Preliminary APH Yield = 35				

**County T-yield = 33**

**Simple Average T-Yield=35**

- Use the Higher of these two yields for the new APH database





## Added Land Procedures

**If total crop land acreage being added in a crop year is over 2,000 acres:**

- 1) Added Land limitations ARE EXCEEDED so the Added Acres are not eligible to receive Added Land Simple Average on those acres.**
- 2) Variable T-Yield IS USED TO DETERMINE APH on the new land.**



## Added Land to an Existing Unit

- **When adding land to an Existing unit AND the acres being added are LESS THAN 2000 ACRES:**
  - **The added land would become part of the existing unit (The added acres cannot be a separate database with SA T-Yield).**
- **When adding land to an Existing unit AND MORE THAN 2000 ACRES are being added:**
  - **The New land cannot become part of the existing unit.**
  - **A separate database must be set-up using the Variable T-Yield.**
  - **The separate database cannot be combined with the existing unit until there are 4 years of actuals/assigned yields in the database.**





## Use of Another Person's Acreage and Production History

- **Actual/Assigned yields from another person sharing must account for all units shared with that person for the year(s) certified for the same Crop/P/T.**
  - Cannot use a Simple Average Yield for one section being shared and then use history for another section.
  - If production records are unavailable for the other section, then Variable T-Yields are applied.
- **When less than 4 years of actuals can be provided, then the database is completed using Variable T-Yields.**



## Added Crop/P/T/TMA Procedures

**Adding a New Crop/P/T/TMA not produced on the existing cropland acres (NOT Added land - "Old Land with a new Crop/P/T/TMA"):**

- **If you have No existing database to get SA-Yield for Added Crop/P/T/TMA in the crop/county -**
  - Use Variable T-Yields (or Special Irrigated Procedures)
- **If one or more existing databases are in the insured's APH for the Crop/P/T/TMA use the HIGHER of:**
  - The Variable T-Yield OR
  - The Simple average of all approved APH for the same crop/P/T/TMA in the insured's farming operation.





## Added Crop P/T Procedures - Simple Average Yield

Using same example as Added Land to create an Added Crop/P/T/TMA database (C Descriptor)

### Unit 0001-0004

<u>Year</u>	<u>Production</u>	<u>Planted Acres</u>	<u>Ave Yield</u>	<u>Descr</u>
<u>2020</u>	_____	_____	<u>35</u>	<u>C</u>
<u>2021</u>	_____	_____	<u>35</u>	<u>C</u>
<u>2022</u>	_____	_____	<u>35</u>	<u>C</u>
<u>2023</u>	_____	_____	<u>35</u>	<u>C</u>
Preliminary APH Yield = 35				



## Calculating SA T-Yield – Unit Structure Changes

- SA T-yields are not updated in subsequent years once calculated and recorded in an APH database.
  - The only time a SA T-yield would be recalculated is if it was calculated incorrectly.
- When a unit structure change causes an APH database to be combined or divided, the SA T-Yields will be replaced with Variable T-Yields.





## Reporting Added Land on your Acreage Report

- **Check the County Actuarial and Map for insurability.**
  - **Is the land located in a High-Risk area?**
- **Is it Added Land? Or Is it an Added Crop/P/T**
  - **Designate which one on the reporting form.**
  - **Write the Total Cropland Acres being added on your acreage reporting form when requesting a Simple Average T-Yield.**



## CAT APH Databases

Catastrophic Risk Protection (CAT) policies are the lowest level of crop insurance available. Only basic units are available for this plan.

However, if the insured has a Buy-up policy with separate proven databases and changes his Level and Price from a Buy-up policy to a CAT policy, the AIP must maintain the separate databases established under the Buy-up policy within the CAT policy:

The established databases on the Buy-up policy keep their unit numbers (0001-0001 and 0001-0002) but the unit structure “designation” is changed from “OU” to “BU”.

**Buy-up unit 0001-0001 OU goes to 0001-0001 BU on CAT**

**Buy-up unit 0001-0002 OU goes to 0001-0002 BU on CAT**





## APH Records

**Part 13 of the CIH covers the Production Reports and Databases while Part 14 covers Production Evidence Requirements**

- **These sections list the Acceptable Production records.**
- **Submission of Production Reports.**
- **What will NOT be used on the APH but must be included on the production records.**
- **Supporting Evidence for Optional units.**
- **Field Visits.**
- **Use of Another Producer's Records.**
- **History provided cannot have a break in Continuity.**



## Production and APH Information

**The Production Reports and APH Must include:**

- **Insurable Acreage**

**Including unreported acreage that should have been insured.**

- **"Uninsured" Acreage and Production**

**Example:** Not insured to collect full indemnity on 1st insured crop.

- **Uninsured acres/production are Not used to calculate actual yield UNLESS:**

**The Uninsurable Production is Commingled with insurable production if that happens then we enter both the insurable and Uninsurable acreage and production on the APH database.**





## APH Records

### **Must Include:**

- **Prevent Plant acreage** – If the insured chose to receive a **PP Payment** limited to a 35% payment so a 2<sup>nd</sup> crop could be planted on the **PP acreage**.
  - Insured will receive a yield equal to 60% of the approved yield for the **Prevent Plant acres**.
- **PP acreage is identified on the APH database with either a “PP” or “PW” yield descriptor.**
  - “PP” yield descriptor on the database indicates there was only PP acreage reported for the unit.
  - “PW” yield descriptor on the database indicates there was both planted acres and PP acres reported for the unit.



## APH Records

### **APH Records Must Include:**

- **Production from Harvested Acreage.**
- **Appraised Potential Production determined by a RO, FSA or AIP Rep.**
- **Acreage destroyed without consent (put to another use) without an appraisal.**
  - **All planted acres (destroyed and harvested) are entered in the database for the unit.**
  - **Production, entered on APH, would include all harvested production of planted acres in the same unit.**
  - **All Acreage that were destroyed without consent go in the APH with zero production.**





## Production Record Type

- Required to be keyed and documented beginning with the 2019CY (2018 Yield)
- Always report the most Dominate Record Type for that unit.
- APH will not book unless a Record Type is keyed.

Year	Prod Rec Type	Prod	Acres	Yield	APH Yld	Yield Type	Pre-Quality Prod	Pre-Quality Yield	QL Opt Out	Sanity Chk	Prod Lock	Yld w/ YA
2017		8,281	151.4	55	55	A	0	0		N	<input type="checkbox"/>	0
2018	M	3,303	74	45	45	A	0	0		N	<input checked="" type="checkbox"/>	0
2019	D	8,315	151.38	55	55	A	0	0		N	<input type="checkbox"/>	0
2021	A	14,771.3	225.38	66	66	A	0	0		N	<input type="checkbox"/>	0



## Production Record Type

- **A – Harvest Production Sold/Commercial Storage**
- **B – Harvested Production: Farm Stored/Measured by Insured**
- **C – Harvested Production: Pick/Daily Sales Records**
- **D – Harvested Production: Automated Yield Monitoring System**
- **E – Harvested Production: Farm Stored/Measured by Authorized Representative**
- **F – Harvested Production: Livestock Feeding Records**
- **G – Harvested Production: Field Harvest Records**
- **H – Harvested Production: Other**
- **M – Claim for Indemnity: For CCIP Policies Only**
- **N – Appraisal (Non-Loss): For CCIP Policies Only**
- **O – UUF or Third-Party Damage**
- **Q – Zero Production when no Claim/Appraisal/UUF/3<sup>rd</sup> Party or Production Record. For CCIP Policies Only**
- **Z – Zero Planted Acres**





## PA Yield Descriptors

- If an insured reports production at a level below the unit structure that applies for the current crop year, they must have acceptable records at the reported level or assigned yields will apply.
- If the insured does not have records to support production at the reported level, production must be pro-rated and PA Yield Descriptor used.



### Example 1: EU on Policy – No Indication Production was Commingled

Unit #	Structure	ACRES	BUSHELS	YLD/ACRE	INDICATOR
0001-0001	EU	50	1,700	34	A
0001-0002	EU	60	2,040	34	A
0001-0003	EU	70	2,380	34	A
0002-0001	EU	30	1,020	34	A
0002-0002	EU	10	340	34	A

**If yield(s) are questioned by Underwriting or in an audit, and the insured does not have supporting records for each optional unit above, then Assigned Yield procedure would have to be applied.**





## Example 1: EU on Policy – Note on Prod Report - All Production is Commingled

Unit #	Structure	ACRES	BUSHELS	YLD/ACRE	INDICATOR
0001-0001	EU	50	1,700	34	PA
0001-0002	EU	60	2,040	34	PA
0001-0003	EU	70	2,380	34	PA
0002-0001	EU	30	1,020	36	PA
0002-0002	EU	10	340	36	PA

**If an APH audit was done the insured would only have to prove total production and acres.**



## Example 2: BU on Policy – Did not Indicate Any Units were Commingled

Unit #	Structure	ACRES	BUSHELS	YLD/ACRE	INDICATOR
0001-0001	BU	50	1,700	34	A
0001-0002	BU	60	1,800	30	A
0001-0003	BU	70	2,100	30	A
0002-0001	BU	30	1,080	36	A
0002-0002	BU	10	380	38	A

**During an audit it was discovered that units 0001-0002 & 0001-0003 were commingled. All databases for the crop/county will have assigned yield procedures applied.**





### Example 2: BU on Policy – Comment on Production Report that Production was Commingled between 0001-0002 & 0001-0003

Unit #	Structure	ACRES	BUSHELS	YLD/ACRE	INDICATOR
0001-0001	BU	50	1,700	34	A
0001-0002	BU	60	1,800	30	PA
0001-0003	BU	70	2,100	30	PA
0002-0001	BU	30	1,080	36	A
0002-0002	BU	10	380	38	A

**The insured must have separate verifiable records for Units 0001-0001, 0002-0001, 0002-0002. And the commingled production for units 0001-0002 & 0001-0003**



### Example 3: Insured may Maintain Separate PA Yields as Indicated Below

Unit #	Structure	Acres	Bushels	Yld/Acre	Indicator
0001-0001	BU	50	3,000	60	A
0001-0002	BU	60	3,300	55	PA
0001-0003	BU	70	3,850	55	PA
0002-0001	BU	30	1,560	52	A
0002-0002	BU	10	450	45	PA
0002-0003	BU	15	675	45	PA

**The insured must have records to support the separate Prorated yield(s). Also, the insured must have verifiable records for the actual yields reported on units 0001-0001 and 0002-0001**





## Unavoidable Uninsured Fire (UUF) or Third-Party Damage

- **UUF – Unavoidable Fires caused by an uninsured cause of loss due to actions, outside of the control of the insured.**
- **3rd Party Damage - Damage to a crop that results from actions of a 3<sup>rd</sup> party (outside of the control of the insured).**
- **Insured must be able to document/explain what caused the damage.**



## UUF/3<sup>rd</sup> Party Procedures

- **Notice of loss must be filed and a revised acreage report submitted in accordance with policy procedures.**
- **Production and acres with damage from UUF/3<sup>rd</sup> party will not be included in the APH database.**
- **Production from any undamaged acres will be included in the APH database – Records must be maintained separate from damaged acres.**
  - **Use FD yield Descriptor if all acres in unit were damaged.**
  - **Use FA yield descriptor if only some of the acres in the unit were damaged.**





## UUF/3<sup>rd</sup> Party Procedures

- Insured can elect not to exclude production, but this must be done by PRD.
- If a notice of loss is not filed, the loss will be treated the same as any other uninsured cause of loss for APH purposes. The production and the acres that were damaged will be included in APH database.
- A production loss must occur for UUF/3<sup>rd</sup> party damage procedures to apply.
- We do apply these procedure to the aph and crop was damaged, AND THEN replanted and the replanted crop yielded less by being late planted.
- The damage has to occur to the replanted crop in order to use the 3rd party damage rules.



## Example of M306 Author. to Transfer APH History

GREATAMERICAN INSURANCE COMPANY		Crop Insurance		Multiple Peril Crop Insurance Authorization To Transfer Actual Production History Effective Crop Year ( 2021 )		Policy Number 1147330		Page 1 of 2	
<b>PART I: INSURED'S INFORMATION</b>				<b>PART II: AGENT/AGENCY INFORMATION</b>					
Name: JOE FARMER				Type of Entity: Spousal/Married		Name: LAWRENCE AGENT			
Authorized Representative				Identification Number: XXX-XX-6769		Agency Code Number: 222221			
Street or Mailing Address: 13 FRONT PORCH LANE				Type of Identification Number (Check One): <input type="checkbox"/> SSN <input type="checkbox"/> EIN <input type="checkbox"/> Assigned Number		Street or Mailing Address: P.O. BOX 7016			
City: LAWRENCE		State: KS		Zip Code: 66044		City: LAWRENCE		State: KS	
Zip Code: 66044		Telephone Number: 785-123-4567				Zip Code: 66044			
<b>PART III: CROP INFORMATION</b>									
State	County	Crop	Type, Class, Etc.	Practice	Section, Town, Range and Other Land Identifier	FSA Farm Serial Number	Insured's Share		
KS	MIAMI COUNTY	WHEAT	GRAIN	NI	0007-18S-22E	7025	50%		
<b>PART IV: AUTHORIZATION</b>									
I hereby authorize the above named insured to use my production records which I have certified under my Multiple Peril Crop Insurance Policy for the crop(s) listed above. I certify that <input type="checkbox"/> (a): I have turned the farming operation over to the above named insured and he / she has participated (managed and performed the physical activities necessary to produce the crop, or received a share of the crop) in the operation and the establishment of the approved APH yield or <input type="checkbox"/> (b): we will both have an insurable interest in the crop(s) listed above for the effective crop year. <input type="checkbox"/> A copy of my APH Production and Yield Report is attached.									
Authorization Name (print): JACOB FARMER				MPCI Policy Number: 879546					
Authorization Signature: <i>JACOB FARMER</i>				Signature Date: 10/1/2020					
Part V: I certify that (a): I have participated (managed, performed the physical activities necessary to produce the crop, or received a share of the crop) in the operation and the establishment of the approved APH yield or (b): we will both have an insurable interest in the crop(s) listed above for the effective crop year. I also understand that I must certify the APH records provided by this transfer on my APH Production and Yield Report by the applicable production reporting dates.									
I certify that to the best of my knowledge and belief all of the information on this form is correct. I also understand that failure to report completely and accurately may result in sanctions under my policy, including but not limited to voidance of the policy, and in criminal or civil penalties (18 U.S.C. §1006 and §1014; 7 U.S.C. §1506; 31 U.S.C. §3729, §3730 and any other applicable federal statutes).									
JOE FARMER		10/01/2020		LAWRENCE AGENT		10/1/2020		222221	
Insured's Signature		Date		Agent's Signature		Date		Agent's Code Number	
See reverse side of this form for statement required by privacy Act of 1974, and Nondiscrimination Statement.									





[illegible]

(Form M202) See Signature Page for Required Statements



GREAT AMERICAN  
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## ANY QUESTIONS?





Review the next few slides for some of Great American's crop insurance tools. Any of these have the potential to help you learn and to grow your business

Thank you for taking the time to review these materials

1

Livestock Brochures are available

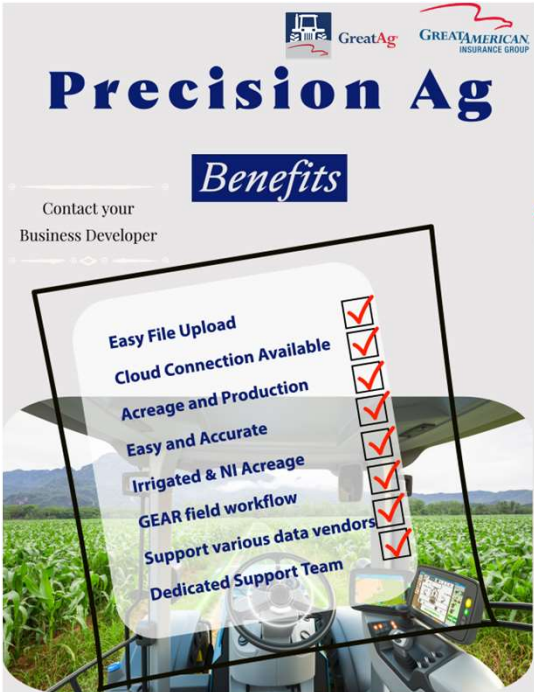
Contact your Business Developer to order yours today.

As one of the largest Crop insurers in the nation, Great American is recognized as a leader in this specialized marketplace.



2





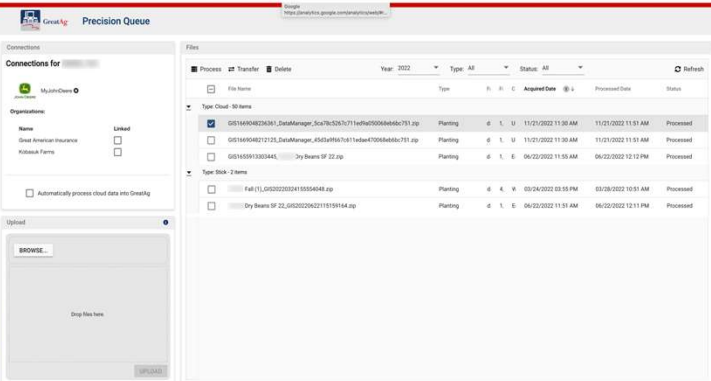
**Precision Ag**

**Benefits**

Contact your Business Developer

- Easy File Upload
- Cloud Connection Available
- Acreage and Production
- Easy and Accurate
- Irrigated & NI Acreage
- GEAR field workflow
- Support various data vendors
- Dedicated Support Team


## New Precision Ag Queue




3

# Lunchtime Learning

**All Lunchtime Learnings will begin at 12:30 PM CST**, so grab your lunch and hang around with us to learn something new.





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## Training


TRAINING
FORMS
TECHNOLOGY
NEWS
PROGRAM OUTREACH

Classroom
Webinar

Date	Course	Regional Office	Register
02/21/2023	Lunchtime Learning - Quoting - Sales Anal...	Cincinnati	<a href="#">Register</a>
02/28/2023	Lunchtime Learning - Sales Review 2023	Cincinnati	<a href="#">Register</a>

4






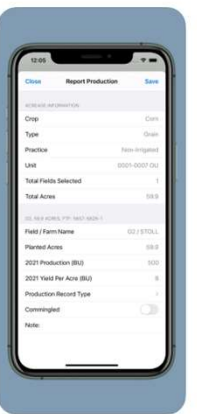
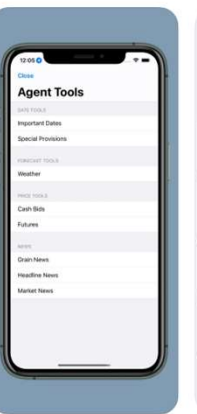
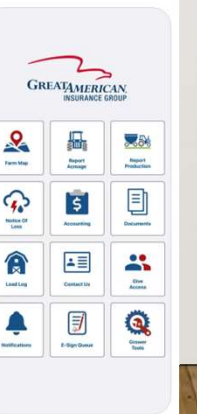
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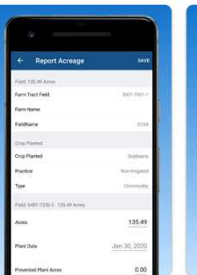
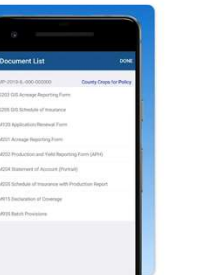
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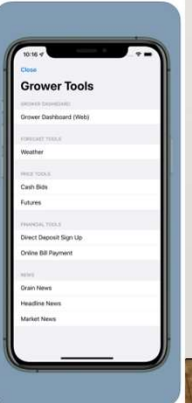
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