

**LIVESTOCK  
RISK  
PROTECTION  
(LRP)  
HANDBOOK**

**2008 and Succeeding Crop Years  
Handbook Number: 20010**

# LIVESTOCK RISK PROTECTION PLAN OF INSURANCE

## GENERAL STANDARDS FOR FORM ENTRIES AND COMPLETION

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### **I. Form Standards**

- (1) The entry items are the minimum form requirements. Form standards provided are considered "Substantive" (i.e., they are required) unless otherwise noted as Non-Substantive.
- (2) The completion instructions for the required entry items on the various forms in the following subsections are "Substantive" (i.e., they are required).
- (3) The Privacy Act and Nondiscrimination statements are required statements that must be printed on the form or provided as a separate document. These statements are not shown in the illustrations in this handbook (If these statements are provided as separate documents, one set must be signed by the insured and kept by the agent, and one must be provided to the insured).
- (4) The current Privacy Act and Nondiscrimination Statement can be found in the applicable 2007 Document and Supplemental Standards Handbook (FCIC 24040) (DSSH) issued November 2006, page 4.

- (5) A certification statement is required by the 2007 Document and Supplemental Standards Handbook (FCIC 24040) (DSSH) issued November 2006 and must be included on the form directly above the insured's signature block. When the certification statement is required on the AGR form it will be shown in the instructions for the form.
- (6) Refer to the 2007 Document and Supplemental Standards Handbook (FCIC 24040) (DSSH) issued November 2006 for other crop insurance form requirements (e.g., point size of font, etc).

## **II. Forms**

The following forms will be necessary for sales of the Livestock Risk Protection Plan of Insurance:

- (1) Application- Information necessary to apply for eligibility to purchase LRP insurance. The application may be filled out prior to any Specific Coverage Endorsements, however, no insurance coverage attaches until information on the Specific Coverage Endorsement is provided in conjunction with an approved application. One application is filled out for each operation, as long as the Substantial Beneficial Interests are the same.
- (2) Substantial Beneficial Interest (SBI)-The information needed are social security numbers, employer identification numbers, and share of those with a 10 percent interest or more in the insurance entity and must accompany the application. The SBI is used to establish eligibility and to account for insurance limits.
- (3) Specific Coverage Endorsement (SCE) Form- Information needed to attach coverage to the policy. An approval number must be obtained through the website to show

that underwriting capacity is available. Multiple SCE's, for multiple classes of livestock or livestock products, may be written under one application as long as the SBI's are the same. Only approved agents and companies participating in the Livestock Price Reinsurance Agreement may obtain approval numbers.

- (4) Assignment of Indemnity- Information necessary to assign any indemnity to a third party.
- (5) Transfer of Right to Indemnity- Information necessary if the livestock or livestock product is sold prior to the end of insurance period to transfer any indemnity to the new owner (providing the new owner meets eligibility requirements).
- (6) Claim-If the ending price, as specified in the Specific Coverage Endorsement, is below the coverage price level, this form must be completed and sent to the company within 60 days following the end date. An indemnity payment will be made within 60 days of receipt of the claim form.

The following illustrations pertain to information the producer must provide to the approved insurance provider to obtain coverage under LRP. Instructions must be provided for form completion.

**A. Livestock Risk Protection Application:**

The LRP Application uses most of the fields provided in Exhibit 5 of 2007 Document and Supplemental Standards Handbook (FCIC 24040) (DSSH) issued November 2006 under the title “Applicant Information” and “Crop Information” (except those pertaining to the level of coverage or amount of insurance such as “Price Election”, “Amount of Insurance”, “Coverage Level”, “Plan of Insurance”, “Added County Election” or “Designated County”), “Other Information and Signatures” and “Required Statements”. As appropriate, the word “Crop” is to be replaced with the word “Livestock.” The following fields are required for the LRP Application:

**FOR ILLUSTRATION PURPOSES ONLY**

1. APPLICANT			2. INSURANCE AGENCY		
Applicant Name:	SSN:	EIN:	Insurance Agency Name:	Agency Code:	
Spouse's Name:	Spouse's SSN:		Insurance Agent's Name:	Agent's Code:	
Applicant is at least 18 Years Yes <input type="checkbox"/> No <input type="checkbox"/>	E-mail Address:		E-mail address:		
Street or Mailing Address:			Street or Mailing Address:		
City:	State:	Zip Code:	City:	State:	Zip Code:
County:	Farm or Business Name:	Phone:	Phone:	Fax:	
Crop Year:	Class(es) of livestock or livestock product to be insured: Swine <input type="checkbox"/> Feeder Cattle <input type="checkbox"/> Fed Cattle <input type="checkbox"/>		Commodity Code		

The following statements are required for the form:

1. **Conditions of Acceptance Statements.** See Glossary of Statements under “Application Statements” for the Conditions of Acceptance Statements in section III *Glossary of Statements* of this handbook.
2. **Certification Statement.** See Exhibit 2 in the 2007 Document and Supplemental Standards Handbook (FCIC 24040) (DSSH) issued November 2006.
3. **Collection of Information and Data (Privacy Act) Statement.** See Exhibit 3 in the 2007 Document and Supplemental Standards Handbook (FCIC 24040) (DSSH) issued November 2006.
4. **Nondiscrimination Statement.** See Exhibit 4 in the 2007 Document and Supplemental Standards Handbook (FCIC 24040) (DSSH) issued November 2006.

## **Completion Instructions:**

The form must also contain the following completion instructions:

1. Type or print information about the applicant for insurance in section 1. Include first name, middle initial and last name. Applicants must be at least 18 years old to apply for insurance. Fill in the applicant's Social Security Number (SSN) and Employer Identification Number (EIN) if applicable and the applicant's spouse's SSN if applicable. Complete the street or mailing address, city, county, state, zip code and telephone number where the applicant can be reached. Insert the class(es) of livestock or livestock product to be insured and the crop year that insurance will be effective.
2. Type or print information about the insurance agency in section 2. Fill in the insurance agency name, the insurance agent's name, the agent's code number and the street or mailing address, city, state, zip code, telephone and fax numbers and e-mail address where the agent can be reached.
3. Read and answer the questions in the *Conditions of Acceptance Statements* section. Read the *Certification Statement*. The applicant and agent must each sign and date the application.



2. ***Collection of Information and Data (Privacy Act) Statement.*** See Exhibit 3 in the 2007 Document and Supplemental Standards Handbook (FCIC 24040) (DSSH) issued November 2006.
3. ***Nondiscrimination Statement.*** See Exhibit 4 in the 2007 Document and Supplemental Standards Handbook (FCIC 24040) (DSSH) issued November 2006.

**Completion Instructions:**

The form must also contain the following completion instructions:

1. Type or print information about the applicant for insurance in section 1. Include first name, middle initial and last name. Fill in the applicant's Social Security Number (SSN) or Employer Identification Number (EIN), and indicate which number is being provided. Enter the policy number. Provide the agent's name and code number and the street or mailing address, city, county, state, zip code and company name where the agent can be reached.
2. For each person or entity with 10 percent or more interest in the insurance entity, fill in the person or entity's name, complete address including mailing address, city, state, and zip code. Enter the social security number or employer identification number and check the box that indicates what number was provided. Enter the person or entity's telephone number and type of entity. Enter that entity's share in the insurance entity.
3. The applicant must sign and date the form.



**C. Specific Coverage Endorsement:**

The following fields are required for the LRP Specific Coverage Endorsement:

**FOR ILLUSTRATION PURPOSES ONLY**

<b>Commodity Code:</b>		<b>Policy Number:</b>		<b>Endorsement Number: (Company Use only)</b>			
<b>1. INSURED</b>				<b>2. INSURANCE AGENCY</b>			
Insured Name:		Spouse's Name:		Insurance Agency Name:		Agency Code:	
SSN:	EIN:	Spouse's SSN:		Insurance Agent's Name:		Agent Code:	
Farm or Business Name:		E-mail address:		E-mail address:			
Street or Mailing Address:				Street or Mailing Address:			
City:		State:	Zip Code:	City:		State:	Zip Code:
County:		Phone:		Phone:		Fax:	
Legal Description of location of livestock or livestock product:		State:	Zip Code:				
<b>3. SCHEDULE OF INSURED LIVESTOCK OR LIVESTOCK PRODUCT</b>							
Crop Year	Effective Date	End Date		No. of Head Covered		Insured Share %	
<b>4. INSURED VALUE</b>							
Number of Head	X	Target Weight (Cwt. Per Head)	X	Coverage Price	X	Insured Share (%)	= Insured Value
	X		X		X		=
<b>5. PREMIUM COMPUTATION</b>							
Insured Value	X	Rate	=	Total Premium	Approval Number		
	X		=				

The following statements are required for the form:

1. **Conditions Statement.** See Glossary of Statements under “Specific Coverage Endorsement Statements” for the Conditions Statement.
2. **Certification Statement.** See Exhibit 2 in the 2007 Document and Supplemental Standards Handbook (FCIC 24040) (DSSH) issued November 2006.
3. **Collection of Information and Data (Privacy Act) Statement.** See Exhibit 3 in the 2007 Document and Supplemental Standards Handbook (FCIC 24040) (DSSH) issued November 2006.
4. **Nondiscrimination Statement.** See Exhibit 4 in the 2007 Document and Supplemental Standards Handbook (FCIC 24040) (DSSH) issued November 2006.

**Completion Instructions:**

1. Enter the policy number at the top left section of the form.
2. Type or print information about the insured in section 1. Include insured's first name, middle initial and last name and the spouse's name if applicable. Fill in the applicant's Social Security Number (SSN), Employer Identification Number (EIN) if applicable and the applicant's spouse's SSN if applicable. Complete the name of farm or business, e-mail address if available, street or mailing address, city, state, zip code, county and telephone number where the applicant can be reached. Provide the legal description of the location of insured livestock or livestock product, including the state and zip code.
3. Type or print information about the insurance agency in section 2. Fill in the insurance agency name and code number, the insurance agent's name and code number and the street or mailing address, city, state, zip code, telephone and fax numbers and e-mail address where the agent can be reached.
4. In section 3 type or print the following information as it relates to the insured livestock or livestock product: Crop year, effective date, end date, number of head covered and the insured's percent of ownership in the covered livestock.
5. In section 4 type or print the number of insured head of livestock, enter the target weight (cwt. per head), the coverage price (dollars) and the percentage of the insured's ownership in the covered livestock. Multiply the above named items in section 4 and enter this amount in the insured value column.
6. Enter the insured value amount from section 4 in section 5. Enter the rate and multiply the insured value times the rate. Enter the resulting value in the Total Premium column.
7. Read and sign the certification statement.

**D. Assignment of Indemnity:**

The Assignment of Indemnity fields are provided in Exhibit 13 of 2007 Document and Supplemental Standards Handbook (FCIC 24040) (DSSH) issued November 2006. All instances of the word “crop” are to be replaced with “livestock” as appropriate. Additional fields are required relating to the actual Specific Coverage Endorsement that is being assigned. The following fields are required for the Assignment of Indemnity:

**FOR ILLUSTRATION PURPOSES ONLY**

<b>Policy Number:</b>	<b>Endorsement Number:</b>	<b>Crop Year:</b>	<b>Authorized Representative:</b>	<b>Agency Code:</b>	
<b>1. INSURED:</b>			<b>2. ASSIGNEE:</b>		
Insured's Name:			Assignee's Name:		
Insured's SSN:	Insured's EIN:	Assignee's SSN:	Assignee's EIN:		
Street or Mailing Address:			Street or Mailing Address:		
City:	State:	Zip Code:	City:	State:	Zip Code:
Phone:	Fax:	Phone:	Fax:		
<b>3. SPECIFIC COVERAGE ENDORSEMENT INFORMATION FOR INSURED LIVESTOCK</b>					
Effective Date	End Date	Insured Value	Total Premium		

The following statements are required for the form:

1. ***Collection of Information and Data (Privacy Act) Statement.*** See Exhibit 3 in the 2007 Document and Supplemental Standards Handbook (FCIC 24040) (DSSH) issued November 2006.
2. ***Nondiscrimination Statement.*** See Exhibit 4 in the 2007 Document and Supplemental Standards Handbook (FCIC 24040) (DSSH) issued November 2006.

**Completion Instructions:**

1. Type or print the policy number, endorsement number, crop year, authorized representative and agency code in the columns at the top of the page.
2. In section 1, type or print information about the insured. Include first name, middle initial and last name. Complete the insured's Social Security Number (SSN), Employer Identification Number (EIN) and the street or mailing address, city, state, zip code and telephone and fax numbers where the insured can be reached.

3. Type or print information about assignee in section 2. Enter the assignee's first name, last name and middle initial, the assignee's Social Security Number (SSN), Employer Identification Number (EIN) if applicable, the street or mailing address, city, state, zip code, telephone and fax where the assignee can be reached.
4. In section 3, enter the effective date of coverage, the end date, the insured value and the total premium in the corresponding columns.
5. Read the conditions section, type or print the name of the insured, the name of the lender or creditor and the mailing address of the lender or creditor in the appropriate blank. The authorized representative, insured, lender and witness should sign on the designated lines.

**E. Transfer of Indemnity:**

The Transfer of Indemnity fields are provided in Exhibit 16 of 2007 Document and Supplemental Standards Handbook (FCIC 24040) (DSSH) issued November 2006. All instances of the word “crop” are to be replaced with “livestock” as appropriate. Additional fields are required relating to the actual Specific Coverage Endorsement that is being transferred. The following fields are required for the Transfer of Indemnity:

**FOR ILLUSTRATION PURPOSES ONLY**

<b>Policy Number:</b>	<b>Endorsement Number:</b>	<b>Crop Year:</b>	<b>Authorized Representative:</b>	<b>Agency Code:</b>	
<b>1. INSURED:</b>			<b>2. TRANSFEREE:</b>		
Insured's Name:			Transferee's Name:		
Insured's SSN:	Insured's EIN:	Transferee's SSN:	Transferee's EIN:		
Street or Mailing Address:			Street or Mailing Address:		
City:	State	Zip Code:	City:	State:	Zip Code:
Phone:	Fax:		Phone:	Fax:	
<b>3. SPECIFIC COVERAGE ENDORSEMENT INFORMATION FOR INSURED LIVESTOCK</b>					
Effective Date	End Date	Insured Value	% of Insured Share Transferred		

The following statements are required for the form:

1. **Collection of Information and Data (Privacy Act) Statement.** See Exhibit 3 in the 2007 Document and Supplemental Standards Handbook (FCIC 24040) (DSSH) issued November 2006.
2. **Nondiscrimination Statement.** See Exhibit 4 in the 2007 Document and Supplemental Standards Handbook (FCIC 24040) (DSSH) issued November 2006.

**Completion Instructions:**

1. Type or print the policy number, endorsement number, crop year, authorized representative, and agency code in the columns at the top of the page.
2. In section 1, type or print information about the insured. Include first name, middle initial and last name. Complete the insured's Social Security Number (SSN), Employer Identification Number (EIN) if applicable, and the street or mailing

address, city, state, zip code and telephone and fax numbers where the insured can be reached.

3. Type or print information about assignee in section 2. Enter the assignee's first name, last name and middle initial, the assignee's Social Security Number (SSN), Employer Identification Number (EIN) if applicable, the street or mailing address, city, state, zip code, telephone and fax where the assignee can be reached.
4. In section 3, enter the effective date of coverage, the end date, the insured value and the percentage of insured share to be transferred in the corresponding columns.
5. Read the conditions section, type or print the name of the insured, the name of the transferee or creditor and the mailing address of the transferee in the appropriate blank. The authorized representative, insured, transferee and witness should sign on the designated lines.

**F. Claim:**

The following fields are required for the LRP Claim form:

**FOR ILLUSTRATION PURPOSES ONLY**

<b>Commodity Code:</b>	<b>Policy Number:</b>	<b>Endorsement Number:</b>	<b>Claim Number: (Company Use)</b>
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According to our records, you may be entitled to an indemnity under the above policy endorsement based on the information presented below. Please contact your agent if the information shown in sections 1, 2, or 3 is not correct. The calculation of the indemnity is shown in section 6 below. In order to receive an indemnity, your signature is required to certify that the terms and conditions of the policy have been met as stated in section 7 below.

Assignment of Indemnity? Yes  No       Transfer of Right to Indemnity? Yes  No

<b>1. INSURED</b>				<b>2. INSURANCE AGENCY</b>		
Insured Name:	SSN:	EIN:		Insurance Agency Name:	Agency Code:	
Name of Farm/Ranch or Business:				Insurance Agent's Name:	Agent's Code:	
Street or Mailing Address:				Street or Mailing Address:		
City:	County:	State:	Zip Code:	City:	State:	Zip Code:
Phone:	Fax:	E-mail:		Phone:	Fax:	E-mail address:
<b>3. ASSIGNMENT OF INDEMNITY</b>						

Assignee's Name:		Assignee's SSN / EIN ( <i>circle one and enter</i> ):	
Street or Mailing Address:		Phone:	Fax:
City:	State:	Zip:	

Coverage Price	Actual Ending Value

If actual ending value is less than the coverage price an indemnity is due.

#### 4. INDEMNITY CALCULATION

If the actual ending value is less than the coverage price, an indemnity is due. The indemnity is equal to the number of head multiplied by the target weight (in cwt as defined in the Specific Coverage Endorsement) multiplied by the difference between the coverage price and the actual ending value (in \$ per cwt.), and then multiplied by the ownership share (in percent).

Number of Head	Target Weight At End Date (Cwt. Per Head)	Coverage Price Minus Actual Ending Value	Insured Share %	Indemnity

The following statements are required for the form:

1. **Certifications For Indemnity Statement.** See Glossary of Statements under "Claim Statements" for the Certifications For Indemnity statement.
2. **Collection of Information and Data (Privacy Act) Statement.** See Exhibit 3 in the 2007 Document and Supplemental Standards Handbook (FCIC 24040) (DSSH) issued November 2006.
3. **Nondiscrimination Statement.** See Exhibit 4 in the 2007 Document and Supplemental Standards Handbook (FCIC 24040) (DSSH) issued November 2006.

#### Completion Instructions:

1. Section 1. Insured. Type or print your first name, middle initial and last name. Enter your Social Security Number (SSN), Employer Identification Number (EIN) if applicable, and circle the type of number entered. Complete the name of your farm/ranch or business and the street or mailing address, city, county, state, zip code and telephone number where you can be reached. The state and county must be the state name and county name where the livestock or livestock product are located.
2. Section 2. Insurance Agency. Type or print information about your insurance agency. Complete the insurance agency name, the insurance agent's name, the agency code number and the street or mailing address, city, state, zip code, telephone and fax numbers and e-mail address where the agent can be reached.
3. Section 3. Assignment of Indemnity. Complete this section, if applicable, by typing or printing the assignee's name, address, phone, and fax if available. Enter the

assignee's Social Security Number (SSN), Employer Identification Number (EIN) if applicable, and circle the type of number entered.

4. Section 4. Indemnity Calculation. If the actual ending value is less than the coverage price, an indemnity is paid. The indemnity is equal to the number of head multiplied by the target weight (in cwt as defined in the Specific Coverage Endorsement) multiplied by the difference between the coverage price and the actual ending value (as dollars per cwt.), multiplied by the ownership share.
5. Section 5. Certifications for Indemnity. Read the certification statements and, if you can attest to all of them, sign and print your name and enter the date signed.



### III. Glossary of Statements

#### A. Application Statements:

##### 1. Conditions of Acceptance Statement

The following statement should be updated for changes to the first paragraph of Exhibit 1 in the 2007 Document and Supplemental Standards Handbook (FCIC 24040) (DSSH) issued November 2006, replacing all instances of the word “crop” with “livestock” in the statement as appropriate:

“CONDITIONS OF ACCEPTANCE: This application is accepted and insurance attaches in accordance with the policy unless: (1) The Federal Crop Insurance Corporation determines that livestock insurance capacity limitations in accordance with the Federal Crop Insurance Act have been reached and this policy will exceed the limitations; (2) any material fact is omitted, concealed or misrepresented in this application and endorsement or in the submission of this application; (3) you have failed to provide complete and accurate information required by this application; or (4) the answer to any of the following questions is “yes.” An answer of “yes” to these questions does not automatically result in rejection of the application. For example, if you answer “yes” to question (a) but your debt was discharged in bankruptcy, the application would not be rejected.

Yes	No
_____	_____ (a) Are you now indebted and is the debt delinquent for insurance coverage under the Federal Crop Insurance Act?
_____	_____ (b) Have you in the last five years been convicted under Federal or State law of planting, cultivating, growing, producing, harvesting or storing a controlled substance?
_____	_____ (c) Have you ever had insurance coverage under the authority of the Federal Crop Insurance Act terminated for violation of the terms of the contract or regulations, or for failure to pay your indebtedness ?
_____	_____ (d) Are you disqualified or debarred under the Federal Crop Insurance Act, the regulations of the Federal Crop Insurance Corporation, the United States Department of Agriculture?
_____	_____ (e) Have you ever entered into an agreement with the Federal Crop Insurance Corporation, Risk Management Agency, or with the Department of Justice that you would refrain from participating in the crop or commodity insurance program and that agreement is still effective?
_____	_____ (f) Do you have like insurance on any of the above livestock?

I understand that if coverage for any crop is currently terminated or would have subsequently terminated for indebtedness had this application been filed after the termination date, no coverage can be provided and I am ineligible for any benefits under the Federal Crop Insurance Act until the cause for termination is corrected.

We will notify you of rejection by depositing notification in the United States mail, postage paid, to the applicant’s address. Unless rejected or the sales closing date has passed at the time you signed this application, insurance shall be in effect for the crop(s) and crop years specified and shall continue for each succeeding crop year, unless otherwise specified in the policy, until canceled, terminated or voided. The insurance

contract, which includes the accepted application, is defined in the regulation published at 7 CFR chapter IV. No term or condition of the contract shall be waived or changed unless such waiver or change is expressly allowed by the contract and is in writing.

### **C. Specific Coverage Endorsement (SCE) Statements:**

#### **1. Conditions of Approval for the SCE**

- a. I certify that I have a share in the livestock or livestock product identified in this Specific Coverage Endorsement to the extent of the percentage insured share that I have stated. I will provide documentation to affirm ownership of my share of the livestock or livestock product to the company, its authorized agent, or any designated employee of USDA upon request.
- b. I do not have any other insurance authorized under the Federal Crop Insurance Act on this class of livestock or livestock product.
- c. I agree to on-site inspections by the Company's representative and any designated employee of USDA to verify my ownership and share in the covered livestock or livestock product.

### **D. Claim Statements:**

#### **1. Certifications For Indemnity:**

You must truthfully attest to all of the following certification statements in order to be eligible for an indemnity:

- a. I owned the percentage share of the covered livestock or livestock product stated on the Specific Coverage Endorsement during the term of this endorsement.
- b. I did not sell or transfer ownership of the livestock or livestock product identified in the Specific Coverage Endorsement prior to 30 days before the end date specified on the Specific Coverage Endorsement.

If you cannot truthfully attest to all of the above certification statements, then you are not eligible for an indemnity payment and should not sign or return this form. If you can truthfully attest to all of the above certification statements, please sign this form and return it to the Company in the enclosed envelope within sixty (60) days of the end date. An indemnity payment will be made within 60 days of receipt of this form by the Company.

I certify that the information provided above, to the best of my knowledge, to be true and complete and that it will be used to determine my loss, if any, to my insured livestock. I understand that this claim form and supporting papers are subject to audit and approval by the company. I understand that this livestock insurance is subsidized and reinsured by the Federal Crop Insurance Corporation, an agency of the United States. I understand that any false or inaccurate information on this form may result in the sanctions outlined in my policy and administrative, civil, and criminal sanctions under 18 U.S.C. §1001, 1006 and 1014, 7 U.S.C. §1515, 31 U.S.C. §3729 and 3730 and any other applicable federal statutes.

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(Insured Signature)

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(Date)

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(Print Name)