

## **Multi-County Enterprise Unit Endorsement**

\*These FAQs are for informational purposes only. Please refer to the Basic Provisions, and applicable Crop Provisions and actuarial documents for complete information.

### **What does the MCEU Endorsement do?**

The MCEU Endorsement allows you to combine acreage of an insured crop, by irrigated and non-irrigated practice, in two contiguous counties in the same state into one enterprise unit (EU). To qualify for a MCEU, the acreage on one county policy (the primary county) must individually qualify for the type of EU election you selected to apply to the MCEU. The other county (the secondary county) must not qualify for the EU you chose in the primary county.

### **What crops are eligible under the MCEU Endorsement?**

The MCEU Endorsement is available for barley, canola, corn, cotton, grain sorghum, peanuts, rice, soybeans, sunflowers, and wheat when the actuarial documents specify.

### **When do I elect the MCEU Endorsement?**

The MCEU Endorsement must be elected by the earliest sales closing date of both counties that will be in the enterprise unit.

### **Do I have to elect the MCEU Endorsement every year?**

MCEU is a continuous endorsement and remains in effect from year to year unless cancelled in writing by you or the Approved Insurance Provider (AIP) by the earliest cancellation date for the next crop year.

### **Does electing the MCEU Endorsement combine my crop policies?**

Electing the MCEU Endorsement does not combine your county crop policies. It only combines all insured acreage of the crop (or all insured acreage of the irrigation practice, if enterprise unit by practice is elected) in both counties into a single enterprise unit. Separate applications and policies are required for each county. Approved Actual Production History (APH) yields in each county are not affected. Premium, guarantee, and liability will be calculated separately for each county based on the acres physically located in that county; and using the actuarial documents for that county.

### **What is a primary county?**

A primary county is a county you designate to be the base county in a MCEU. The designated primary county must individually qualify for the EU election you choose.

### **What is a secondary county?**

A secondary county is a county you designate to combine acreage with the primary county to establish a MCEU. This acreage to be combined with the primary county must not qualify for the EU election you chose for the primary county.

### **How do I qualify for a MCEU?**

The contiguous counties that form a MCEU must be in the same state. To qualify for a MCEU, the acreage on one county policy (the primary county) must individually qualify for the type of Enterprise Unit (EU) election you selected to apply to the MCEU.

For example, one EU (the primary county) for the crop and county or one EU for all irrigated practices for the crop and county, and/or one EU for all non-irrigated practices for the crop and county must separately qualify for an EU to qualify for a MCEU.

### **If I elect EU by irrigation practice, will the MCEU be determined separately for each practice?**

Yes.

1. The insurance plan and coverage level must be identical for the irrigation practice in each county in the MCEU.
2. A county may be part of one MCEU for all irrigated practices and a different MCEU for all non-irrigated practices. For example, irrigated corn in County B may be in a MCEU with County A and non-irrigated corn in County B may be in a MCEU with County C.
3. A county with EU elected for one irrigation practice and a different unit structure elected for the other irrigation practice may only qualify for a MCEU on the one practice EU was elected.

## **What are the requirements for a primary and secondary county to be part of a MCEU?**

MCEU requirements include:

1. Both counties must be contiguous. RMA will determine which counties are contiguous, this information is available in the actuarial documents.
2. There must be planted insurable acreage of the insured crop in each county or by irrigation practice if applicable.
3. The policies for the insured crop in each county must have identical elections for:
  - a. MCEU;
  - b. Insurance plan;
  - c. Coverage level, by irrigation practice if applicable; and
  - d. EU or EU by cropping practice if applicable.
4. Both county crop policies within the MCEU must be written with the same AIP.

## **When must I designate the primary and secondary county for a MCEU?**

You must designate the primary and secondary county for each MCEU on or before the earliest acreage reporting date (ARD) for the crop year. If the primary and

secondary counties are not designated by the earliest ARD for a crop year, then the MCEU will not apply for that crop year.

**If I elect MCEU and EU by crop and county and do not qualify for MCEU, or MCEU is not applicable because I don't make primary and secondary county designations by the ARD, what will my unit structure be?**

There are two determinations based on the timing of the discovery if you do not qualify:

1. If the discovery is made on or before the ARD:
  - a. If the crop and county qualify for EU, then an EU on a crop and county basis will apply;
  - b. If the crop and county does not qualify for EU, then BUs or OUs, whichever you reported on your acreage report and qualify for, will apply.
2. If the discovery is made after the ARD:
  - a. If the crop and county qualify for EU, then an EU on a crop and county basis will apply;
  - b. If the crop and county does not qualify for EU, then a BU will apply.

**If I elect MCEU and EU for both irrigation practices and do not qualify for MCEU, or MCEU is not applicable because I don't make primary and secondary county designations by the ARD, what will my unit structure be?**

There are two determinations based on the timing of the discovery if you do not qualify:

1. If the discovery is made on or before the ARD:

a. If both irrigation practices separately meet EU qualifications, then EU applies for both irrigation practices;

b. If both irrigation practices do not separately meet EU qualifications, you may elect:

(i) One EU for one irrigation practice (all irrigated or all non-irrigated practices), provided it meets the qualifications for an EU, and BUs or OUs for the other irrigation practice, whichever you reported on your acreage report and qualify for. MCEU will apply if all requirements are met; or

(ii) One EU for both irrigation practices on a crop and county basis, provided it meets the qualifications for a single EU. MCEU will apply if all requirements are met; or

2. BUs or OUs for both irrigation practices, whichever you reported on your acreage report and qualify for.

3. If the discovery is made after the ARD:

(a) If both irrigation practices separately meet EU qualifications, then EU applies for both irrigation practices;

(b) If both irrigation practices do not separately meet EU qualifications, then:

(i) One EU will apply for both irrigation practices on a crop and county basis, provided EU requirements are met; or

(ii) If the EU requirements are not met, a BU applies to both irrigation practices.

**If I elect MCEU and EU on one irrigation practice (EU for irrigated or non-irrigated practices) and BUs or OUs on the other irrigation practice and do not qualify for MCEU, or MCEU is not applicable because I don't make primary and secondary county designations by the ARD, what will my unit structure be?**

There are two determinations based on the timing of the discovery if you do not qualify:

1. If the discovery is made on or before the ARD:

- a. If the irrigation practice that EU was elected for meets EU qualifications, then EU will apply to that irrigation practice, and the other irrigation practice with BUs or OUs will have the unit structure chosen by you and you qualify for;
- b. If you do not qualify for an EU on one irrigation practice (irrigated or non-irrigated) when you elect to insure one of the irrigation practices as an EU and BUs or OUs on the other irrigation practice; the unit structure for both irrigation practices will be based upon BUs or OUs, whichever you reported on your acreage report and qualify for.

2. If the discovery is made after the ARD:

- a. If the irrigation practice that EU was elected for meets EU qualifications, then EU will apply to that practice and the other irrigation practice with the different unit structure will have the unit structure chosen by you and you qualify for;
- b. If you do not qualify for an EU on one irrigation practice when you elect to insure one of the irrigation practices as EU and a different unit structure on the other irrigation practice, then a BU applies to both irrigation practices.

## **How is the enterprise unit premium discount determined?**

The enterprise unit premium discount will be determined by using the total insured acres contained in the MCEU. The EU discount factor applies to planted and acreage prevented from being planted when determining premium.

## **What premium subsidy is available for enterprise units?**

EU (including EU by irrigation practice) subsidy rates are shown in the table below will apply for each county in the MCEU:

<b>Coverage Level</b>	50%	55%	60%	65%	70%	75%	80%	85%
<b>Subsidy</b>	80%	80%	80%	80%	80%	77%	68%	53%

## **Is the MCEU Endorsement available for EUs by Following Another Crop and Not Following Another Crop cropping practices?**

No.