



19-MCEU

(Released November 2018)

UNITED STATES DEPARTMENT OF AGRICULTURE  
FEDERAL CROP INSURANCE CORPORATION  
MULTI-COUNTY ENTERPRISE UNIT PILOT ENDORSEMENT

In return for your payment of premium for the coverage, this Endorsement will be attached to and made part of the Common Crop Insurance Policy, Basic Provisions (Basic Provisions) and Crop Provisions for the insured crop, subject to the terms and conditions described herein. Except as specified in this Endorsement, all provisions of the underlying policy apply. In addition to enterprise units as defined in section 1 of the Basic Provisions, you may elect to establish a multi-county enterprise unit under this Endorsement by combining acreage of the insured crop in contiguous counties for the purposes specified in this Endorsement.

(This is a continuous Endorsement. Refer to Section 2 of the Basic Provisions.)

**1. Definitions**

**Contiguous county** - Any county whose border touches at any point with the primary county.

**Multi-county enterprise unit** - All insurable acreage of the same insured crop, by irrigation practice if applicable, in the primary county and secondary county in which you have a share on the date coverage begins for the crop year.

**Primary county** - A county you designate to be the base county in a multi-county enterprise unit.

**Secondary county** - The county you designate to combine acreage with the primary county to establish a multi-county enterprise unit.

**2. Conditions of Insurance**

- (a) You must have the Basic Provisions, and applicable Crop Provisions, in force to elect coverage under this Endorsement; and
- (b) In accordance with section 34(a)(3) of the Basic Provisions, on or before the earliest sales closing date of the crop in the county you must elect the enterprise unit structure and elect this Endorsement.
- (c) This Endorsement is available only when authorized by the actuarial documents for each county.
- (d) This Endorsement does not combine the crop policies of the primary and secondary county and all terms of those policies apply separately to each county, except as provided by this Endorsement.

**3. Multi-County Designation**

- (a) You must designate a primary county and secondary county on or before the earliest applicable acreage reporting date.
  - (1) The secondary county must be a contiguous county of the designated primary county for the multi-county enterprise unit.
  - (2) Contiguous counties will be listed in the actuarial documents.
- (b) For a primary county and secondary county to be part of a multi-county enterprise unit:
  - (1) There must be insured planted acreage of the crop in each county that you have a share in on the date coverage begins;
  - (2) The policies for the insured crop in each county must

have identical elections for:

- (A) Multi-county enterprise unit(s);
- (B) Insurance plan;
- (C) Coverage level, by irrigation practice if applicable; and
- (D) Enterprise unit or enterprise unit by irrigation practice;(3) The policies for the insured crop in each county must be insured with us; and
- (4) The primary and secondary counties must be located in the same state.

- (c) If you have elected enterprise units by irrigation practice, multi-county enterprise units will be designated separately for each irrigation practice:
  - (1) The insurance plan and coverage level must be identical for the irrigation practice in each county.
  - (2) A county may be part of one multi-county enterprise unit for one irrigation practice and a different multi-county enterprise unit for the other irrigation practice.
  - (3) A county with enterprise units elected for one irrigation practice and a different unit structure elected for another irrigation practice may only qualify for a multi-county enterprise unit on the irrigation practice for which enterprise units have been elected.
- (d) If you have elected enterprise units by irrigation practice, you may designate a separate primary county and secondary county for each irrigation practice, provided the criteria of subsection (b) are met.
- (e) If a county is contiguous to more than one county which is designated as a primary county, it may only be designated as a secondary county for one primary county. You must designate which primary county the county is assigned to on or before the earliest applicable acreage reporting date.

**4. Qualifying for a Multi-County Enterprise Unit**

- (a) To qualify for a multi-county enterprise unit, the primary county must separately qualify for an enterprise unit, in accordance with all criteria in section 34(a)(4) of the Basic Provisions and the secondary county must not separately qualify for an enterprise unit.

- (b) If you have more than one designated primary county and secondary county (including separate designations by irrigation practice), qualification for a multi-county enterprise unit will be determined independently for each.
- (c) If the primary county does not qualify for an enterprise unit or the secondary county is not eligible to be part of a multi-county enterprise unit (for either irrigation practice if applicable), the provisions regarding enterprise units in section 34 of the Basic Provisions will apply to the policies in each county.

**5. Annual Premium**

- (a) Premium will be calculated separately for each policy for each county in a multi-county enterprise unit, based on the acres physically located in the county and using the actuarial documents for each county; and
- (b) The total insured planted acreage of the insured crop in a multi-county enterprise unit will be used when determining the Unit Structure Discount Factor for each county (the Unit Structure Discount Factor will also apply to prevented planting acres).

**6. Settlement of Claim**

- (a) The multi-county enterprise unit will be the unit used to determine your loss, by irrigation practice if applicable.
- (b) In accordance with section 15 of the Basic Provisions, the production to count for the multi-county enterprise unit will include all production from both counties comprising the multi-county enterprise unit.

**7. Written Agreements**

- (a) Written agreements that modify the terms of this Endorsement are not permitted.
- (b) This Endorsement is applicable to acres of the insured crop in the county that are insured under a Written Agreement.

**8. Example**

The following is an example of the calculation of production guarantee and production to count of a multi-county enterprise unit:

Producer A farms 100 acres of corn in two separate 50 acre fields in county A and 50 acres of corn in a single field in county B. The APH of each field is 145 bushels per acre. County A qualifies for an enterprise unit and county B does not.

County A has a production guarantee set at 14,500 bushels. County B has a production guarantee of 7,250 bushels. The production guarantee for the MCEU is 21,750 bushels.

After the corn was harvested, the producer filed a claim. Separate production worksheets were then completed for county A and county B. The production to count for county A totaled 10,000 bushels. The production to count for county B totaled 5,000 bushels. The total harvested production to count from the MCEU is 15,000 bushels. The production shortfall of the MCEU was 6,750 bushels.