

**United States  
Department of  
Agriculture**



**FEDERAL CROP  
INSURANCE  
CORPORATION**



# **GENERAL STANDARDS HANDBOOK**

## **2021 AND SUCCEEDING CROP YEARS**

**FCIC-18190-1  
(11-2020)**

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**UNITED STATES DEPARTMENT OF AGRICULTURE  
RISK MANAGEMENT AGENCY  
KANSAS CITY, MISSOURI 64133**

<b>TITLE: 2021 GENERAL STANDARDS HANDBOOK</b>	<b>NUMBER: FCIC 18190-1</b>
<b>EFFECTIVE DATE: 2021 and Succeeding Crop Years</b>	<b>ISSUE DATE: November 24, 2020</b>
<b>SUBJECT:</b>  <b>2021 General Standards Handbook</b>	<b>OPI: Product Administration and Standards Division</b>
	<b>APPROVED:</b>  <i>/s/ John W. Underwood for</i> <b>Deputy Administrator for Product Management</b>

**REASON FOR ISSUANCE**

This handbook provides the official FCIC approved standards for policies administered by AIPs under the General Administrative Regulations, 7 CFR Part 400; Common Crop Insurance Policy Regulations, Basic Provisions, 7 CFR § 457.8 including the Catastrophic Risk Protection Endorsement, 7 CFR Part 402 and the Actual Production History Regulation 7 CFR Part 400 subpart G; the Area Risk Protection Insurance Regulations, 7 CFR Part 407; Stacked Income Protection Plan; the Rainfall and Vegetation Index Plans; and the Whole Farm Revenue Protection Pilot Policy for the 2021 and succeeding crop years.

This issuance obsoletes Bulletin MGR-08-008 with the inclusion of the correction of errors language in Para. 504.

## SUMMARY OF CHANGES

Listed below are the changes to the 2021 FCIC 18190-1 General Standards Handbook with significant content change. Minor changes and corrections are not included in this listing.

Reference	Issuance No.	Description of Additions, Deletions, Changes or Clarifications
Para. 303D	18190-1	Added reason to file an amended application to include electing to use the actual production history of the previous producer
Para. 306B	18190-1	Removed example related to LGM not having premium subsidy
Para. 306C	18190-1	Clarified the use of a previous producer's production history for specific acreage transferred
Para. 842A	18190-1	Removed example related to LGM not having premium subsidy
Exh. 1A	18190-1	Added Acronyms: QL, and SIR
Exh. 1B	18190-1	Added Definition: Irrigate Frequently (for Sprinkler Irrigated Rice Only), Modified Definition: Irrigation Practice by adding CCIP at the end of the title

## **FILING INSTRUCTIONS**

FCIC 18190 General Standards Handbook, issued and dated June 30, 2020, is slip-sheeted (FCIC 18190-1) and effective for all crops with a contract change date of November 30, 2020 and later. This directive is effective on the date issued and will remain in effect until superseded or slip-sheeted. RMA will amend this directive to administer programs reinsured by FCIC under authority of the Federal Crop Insurance Act, 7 U.S.C. 1502 et. seq.

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**A. Deadline (continued)**

**Example:** In a dual SCD county, the insured has a wheat policy and plants fall wheat and applies for BFR or VFR after the fall SCD but prior to the spring SCD. BFR or VFR benefits would not apply to spring wheat because changes cannot be made to the wheat policy after the fall SCD when fall wheat is planted.

**Example:** In a dual SCD county, the insured has a wheat policy, does not plant fall wheat and applies for BFR or VFR after the SCD but prior to the spring SCD. BFR or VFR benefits could apply to spring wheat.

**B. Insureds with an EIN**

If an insured is a person with an EIN, all individuals with a SBI in the insured must be qualified as a BFR for the insured to receive BFR benefits. Likewise, all individuals with a SBI in the insured with an EIN must be a VFR for the entity to receive VFR benefits (see Para. 302 for exception for spouses of VFRs). The business entity with an EIN does not complete a BFR or VFR Application. Each individual that is part of a policy, whether the insured or a SBI, must complete a separate BFR or VFR Application and must separately qualify as a BFR or VFR for the policy to receive BFR or VFR benefits. If an insured has a landlord/tenant policy, both must qualify as a BFR or VFR for the policy to be eligible for BFR or VFR benefits if the tenant/landlord will be insuring the other's share.

**C. Documentation**

- (1) For BFRs, documentation for excluded years of insurable interest must be provided by the individual at the time of BFR Application. Such documentation may include a driver's license to substantiate age; military records to substantiate active military service; and transcripts to substantiate post-secondary education.
- (2) For VFRs, documentation must be provided by the individual at the time of VFR Application. Such documentation for military records to substantiate active military service and discharge, include, but are not limited to:
  - (a) DD 214,
  - (b) DD 215 (corrected DD 214),
  - (c) DD 256 (Reservist),
  - (d) NGB 22 (National Guard or Air National Guard), and
  - (e) NGB 22a (corrected NGB 22).

**Note:** If qualifying for VFR by using the date of discharge as a qualifier and the individual has multiple dates of discharge, use the earliest date of discharge.

### 303 Requesting BFR or VFR (continued)

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#### D. Application Only Required for Initial Crop Year

The BFR or VFR Application is only required to be completed the initial crop year that BFR or VFR is requested. The initial BFR or VFR Application will be used for subsequent crop years.

**Exception:** An amended BFR Application is required to update the status of the BFR when there is: a change in the exclusions of insurable interest in any crop or livestock; to correct any misreported information; or to elect to use a previous producer's actual production history, if was not elected on the initial BFR application. For example, when an insured in the Army Reserves goes on active duty or to correct any misreported information (e.g., a year of producing the crop was not reported).

An amended VFR Application is required to update the status of the VFR: to correct any misreported information (e.g., a year of producing the crop was not reported); or to elect to use a previous producer's actual production history, if was not elected on the initial VFR application.

See Para. 504E for more information regarding corrections.

If the BFR or VFR has multiple policies with different AIPs for the same crop year, only one BFR or VFR Application must be completed. However, the individual must provide a copy of that BFR or VFR Application to each AIP. The individual must also provide a copy of the BFR or VFR Application to any other AIP in subsequent crop years if the insured changes or adds new AIP(s), while the individual remains qualified as a BFR or VFR.

The AIP that accepts the initial BFR or VFR Application must verify the BFR or VFR status (see Para. 304) and provide a copy of the BFR or VFR Application to any subsequent assuming AIP.

### 304 AIP Verification of BFR or VFR Status

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#### A. Verification of Application

The AIP that accepts the BFR or VFR Application must verify BFR or VFR status no later than the ARD.

**Exception:** BFR or VFR status must be verified no later than 30 days after the applicable SCD for crops where the SCD and ARD are on the same date and no later than the applicable SCD for livestock products.

(1) For VFRs, AIPs must verify the individual:

- (a) meets the definition of a veteran using documentation provided by the insured. See 303C above for acceptable documentation.



**E. Inaccurate Information on Application**

When the AIP determines any information on the BFR or VFR Application is inaccurate, the individual may amend the BFR or VFR Application and eligibility will be recalculated if the AIP determines there is no evidence of fraud or misrepresentation. In such instances, an amended BFR or VFR Application must be submitted to RMA when an initial BFR or VFR Application was previously submitted.

If the individual does not amend the BFR or VFR Application, the AIP must submit an amended BFR or VFR Application to RMA through PASS in accordance with Appendix III. Any penalties for misreporting, concealment, fraud or misrepresentation under the terms of the policy may apply.

**306 BFR or VFR Benefits**

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VFR benefits are the same as BFR benefits; therefore, the procedures regarding the Application of BFR benefits apply to VFRs as well. However, the qualifications for VFR and BFR, and any applicable exceptions for the benefits, are different; therefore, the programs are not interchangeable. The following benefits apply to insureds who are eligible for BFR or VFR benefits:

**A. Administrative Fee Waiver**

All CAT and additional coverage policy's administrative fees will be waived.

**B. Additional Premium Subsidy**

VFRs will receive an additional premium subsidy that is 10 percentage points greater than the premium subsidy identified in the actuarial documents. Any plan of insurance with premium subsidy qualifies for the additional VFR premium subsidy.

**Note:** An insured cannot receive BFR or VFR benefits at the same time, i.e., they are not entitled to two 10 percentage point increases in premium subsidy.

**C. Use of Another Person's Production History**

For CCIP policies, a BFR or VFR may use the previous producer's actual production history on any acreage obtained by the BFR or VFR when all of the following apply:

- (1) the BFR or VFR was previously involved in a farming or ranching operation, including involvement in the decision-making or physical involvement in the production of the crop or livestock on the farm or ranch.
- (2) the acreage obtained by the BFR or VFR has actual production history for the specific crop or livestock that the BFR or VFR was previously involved with.
- (3) the previous producer consents to the BFR or VFR using their actual production history for the specific acreage obtained by the BFR or VFR.

See CIH Para. 1508 for more information.

**D. Increase in the Percent of T-Yield Used for Yield Adjustment**

An increase, from 60 to 80 percent of the applicable transitional yield (T-Yield), in the substituted yield for Yield Adjustment when replacing a low actual yield due to an insured cause of loss for CCIP policies (see CIH Part 12 Section 3 for more information).

**837 Price (continued)**

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**D. Price Percentage (continued)**

	CAT	ADDITIONAL COVERAGE							
Coverage Level Percentage	50	50	55	60	65	70	75	80	85
Price Percentage	55*	100	91-100	84-100	77-100	72-100	67-100	63-100	59-100

\*Price Percentage may vary by plan.

The following table provides price information for other plans of insurance when CAT is elected. Coverage level percentage is 50 percent unless specified differently.

PLAN OF INSURANCE	PRICE PERCENTAGE
Florida Citrus Trees	55% of the reference maximum price.
Nursery	55% of the Plant Inventory Value Report for the rate classification.
Other Dollar Plan crops	55% of the dollar amount of insurance (Florida Citrus, Forage Seeding, Hybrid Seed Corn, Hybrid Sorghum Seed, Peppers, Raisins, Sweet Corn [Fresh Market] Texas Citrus Trees, Tomatoes [Fresh Market]).
ARPI Crops	45% of the maximum protection per acre at 65% coverage level.

**E. ARPI Projected Price**

The projected price is a price for each crop/P/T shown in the actuarial documents by additional and CAT coverage, determined in accordance with the CEPP, SP or the CP, as applicable. Insureds with ARPI plans of insurance do not elect a percentage of price but do elect a protection factor.

**F. STAX Projected Price**

The projected price is a price for each crop/P/T shown in the actuarial documents by additional and CAT coverage, determined in accordance with the CEPP, SP or the CP, as applicable. If the projected price cannot be determined, STAX coverage cannot be provided.

**838 Protection Factor**

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Instead of a percent of price or price election, ARPI and STAX uses a protection factor (PF). The protection factor is the percentage used to calculate the dollar amount of insurance per acre and policy protection. The insured must choose a protection factor:

- (1) from a range of 80 to 120 percent, unless otherwise specified in the SP;
- (2) as a whole percentage; and
- (3) for each irrigation practice or crop/P/T.

### **838 Protection Factor (continued)**

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**Exception:** Native sod acreage insured under an ARPI policy receives a protection factor equal to 65 percent until the acreage no longer qualifies as native sod. These acres must be separately identified and reported on the Acreage Report.

If a P/T is not listed on the Application, then the protection factor will default to the lowest protection factor available for the crop.

### **839 STAX Area Loss Trigger**

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The percentage of expected area revenue the insured chooses, ranging from 75 percent to 90 percent, below which an indemnity is paid, and which is contained in the actuarial documents.

### **840 STAX Coverage Range**

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A percentage of not less than 5 percent and not more than 20 percent, which represents the amount of the expected area revenue covered by STAX and which is contained in the actuarial documents.

**Note:** Insureds may select a zero-coverage range for P/T(s) insured under STAX.

### **841 Premium Rates**

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The actuarial documents provide the premium rates established for each county and crop.

### **842 Premium Subsidy**

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#### **A. BFR or VFR**

BFRs or VFRs will receive an additional premium subsidy that is 10 percentage points greater than the premium subsidy identified in the actuarial documents. Any plan of insurance with premium subsidy qualifies for the additional BFR or VFR premium subsidy.

**Example:** An insured elects RP with 80 percent coverage level for corn and receives a subsidy factor of 0.48. If the insured qualifies as a BFR or VFR, the insured would receive an additional 10 percentage points of premium assistance which will increase the subsidy factor to 0.58.

When an insured qualifies for BFR or VFR benefits and plants on native sod acreage which results in a reduction in the premium subsidy, the additional premium subsidy for BFR or VFR is applied prior to the reduction of premium subsidy due to planting on native sod acreage. The reduction in premium subsidy applies only to the native sod acreage and does not extend to other acreage in the insured's operation.

**A. Acronyms and Abbreviations (continued)**

<b>Acronym</b>	<b>Full Title</b>	<b>Acronym</b>	<b>Full Title</b>
<b>LP</b>	Late Planting	<b>NRS</b>	Non-Reinsured Supplemental policy
<b>LPD</b>	Late Planting Date	<b>OC</b>	Organic Certified
<b>LPD</b>	Late Payment of Debt (ITS Only)	<b>OFPA</b>	Organic Foods Protection Act (7 U.S.C. 6502)
<b>LPP</b>	Late Planting Period	<b>OT</b>	Organic Transitional
<b>LPRA</b>	Livestock Price Reinsurance Agreement	<b>OU</b>	Optional Unit
<b>LRR</b>	Late Reporting Reduction	<b>P/T</b>	Practice/Type
<b>MCEU</b>	Multi-County Enterprise Unit Endorsement	<b>PAAD</b>	RMA, PM Product Analysis and Accounting Division
<b>MI</b>	Misreported Information	<b>PAIR</b>	Perennial Crop Pre-Acceptance Inspection Report
<b>MY</b>	Master Yield	<b>PARA.</b>	Paragraph
<b>NAD</b>	National Appeals Division	<b>PASD</b>	RMA, PM, Product Administration and Standards Division
<b>NAICC</b>	National Alliance of Independent Crop Consultants	<b>PASS</b>	Policy Acceptance and Storage System
<b>NAP</b>	FSA Non-Insured Assistance Program	<b>PAW</b>	Pre-Acceptance Worksheet
<b>NASS</b>	National Agricultural Statistics Service	<b>PF</b>	Protection Factor
<b>NCIS</b>	National Crop Insurance Services	<b>PLSS</b>	Public Land Survey System
<b>NDS</b>	Non-Disclosure Statement	<b>PM</b>	RMA, Product Management
<b>NFAC</b>	Not Following Another Crop	<b>POA</b>	Power of Attorney
<b>NIBR</b>	Not Inter-tilled Between Rows	<b>PP</b>	Prevented Planting
<b>NIRR</b>	Non-irrigated	<b>PPB</b>	Parts per Billion
<b>NISH</b>	FCIC 24090 Nursery Crop Insurance Standards Handbook	<b>PPM</b>	Parts per Million
<b>NOAA</b>	National Oceanic and Atmospheric Administration	<b>PPSH</b>	Prevented Planting Standards Handbook
<b>NOL</b>	Notice of Loss	<b>PRD</b>	Production Reporting Date
<b>NOP</b>	National Organic Program	<b>PRF</b>	Pasture, Rangeland, Forage
<b>NPS</b>	No Practice Specified	<b>PRH</b>	Production and Revenue History
<b>NRCS</b>	USDA Natural Resources Conservation Service	<b>PRV</b>	Pecan Revenue

**A. Acronyms and Abbreviations (continued)**

<b>Acronym</b>	<b>Full Title</b>	<b>Acronym</b>	<b>Full Title</b>
<b>PRWORA</b>	Personal Responsibility and Work Opportunity Reconciliation Act of 1996	<b>SNR</b>	Signal to Noise Ratio
<b>PTC</b>	Production to Count	<b>SP</b>	Special Provisions
<b>PW</b>	Production Worksheet	<b>SRA</b>	Standard Reinsurance Agreement
<b>QAF</b>	Quality Adjustment Factor	<b>SRH</b>	Summary of Revenue History
<b>QL</b>	Quality Loss Option	<b>SSA</b>	Social Security Administration
<b>RAN</b>	RMA Assigned Number	<b>SSN</b>	Social Security Number
<b>RI</b>	Rainfall Index	<b>STAX</b>	Stacked Income Protection Plan
<b>RIV</b>	Reduction in Value	<b>TA</b>	Trend-Adjusted APH
<b>RLU</b>	Resource Land Unit (Field)	<b>TAP</b>	Tree Assistance Program
<b>RMA</b>	USDA Risk Management Agency	<b>TDP</b>	Tree-based Dollar Amount of Insurance
<b>RMSD</b>	RMA, Insurance Services, Risk Management Services Division	<b>TIN</b>	Tax Identification Number
<b>RO</b>	RMA, Insurance Services, Regional Office	<b>TMA</b>	T-Yield Map Area
<b>RP</b>	Revenue Protection	<b>TW</b>	Test Weight
<b>RPHPE</b>	Revenue Protection Harvest Price Exclusion	<b>TWF</b>	Test Weight Factor
<b>RSA</b>	Representative Sample Area	<b>TWPF</b>	Test Weight Pack Factor
<b>RSC</b>	Representative Sample of Crop	<b>T-Yield</b>	Transitional Yield
<b>RSD</b>	RMA, Reinsurance Services Division	<b>UA</b>	Unit Structure Code for WUA
<b>RY</b>	Reinsurance Year	<b>UAS</b>	Unmanned Aerial System
<b>RYAF</b>	Reference Year Adjustment Factor	<b>UAV</b>	Unmanned Aerial Vehicle
<b>SARE</b>	Sustainable Agriculture Research and Education	<b>UD</b>	Unit Structure Code for Unit Division Option
<b>SA-T</b>	Simple Average T-Yield	<b>UDO</b>	Unit Division Option
<b>SBI</b>	Substantial Beneficial Interest	<b>UG</b>	RO Underwriting Guide
<b>SCD</b>	Sales Closing Date	<b>UH</b>	Unharvested
<b>SCO</b>	Supplemental Coverage Option	<b>US</b>	United States
<b>SCP</b>	Simplified Claims Process	<b>USC</b>	United States Code
<b>SEC</b>	Section	<b>USDA</b>	United States Department of Agriculture
<b>SF</b>	Summer Fallow	<b>USGSA</b>	United States Grain Standards Act
<b>SIR</b>	Sprinkler Irrigated Rice	<b>USICE</b>	United States Immigration and Customs Enforcement

## **B. Definitions (continued)**

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**Insurance Period** – The period during which liability for loss due to insured causes is assumed according to the applicable endorsement or policy.

**Insurance Policy** – Defines the rights and responsibilities of the insured and the AIP. Refer to “Insurance Contract.”

**Insurance Premium** – The dollar amount paid for insurance. Does not include administrative fees.

**Insured** - The named person as shown on the Application accepted by the AIP. This term does not extend to any other person having a share or interest in the crop (for example, a partnership, landlord, or any other person) unless specifically indicated on the accepted Application.

**Insured Acres** – Insurable acreage that is insured in accordance with the policy. This would include, but is not limited to: (1) Insurable acreage reported by the insured by the ARD; or (2) Insurable acreage of the insured crop reported by the insured after the ARD and the AIP accepts such acreage as allowed by the CP and LAM/Crop Loss Standards procedure.

**Insured Cause of Loss** – An unavoidable cause of loss defined in the policy or endorsement for which an indemnity can be paid.

**Insured Crop** - The crop in the county for which coverage is available under the insured’s policy as shown on the Application accepted by the AIP.

**Intended Acreage Report** - A report of the acreage the insured intends to plant, by crop, for the current crop year and used solely for the purpose of establishing eligible prevented planting acreage.

**Intended Use** - The expected end use or disposition of the commodity at the time the commodity is reported.

**Intermittent Flood Irrigation** - An irrigated practice, also known as alternate wetting and drying (AWD), that allows flood irrigation water within a rice field to subside naturally (dry down) to a limited extent, that maintains field saturation (i.e. muddy), with a water level of no more than two (2) inches below the soil surface between flood conditions (based on the water level in the upper one-third of the field for precision-grade fields utilizing multiple-inlet or side-inlet water distribution systems), unless otherwise recommended by a local agricultural expert, during rice growth and development before the field is reflooded.

**Interval** - A period of time designated in the actuarial documents.

**Interplanted** - Acreage on which two or more crops are planted in a manner that does not permit separate agronomic maintenance or harvest of the insured crop.

**Irrigate Frequently (for Sprinkler Irrigated Rice only)** - Irrigation that shall occur often enough to provide at least the minimum amount of water needed for normal growth; to include an accounting for rainfall and irrigation events so that soil water conditions in the effective root zone does not cause crop water stress on the rice being grown.

## **B. Definitions (continued)**

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**Irrigated Practice - CCIP** - A method of producing a crop by which water is artificially applied during the growing season by appropriate systems and at the proper times, with the intention of providing the quantity of water needed to produce at least the yield used to establish the irrigated production guarantee or amount of insurance on the irrigated acreage planted to the insured crop.



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## **B. Definitions (continued)**

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**Irrigated Practice - ARPI** - A method of producing a crop by which water, from an adequate water source, is artificially applied in sufficient amounts by appropriate and adequate irrigation equipment and facilities and at the proper times necessary to produce at least the (1) yield expected for the area; (2) yield used to establish the production guarantee or amount of insurance/coverage on the irrigated acreage planted to the commodity; or (3) producer's established approved yield, as applicable. Acreage adjacent to water, such as but not limited to a pond, lake, river, stream, creek or brook, shall not be considered irrigated based solely on the proximity to the water. The insurable irrigation practices are specified in the actuarial documents.

**Irrigation - Adequacy of Facilities** – Irrigation facilities are considered adequate if it is determined that, at the time insurance attaches to planted or perennial acreage, they will be available and usable at the times needed and have the capacity to timely deliver water in sufficient quantities to carry out a good irrigation practice for the acreage insured under the irrigated practice.

**Irrigation - Reasonable Expectation** – The insured had no reason to know at the time coverage began, that the amount irrigation water may be limited or reduced. If the insured knew or had reason to know that the amount of irrigation water may be reduced before coverage begins, no reasonable expectation exists.

**Irrigation Water Supply** – The water source and means for supplying irrigation water, without regard to the equipment or facilities. This includes the water source and dams, canals, ditches, pipelines, etc., which contain the water for movement from the source to the acreage and (a) are not under the control of the insured, or (b) routinely deliver water to acreage in addition to that which is owned or operated by the insured. It does not include any irrigation equipment or facilities.

**Landlord** - The person who holds the ownership interest to the land that is leased or rented to another person, called the tenant, on which the crop is grown. The landlord receives a cash payment or a share of the crop as a lease or as rental payment from the tenant.

**Lag Year** – When there is a one-year lag in the APH database due to production records generally not available by the cancellation date for the most recent crop year. For example, for the 2012 crop year the base period will begin with the 2010 crop year and may contain up to ten consecutive APH crop years.

**Late-Filed Acreage Report** – Any original acreage report obtained from the policyholder after the final ARD established by the actuarial documents.

**Late-Filed Application** – Any original Application for insurance signed by the producer after the SCD established by the actuarial documents.

**Late-Filed Claim** – Refer to “Delayed Notice.”

**Late Planted** - Acreage initially planted to the insured crop after the final planting date.

**Late Planting Period** - The period that begins the day after the final planting date for the insured crop and ends 25 days after the final planting date, unless otherwise specified in the CP or SP. For acreage planted during the late planting period, coverage is reduced according to the CP