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Federal Crop
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Risk Management
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Product
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HIGH-RISK ALTERNATE COVERAGE ENDORSEMENT STANDARDS HANDBOOK

2021 and Succeeding Crop Years

**UNITED STATES DEPARTMENT OF AGRICULTURE
WASHINGTON, D.C. 20250**

TITLE: HIGH-RISK ALTERNATE COVERAGE ENDORSEMENT INSURANCE STANDARDS HANDBOOK	NUMBER: 20190-2
EFFECTIVE DATE: 2021 and Succeeding Crop Years	ISSUE DATE: November 25, 2020
SUBJECT: Provides the procedures and instructions for the High-Risk Alternate Coverage Endorsement crop insurance program	OPI: Product Administration and Standards Division
	APPROVED: <i>/s/ John Underwood for Richard Flournoy</i> Deputy Administrator for Product Management

This handbook is issued to provide official FCIC-issued underwriting instructions for administering the High-Risk Alternate Coverage Endorsement (HR-ACE) for the 2021 and subsequent crop years for crops with a contract change date on or after November 30, 2020. It is effective until reissued or until the program is terminated by FCIC.

In the absence of industry developed, FCIC-approved procedure for this crop, all reinsured companies will utilize these standards for both underwriting and training.

SUMMARY OF CHANGES/CONTROL CHART

The following list contains significant changes to the HR-ACE Insurance Standards Handbook, as determined by us. It may not represent all changes made. All changes made to this handbook are applicable regardless of whether or not listed.

Major Changes: See changes or additions in text which have been highlighted. Three stars (***) identify where information has been removed.

Changes for Crop Year 2021:

Paragraph 1 – Removed paragraphs B and E as they are no longer applicable.

HIGH-RISK ALTERNATE COVERAGE ENDORSEMENT STANDARDS HANDBOOK

CONTROL CHART

High-Risk Alternate Coverage Endorsement Standards Handbook						
	TP Page(s)	TC Page(s)	Text Page(s)	Exhibit Page(s)	Date	Directive Number
Remove	1-2		1-2 3		11-2018 11-2019	FCIC-20190 FCIC-20190-1
Insert	1-2		1-3		11-2020	FCIC-20190
Current Index	1-2	1	1-3 4-9	10-14	11-2020 11-2020 11-2018 11-2018	FCIC-20190 FCIC-20190 FCIC-20190 FCIC-20190

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PART 1 GENERAL INFORMATION AND RESPONSIBILITIES

1 General Information

A. Purpose

This handbook provides procedure for administering the HR-ACE. The HR-ACE provides insureds who meet all eligibility requirements an opportunity to insure high-risk land on a separate additional coverage policy with coverage greater than CAT but less than the coverage on the base policy.

B. Related Handbooks

The following table provides handbooks related to this handbook.

CIH	All instructions in the CIH apply to HR-ACE with the exception of those items identified in this handbook.
GSH	All instructions in the GSH apply to HR-ACE with the exception of those items identified in this handbook.
LAM	There are no additions or modifications to the LAM. All instructions in the LAM apply to HR-ACE without change.
PP LASH	There are no additions or modifications to the PP LASH. All instructions in the PP LASH apply to HR-ACE.
Crop LASH	There are no additions or modifications to the Crop LASH. All instructions in the Crop LASH apply to HR-ACE.

C. Duration

The HR-ACE will be effective until terminated by FCIC.

D. Approved Area

The HR-ACE is available where premium rates and other actuarial materials for HR-ACE are included in the actuarial documents for the county.

E. Applying for HR-ACE

Use the HR-ACE application developed according to HR-ACE application standards contained in Ex. 3. The application must indicate the insured has selected the HR-ACE along with the other required information.

1 General Information (Continued)

F. AIPs and Agents

For the purposes of the HR-ACE, AIPs may authorize contracted agents to perform all functions and actions authorized by the CIH as supplemented by the instructions in this handbook.

2 Responsibilities

A. AIP Responsibilities

AIPs electing to offer the HR-ACE must:

- (1) offer it to all eligible insureds in the approved area; and
- (2) provide each insured a copy of the insurance documents.

B. Insured's Responsibilities

To be eligible for the HR-ACE, the insured must:

- (1) elect the Endorsement on the application; and
- (2) comply with all terms and conditions of the HR-ACE and the base policy.

3-20 (Reserved)

PART 2 ELIGIBILITY

21 HR-ACE

A. Applicability

The HR-ACE applies to all acreage that meets the requirements for insurability under the terms of the Common Crop Insurance Policy-Basic Provisions (BP) and is designated as high-risk land.

B. Eligibility Requirements

To be eligible for the HR-ACE, the insured must comply with all of the terms of the HR-ACE.

- (1) High-risk land is not eligible for HR-ACE if the insured chooses the CAT level of coverage.
- (2) The insured must execute a HR-ACE application prior to the SCD for the crop.

C. Eligible States and Counties

Eligible states and counties are specified on the actuarial documents.

D. Eligible Crops

Eligible crops are limited to corn, soybeans, wheat and grain sorghum, unless the actuarial documents provide HR-ACE for additional crops.

E. Units

WUs are not allowed on high-risk land covered by the HR-ACE.

- (1) BU, EU/EP, and OU are allowed on high-risk land covered by the HR-ACE.
- (2) Election of the HR-ACE does not impact the unit structure of the base policy in effect.
- (3) Insureds can elect a different unit structure on their base policy than on the HR-ACE. For example, insureds can elect EU on their base policy and OU on the HR-ACE.